

ANNUAL REPORT

**FOR THE REPORTING PERIOD FROM
1 JANUARY 2021 TO 31 DECEMBER 2021**

OF

ALPIQ ENERGY SE

with its registered address at Jungmannova 26/15, 110 00 Prague 1, business
registration No. (IC): 284 77 090

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1. GENERAL PART

ALPIQ ENERGY SE ("the Company") is a European joint stock company having its registered address at Jungmannova 26/15, 110 00, Prague 1 Czech Republic, business registration No. (IC): 284 77 090, Tax ID: CZ 284 77 090, incorporated by an entry in the Public Register maintained with the Registration Court in Prague, File H81, on 20 October 2008. The Company is involved in electricity and gas trading and associated services. Alpiq Energy SE is a member of the Swiss energy group Alpiq (parent company of whole group is Alpiq Holding AG).

2. COMPANY PROFILE

Name:	ALPIQ ENERGY SE
Registered Address:	Jungmannova 26/15, 110 00 Prague 1
Business Registration Number:	284 77 090
Legal form:	European company (société européenne - SE)
Business:	production, trading and services not included in appendices 1 to 3 of the Trade Licensing Act gas trading
Scope of main activities:	electricity and gas trading and related services
Basic capital:	EUR 7,000,000 (CZK 172,655,000)
Statutory bodies of the Company:	as at 31 December 2021

Board of Directors	
Chair:	Zdeněk Čihák
Member:	Jan Kožušník
Member:	Georgios Peponis

Supervisory Board	
Member:	Petter Torp

Procurators:	
Libuše Jeremiášová	Martin Šiška
Martin Hulena	Karel Ouška
Hana Lindovská	Tereza Jášková
Gergely Gonda	

At least two members of the Board of Directors jointly (including the Board of Director's chairman and a member), or at least two procurators act and sign on the Company's behalf.

Sole Shareholder: Alpiq AG
Olten, Bahnhofquai 12, zip code 4600
the Swiss Confederation
business registration No.: CHE-105.974.401

The following changes were made to the Public Register entry in the period from 1 January 2020 to 31 December 2020:

On 1 January 2021, a merger by acquisition was entered in the Public Register. As a result of this merger, Alpiq Retail CZ s.r.o., as a dissolving company merged into ALPIQ ENERGY SE as the successor company as at the effective date 1 January 2021.

Significant events from 1 January 2021 to 31 December 2021:

In 2021 the Company returned the license for power trading in Lithuania.

On 27 September 2017 the Company received a decision of the Romanian Tax Authority (ANAF) whereby it was assessed RON 792.7 million on VAT, income tax and accessories for the period from 2010 to 2014. The Company disagrees with the decision and has appealed the decision to the superior Tax Authority in 2017. The management of the Company is convinced that the decision of Romanian Tax Authority is unjustifiable and legally unsubstantiated. This opinion is supported also by analyses of external tax and legal experts. On 26 June 2018, the Company received the decision of ANAF appellate body with respect to its appeal. In the main proceedings, ANAF appellate body supported view of ANAF's audit team and dismissed the appeal with regard to a part of an amount of RON 589 million as being without merit. The decision of the tax authority of the assessment in the amount of RON 204 million was annulled by the appellate body of ANAF and it ordered a reaudit for that amount. In one matter concerning an immaterial amount, ANAF ruled in favor of the Company. In December 2018, the Company filed the respective merit claim with administrative court in Bucharest against the decision of ANAF appealing body, including full evidence and expert opinions. On 16 September 2019 the Court of Appeal in Bucharest granted the request of the Company and suspended enforcement of the tax assessment until the final decision of the courts in the merit case opened by the Company against ANAF. On 19 October 2021 the respective administrative court in Bucharest ruled in the merit case fully in favor of the Company cancelling both the decision of the appellate body of ANAF and the preceding original tax assessment. The decision is not final yet as ANAF can still appeal it upon delivery of the written reasoned judgement (which has not been delivered to the parties yet). The company further initiated civil law claim against ANAF in the amount of approx. EUR 2.5m representing damages caused by the unlawful tax assessment. The related first instance proceedings are pending at the moment in front of the respective court in Bucharest.

As at 31 December 2021 the Company holds foreign branches in Hungary, Romania, Switzerland and Poland.

3. REPORT ON THE COMPANY'S BUSINESS PERFORMANCE AND PROJECTED DEVELOPMENTS

Business performance

In 2021 the Company continued with the business strategy where primary trading intention of majority of contracts is a short-term price speculation and profit. Under the new business strategy, the Company kept increasing the volume of financially settled contracts made on European power exchanges and partially also via financially settled deals with third parties (OTC contracts).

Similarly to the previous periods, the Company was active in the majority of markets and power exchanges of Central and Eastern Europe. In terms of energy services the Company continued to expand trading of non-standard products, portfolio management and hedging products on all main CESEE power and gas markets, management and off-taking of electricity and certificates from renewable producers mainly in Poland and Bulgaria or ancillary services in Hungary. Additionally, the Company merged with its sister company Alpiq Retail CZ s.r.o. in order to expand its product offer and use the synergies with its wholesale portfolio in the Czech Republic.

In 2021 the power and gas markets experienced unprecedented increase of commodity prices and volatility in its history. As a result, the Company's turnover as well as most of the short-term receivables and payables have dramatically increased compared to the previous year. The Company had to significantly extend the cash collaterals provided to Power Exchanges which were financed mainly from its own funds and negatively impacted Company's cash flows in 2021. Operating profit without allowances to doubtful debts resulted in record positive balance of CZK 1.9 billion. Unfortunately, the market circumstances had a significant impact on cash-flow of many market participants which started having credit issues and some defaulted in contractual supplies to the Company. The allowances against receivables from these defaulted counterparties reached the amount of CZK 4 billion.

Despite the record high trading profits the allowances and provisions turned the Company into significant accounting losses. The Company incurred the net loss for the year in the amount of CZK 2.66 billion.

During the year the Company together with the Group reassessed the strategy and business activities and tightened its risk policies. As a result of unprecedented market volatility, the further development of the B2B activities in the Czech Republic was stopped and in 2022 the Company is to continue to focus primarily on the trading of the standard commodity contracts in whole CESEE region. The aim of the Company is to adopt internal optimization measures that will increase the resilience to future market developments and credit risk of trading partners.

Other

Despite the market turbulences the Company's operational liquidity and net assets position remained strong in 2021 allowing the Company to further develop its trading activities in upcoming year as planned and fulfill all its commitments.

Alpiq Group is investing in automatization, robotization as well as into trading systems and is focusing on harmonization of processes throughout the Alpiq Group in order to be more efficient. During the year the Company completed the harmonization of its core trading and billing systems with Alpiq Group.

In 2022 the company is going to implement new billing system for non-standard deals and deals with measured data for its branches in Poland and Hungary.

4. RELATED PARTY REPORT

The Report on Relations between the Controlling Person and Controlled Person and between the Controlled Person and other persons controlled by the same Controlling Person (the "Report on Relations") for the Reference Period is an integral part of this Annual Report as an Appendix.

5. FINANCIAL STATEMENTS

The annual financial statements for the reporting period from 1 January 2021 to 31 December 2021 are an integral part of this Annual Report as an Appendix and were audited by the audit firm Ernst & Young Audit, s.r.o.

6. FOREIGN BRANCHES AS AT 31 DECEMBER 2021

The Company has the following foreign branches:

ALPIQ ENERGY SE Magyarországi Fióktelepe
1085 Budapest, Kálvin tér 12.
Hungary

ALPIQ ENERGY SE SPÓŁKA EUROPEJSKA ODDZIAŁ W POLSCE
00 609 Warszawa, ul. Armii Ludowej 26
Poland

ALPIQ ENERGY SE PRAGA – SUCURSALA BUCURESTI
Bulevardul DACIA, Nr. 30, camera 10, Etaj 6, Bucuresti Sectorul 1,
Romania

ALPIQ ENERGY SE, Prag, Zweigniederlassung Niedergösgen
Oltnerstrasse 63, 5013 Niedergösgen
the Swiss Confederation

7. INFORMATION ON CORPORATE ACTIVITIES PURSUANT TO SECTION 21(2) OF ACT 563/1991 COLL.

The Company carried out no research & development activities in 2021.

In compliance with the valid legal requirements the Company pays permanent attention to environmental protection, particularly the waste management.

The Company strictly complies with the Labor Code. Trade unions are not active in the Company. The average number of employees was 69 in 2021. Social expenses were withdrawn in accordance with the internal policy. The major employee benefits include meal allowances, contributions to language courses and leisure activities.

The Company does not own any own shares at the date of the annual report.

8. SUBSEQUENT EVENTS

On 14 January 2022 based on the shareholder's decision Georgios Peponis was recalled from the position member of the Board of Directors and Gergely Gonda appointed as a member of the Board of Directors. These events were registered in the Public register on 5 February 2022.

On 5 February 2022 the procurator Gergely Gonda was deleted from Public register.

9. CONFIDENTIALITY

1. All information and matters, which are part of trade secrets of the Controlling Person, Controlled Person and other Related Parties, are deemed confidential including any and all information that any related party marks and designates as confidential. In addition, all business-related information that could by itself or in connection with other information or facts result in detriment to any related party is deemed confidential.

2. To avoid any detriment to the Controlled Person with regard to paragraph 1 of this article above, this report does not contain any other confidential information and facts.

In Prague on 30 March 2022

.....
ALPIQ ENERGY SE
Zdeněk Čihák
Board of Directors Chairman

.....
ALPIQ ENERGY SE
Jan Kožušník
Board of Directors member

(Translation of a report originally issued in Czech - see Note 2 to the financial statements.)

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of ALPIQ ENERGY SE:

Opinion

We have audited the accompanying financial statements of ALPIQ ENERGY SE (the Company) prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2021, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Company, see Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted 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 clauses. 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 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 Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information 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. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Company's Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 above 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 above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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.

Ernst & Young Audit, s.r.o.
License No. 401

Martin Skácelík, Auditor
License No. 2119

30 March 2022
Prague, Czech Republic

ALPIQ ENERGY SE as at 31.12.2021

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

BALANCE SHEET - LONG FORM

		Current year			Prior year
		Gross	Allowances	Net	Net
	TOTAL ASSETS	40,690,875	(4,331,871)	36,359,004	15,066,628
A.	STOCK SUBSCRIPTION RECEIVABLE				
B.	FIXED ASSETS	33,185	(22,523)	10,662	8,924
B. I.	Intangible fixed assets	13,689	(13,153)	536	447
B. I. 1.	Development				
2.	Valuable rights	13,689	(13,153)	536	447
1.	Software	13,689	(13,153)	536	447
2.	Other valuable rights				
3.	Goodwill				
4.	Other intangible fixed assets				
5.	Advances granted for intangible fixed assets and intangible fixed assets in progress	0	0	0	0
1.	Advances granted for intangible fixed assets				
2.	Intangible fixed assets in progress				
B. II.	Tangible fixed assets	11,425	(9,370)	2,055	1,425
B. II. 1.	Land and structures	2,045	(1,830)	215	241
1.	Land				
2.	Structures	2,045	(1,830)	215	241
2.	Movable assets and sets of movable assets	9,380	(7,540)	1,840	1,184
3.	Gain or loss on revaluation of acquired property				
4.	Other tangible fixed assets	0	0	0	0
1.	Perennial crops				
2.	Livestock				
3.	Miscellaneous tangible fixed assets				
5.	Advances granted for tangible fixed assets and tangible fixed assets in progress	0	0	0	0
1.	Advances granted for tangible fixed assets				
2.	Tangible fixed assets in progress				
B. III.	Long-term investments	8,071	0	8,071	7,052
B. III. 1.	Interests – controlled or controlling entity				
2.	Loans and borrowings – controlled or controlling entity				
3.	Interests – significant influence				
4.	Loans and borrowings - significant influence				
5.	Other long-term securities and interests	8,071		8,071	7,052
6.	Loans and borrowings - other				
7.	Other long-term investments	0	0	0	0
1.	Miscellaneous long-term investments				
2.	Advances granted for long-term investments				
C.	CURRENT ASSETS	40,611,380	(4,309,348)	36,302,032	15,029,325
C. I.	Inventories	421,524	0	421,524	1,262,715
C. I. 1.	Materials				
2.	Work in progress and semi-finished production				
3.	Finished products and goods	421,524	0	421,524	1,262,715
1.	Finished products				
2.	Goods	421,524		421,524	1,262,715
4.	Livestock				
5.	Advances granted for inventories				
C. II.	Receivables	39,181,296	(4,309,348)	34,871,948	13,234,187
C. II. 1.	Long-term receivables	157,784	0	157,784	121,742
1.	Trade receivables				
2.	Receivables – controlled or controlling entity				
3.	Receivables – significant influence				
4.	Deferred tax asset	40,721		40,721	50,254
5.	Other receivables	117,063	0	117,063	71,488
5.1.	Receivables from partners				
5.2.	Long-term advances granted	117,063		117,063	68,902
5.3.	Unbilled revenue				
5.4.	Miscellaneous receivables				2,586

The accompanying income statement, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

ALPIQ ENERGY SE as at 31.12.2021

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

BALANCE SHEET - LONG FORM

		Current year			Prior year
		Gross	Allowances	Net	Net
C. II. 2.	Short-term receivables	39,023,512	(4,309,348)	34,714,164	13,112,445
1.	Trade receivables	5,810,406	(4,303,580)	1,506,826	316,214
2.	Receivables – controlled or controlling entity	1,359,932		1,359,932	1,837,150
3.	Receivables – significant influence				
4.	Other receivables	31,853,174	(5,768)	31,847,406	10,959,081
4.1.	Receivables from partners				
4.2.	Social security and health insurance				
4.3.	Due from government - tax receivables	8,012	(465)	7,547	3,779
4.4.	Short-term advances granted	654,437		654,437	500,572
4.5.	Unbilled revenue	18,890,084		18,890,084	9,107,311
4.6.	Miscellaneous receivables	12,300,641	(5,303)	12,295,338	1,347,419
C. III.	Short-term financial assets	0	0	0	0
1.	Interests - controlled or controlling entity				
2.	Other short-term financial assets				
C. IV.	Cash	1,008,560	0	1,008,560	532,423
1.	Cash in hand	38		38	57
2.	Cash at bank	1,008,522		1,008,522	532,366
D. I.	Prepaid expenses and accrued income	46,310	0	46,310	28,379
D. I. 1.	Prepaid expenses	46,310		46,310	28,379
2.	Prepaid expenses (specific-purpose expenses)				
3.	Accrued income				

The accompanying income statement, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

BALANCE SHEET - LONG FORM

		Current year	Prior year
TOTAL EQUITY & LIABILITIES		36,359,004	15,066,628
A.	EQUITY	2,465,250	5,147,270
A. I.	Basic capital	172,655	172,655
A. I. 1.	Registered capital	172,655	172,655
2.	Own ownership interests (-)		
3.	Changes in basic capital		
A. II.	Share premium and revaluation reserve	0	0
A. II. 1.	Share premium		
2.	Capital funds	0	0
1.	Other capital funds		
2.	Gain or loss on revaluation of assets and liabilities (+/-)		
3.	Gain or loss on revaluation upon corporate transformation (+/-)		
4.	Differences arising on corporate transformation (+/-)		
5.	Differences arising between balance sheet date and transformation date (+/-)		
A. III.	Reserves from profit	5,287,449	5,311,545
A. III. 1.	Other reserves		
2.	Statutory and other reserves	5,287,449	5,311,545
		0	0
A. IV.	Profit (loss) brought forward (+/-)	(336,930)	(578,904)
IV. 1.	Retained earnings	(336,930)	(578,904)
2.	Other profit (loss) brought forward (+/-)		
A. V. 1.	Profit (loss) for the year (+/-)	(2,657,924)	241,974
A. VI. 2.	Approved decision on advances for profit distribution (-)	0	0
B. + C.	PROVISIONS AND LIABILITIES	33,893,754	9,913,570
B. I.	Provisions	1,383,285	24,583
B. I. 1.	Provision for pensions and similar obligations		
2.	Provision for corporate income tax		
3.	Provisions recognized under special legislation		
4.	Other provisions	1,383,285	24,583
C.	Liabilities	32,510,469	9,888,987
C. I.	Long-term liabilities	43,125	0
1.	Bonds payable	0	0
1.	Convertible bonds		
2.	Other bonds		
2.	Amounts owed to credit institutions		
3.	Long-term advances received		
4.	Trade payables		
5.	Long-term notes payable		
6.	Liabilities – controlled or controlling entity		
7.	Liabilities – significant influence		
8.	Deferred tax liability		
9.	Other liabilities	43,125	0
1.	Liabilities to partners		
2.	Unbilled deliveries		
3.	Miscellaneous liabilities	43,125	
C. II.	Current liabilities	32,467,344	9,888,987
1.	Bonds payable	0	0
1.	Convertible bonds		
2.	Other bonds		
2.	Amounts owed to credit institutions		
3.	Short-term advances received	2,064,772	280,332
4.	Trade payables	934,104	180,321
5.	Short-term notes payable		
6.	Liabilities – controlled or controlling entity		555,345
7.	Liabilities – significant influence		
8.	Other liabilities	29,468,468	8,872,989
1.	Liabilities to partners		
2.	Short-term borrowings		
3.	Liabilities to employees	7,133	3,562
4.	Liabilities arising from social security and health insurance	2,781	1,406
5.	Due to government – taxes and subsidies	224,010	79,308
6.	Unbilled deliveries	14,467,808	7,996,215
7.	Miscellaneous liabilities	14,766,736	792,498
D. I.	Accruals and deferred income	0	5,788
D. I. 1.	Accruals		
2.	Deferred income		5,788

ALPIQ ENERGY SE for the year ended 31.12.2021

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

INCOME STATEMENT - LONG FORM

		Current year	Prior year
I.	Revenue from sale of finished products and services	6,051,175	962,441
II.	Revenue from sale of goods	110,336,151	86,877,465
A.	Production-related consumption	112,897,238	87,555,713
A.1.	Cost of goods sold	111,979,921	86,498,088
A.2.	Consumption of material and energy	1,872	1,646
A.3.	Services	915,445	1,055,979
B.	Change in inventory produced internally (+/-)	0	0
C.	Own work capitalized (-)	0	0
D.	Personnel expenses	204,745	112,054
D.1.	Wages and salaries	164,519	89,961
D.2.	Social security and health insurance costs and other costs	40,226	22,093
D.2.1.	Social security and health insurance costs	37,020	19,747
D.2.2.	Other costs	3,206	2,346
E.	Value adjustments in respect of operating activities	4,035,998	(12,270)
E.1.	Value adjustments in respect of intangible and tangible fixed assets	2,838	1,363
E.1.1.	Value adjustments in respect of intangible and tangible fixed assets - permanent	2,230	1,363
E.1.2.	Value adjustments in respect of intangible and tangible fixed assets - temporary	608	
E.2.	Value adjustments in respect of inventory		(15,492)
E.3.	Value adjustments in respect of receivables	4,033,160	1,859
III.	Other operating income	2,352	5,324
III.1.	Income from sale of fixed assets		297
III.2.	Income from sale of materials		
III.3.	Miscellaneous operating income	2,352	5,027
F.	Other operating expenses	1,427,249	52,793
F.1.	Net book value of fixed assets sold		79
F.2.	Net book value of materials sold		
F.3.	Taxes and charges relating to operations	27,240	36,689
F.4.	Provisions relating to operations and prepaid expenses (specific-purpose expenses)	1,358,211	(1,243)
F.5.	Miscellaneous operating expenses	41,798	17,268
*	Profit or loss on operating activities (+/-)	(2,175,552)	136,940
IV.	Income from long-term investments - interests	0	0
IV.1.	Income from interests in subsidiaries or parents		
IV.2.	Other income from interests		
G.	Cost of interests sold	0	0
V.	Income from other long-term investments	0	258
V.1.	Income from other long-term investments - subsidiaries or parents		
V.2.	Other income from other long-term investments		258
H.	Expenses relating to other long-term investments	0	111
VI.	Interest receivable and similar income	65,671	56,829
VI.1.	Interest receivable and similar income - subsidiaries or parents	64,077	55,993
VI.2.	Other interest receivable and similar income	1,594	836
I.	Value adjustments and provisions relating to financial activities	0	0
J.	Interest payable and similar expenses	13,124	4,962
J.1.	Interest payable and similar expenses - subsidiaries or parents	7,510	1,656
J.2.	Other interest payable and similar expenses	5,614	3,306
VII.	Other finance income	0	103,717
K.	Other finance cost	323,806	22,412
*	Profit or loss on financial activities (+/-)	(271,259)	133,319
**	Profit or loss before taxation (+/-)	(2,446,811)	270,259

The accompanying balance sheet, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

ALPIQ ENERGY SE for the year ended 31.12.2021

Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

INCOME STATEMENT - LONG FORM

		Current year	Prior year
L.	Income tax		
L.1.	Income tax due	211,113	28,285
L.2.	Income tax deferred (+/-)	201,580	22,480
		9,533	5,805
**	Profit or loss after taxation (+/-)	(2,657,924)	241,974
M.	Transfer of share of profit or loss to partners (+/-)	0	0
***	Profit or loss for the year (+/-)	(2,657,924)	241,974
*	Net turnover	116,455,349	88,006,034

The accompanying balance sheet, cash flow statement, statement of changes in equity and notes are an integral part of the financial statements.

ALPIQ ENERGY SE for the year ended 31.12.2021
Czech Statutory Financial Statement Forms (in thousands of Czech crowns)

CASH FLOW STATEMENT

For the years ended 31 December 2018 and 2017

		Current year	Prior year
Cash flows from operating activities			
Z.	Profit or loss on ordinary activities before taxation (+/-)	(2,446,811)	270,259
A. 1.	Adjustments to reconcile profit or loss to net cash provided by or used in operating activities	10,531,260	360,174
A. 1. 1.	Depreciation and amortization of fixed assets and write-off of receivables	42,398	17,489
A. 1. 2.	Change in allowances	4,034,012	(13,633)
A. 1. 3.	Change in provisions	1,358,702	(1,243)
A. 1. 4.	Foreign exchange differences	209,645	48,702
A. 1. 5.	(Gain)/Loss on disposal of fixed assets		(107)
A. 1. 6.	Interest expense and interest income	(52,547)	(51,867)
A. 1. 7.	Other non-cash movements (e.g. revaluation at fair value to profit or loss, dividends received, effect of merger on equity)	4,939,050	360,833
A *	Net cash from operating activities before taxation, changes in working capital and extraordinary items	8,084,449	630,433
A. 2.	Change in non-cash components of working capital	(7,434,729)	(2,411,661)
A. 2. 1.	Change in inventory	841,191	(1,172,051)
A. 2. 2.	Change in trade receivables	(5,258,642)	97,257
A. 2. 3.	Change in other receivables and in prepaid expenses and unbilled revenue	(12,111,206)	(504,866)
A. 2. 4.	Change in trade payables	769,340	(213,206)
A. 2. 5.	Change in other payables, and in accruals and deferred income	8,324,587	(618,795)
A **	Net cash from operating activities before taxation, interest paid and extraordinary items	649,720	(1,781,228)
A. 3. 1.	Interest paid	(13,124)	(4,962)
A. 4. 1.	Income Tax paid/ received	(37,807)	7,774
A ***	Net cash provided by (used in) operating activities	598,789	(1,778,416)
Cash flows from investing activities			
B. 1. 1.	Purchase of fixed assets	(4,576)	(1,124)
B. 2. 1.	Proceeds from sale of fixed assets		297
B. 3. 1.	Loans granted	328,268	1,159,948
B. 4. 1.	Interest received	65,876	56,629
B. 5. 1.	Cash restricted in use		
B ***	Net cash provided by (used in) investing activities	389,568	1,215,750
Cash flows from financing activities			
C. 1.	Change in long-term liabilities, and long-term and short-term loans	(512,220)	554,978
C. 2. 1.	Effect of other changes in equity on cash		
C. 2. 2.	Profit shares paid		
C. 2. 3.	Effect of other changes in own capital on cash		
C ***	Net cash provided by (used in) financing activities	(512,220)	554,978
F.	Net increase (decrease) in cash	476,137	(7,688)
P.	Cash and cash equivalents at beginning of year	532,423	540,111
R.	Cash and cash equivalents at end of year	1,008,560	532,423

The accompanying balance sheet, income statement, statement of changes in equity and notes are an integral part of the financial statements.

ALPIQ ENERGY SE

Financial Statements for the year ended 31 December 2021

(Translation of Financial Statements Originally Issued in Czech –
See Note 2 to the Financial Statements)

ALPIQ ENERGY SE

Financial Statements for the year ended 31 December 2021

1. DESCRIPTION OF THE COMPANY

ALPIQ ENERGY SE ("the Company") is a European joint stock company incorporated by an entry in the Public Register on 20 October 2008 in the Czech Republic. The Company's registered office is located at Jungmannova 26/15, Nové Město, 110 00 Prague 1, Czech Republic, and the business registration number (IČ) is 284 77 090. The Company is involved in electricity and gas trading and providing related services.

Members of the statutory bodies as at 31 December 2021 were as follows:

Board of Directors	
Chair:	Zdeněk Čihák
Member:	Jan Kožušník
Member:	Georgios Peponis

Supervisory Board	
Member:	Petter Torp

Procurators	
Libuše Jeremiášová	Martin Šiška
Martin Hulena	Karel Ouška
Hana Lindovská	Tereza Jášková
Gergely Gonda	

The parent company is Alpiq AG with its registered office at Bahnhofquai 12, Olten, the Swiss Confederation, holding a 100% interest in the Company's basic capital. The ultimate parent company is Alpiq Holding AG, the Swiss Confederation.

The Company is included in the consolidated group of the parent company.

At least two members of the Board of Directors jointly (including the Board of Directors' chairman and a member), or at least two procurators act and sign on the Company's behalf.

The following changes were made to the Public Register entry in the period from 1 January 2021 to 31 December 2021:

On 1 January 2021, a merger by acquisition was entered in the Public Register. As a result of this merger, Alpiq Retail CZ s.r.o., as a dissolving company merged into ALPIQ ENERGY SE as the successor company as at the effective date 1 January 2021.

Significant events from 1 January 2021 to 31 December 2021:

In 2021 the Company returned the license for power trading in Lithuania.

On 27 September 2017 the Company received a decision of the Romanian Tax Authority (ANAF) whereby it was assessed RON 792.7 million on VAT, income tax and accessories for the period from 2010 to 2014. The Company disagrees with the decision and has appealed the decision to the superior Tax Authority in 2017. The management of the Company is convinced that the decision of Romanian

Tax Authority is unjustifiable and legally unsubstantiated. This opinion is supported also by analyses of external tax and legal experts. On 26 June 2018, the Company received the decision of ANAF appellate body with respect to its appeal. In the main proceedings, ANAF appellate body supported view of ANAF's audit team and dismissed the appeal with regard to a part of an amount of RON 589 million as being without merit. The decision of the tax authority of the assessment in the amount of RON 204 million was annulled by the appellate body of ANAF and it ordered a reaudit for that amount. In one matter concerning an immaterial amount, ANAF ruled in favor of the Company. In December 2018, the Company filed the respective merit claim with administrative court in Bucharest against the decision of ANAF appealing body, including full evidence and expert opinions. On 16 September 2019 the Court of Appeal in Bucharest granted the request of the Company and suspended enforcement of the tax assessment until the final decision of the courts in the merit case opened by the Company against ANAF. On 19 October 2021 the respective administrative court in Bucharest ruled in the merit case fully in favor of the Company cancelling both the decision of the appellate body of ANAF and the preceding original tax assessment. The decision is not final yet as ANAF can still appeal it upon delivery of the written reasoned judgement (which has not been delivered to the parties yet). The company further initiated civil law claim against ANAF in the amount of approx. EUR 2.5m representing damages caused by the unlawful tax assessment. The related first instance proceedings are pending at the moment in front of the respective court in Bucharest.

As at 31 December 2021 the Company holds foreign branches in Hungary, Romania, Switzerland and Poland.

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

The accompanying financial statements were prepared in accordance with the Czech Act on Accounting and the related guidelines as applicable for 2020 and 2021.

The current and prior period information in the income statement and the cash flow statement contains balances for the period from 1 January 2021 to 31 December 2021 and from 1 January 2020 and 31 December 2020 respectively. The balance sheet includes the current and comparable period containing the balances as at 31 December 2021 and 31 December 2020 respectively.

All the information disclosed in the notes to the financial statements contains the balances as at 31 December 2021 and comparable period as at 31 December 2020 and in some cases also the information related to the merger effect.

Explanation Added for Translation into English

These financial statements are presented on the basis of accounting principles and standards generally accepted in the Czech Republic. Certain accounting practices applied by the Company that conform with generally accepted accounting principles and standards in the Czech Republic may not conform with generally accepted accounting principles in other countries.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in preparing the financial statements as at 31 December 2021 and the financial statements as at 31 December 2020 are as follows:

a) Intangible Fixed Assets

Intangible fixed assets are recorded at their acquisition cost and related expenses.

Intangible fixed assets with a cost exceeding CZK 60 thousand are amortized over their useful economic lives.

Amortization

Amortization is calculated based on the acquisition cost and the estimated useful life of the related asset. The useful economic lives are as follows:

	Years
Software	1 - 4

b) Tangible Fixed Assets

Tangible fixed assets with a cost exceeding CZK 10 thousand in the case of the acquisition of furniture and fixtures and computer and telecommunication technologies and CZK 40 thousand in other cases are recorded at their acquisition cost, which consists of purchase price, freight, customs duties and other related costs. Vehicles are deemed tangible fixed assets regardless of their acquisition cost.

The costs of technical improvements are capitalized. Repairs and maintenance expenses are expensed as incurred.

Depreciation

Depreciation is calculated based on the acquisition cost and the estimated useful life of the related asset. The useful economic lives are as follows:

	Years
Leasehold improvement (constructions)	over the lease term
Machinery and equipment	4 – 7
Vehicles	4
Furniture and fixtures	6

c) Financial Assets

Long-term financial assets consist of ownership interests in the Alpiq group companies.

Interests are valued at their acquisition cost, which includes the purchase price and direct costs related to the acquisition.

Short-term financial assets consist of liquid valuables, cash in hand and at bank.

d) Cash

Within the Alpiq group with a parent company Alpiq Holding AG, a system for utilization of idle money of individual group companies, i.e. cash-pooling, has been introduced. Cash deposited in, or used from, this system as at the balance sheet date is reported in 'Short-term receivables – controlled or controlling entity' or 'Current liabilities – controlled or controlling entity', as appropriate, in the accompanying balance sheet and the change in the deposited cash is reported in 'Loans granted' or 'Change in long-term liabilities, and long-term and short-term loans' in the accompanying cash flow statement.

e) Inventory**"Color" Certificates**

In order to meet its obligation to deliver certain volume of electricity from renewable sources to end customers in Poland the Company purchases the so-called "color" certificates. These certificates are traded at stock exchanges, classified as goods and re-measured at the balance sheet date taking into consideration all foreseeable risks and contingent losses related to the certificates and the liabilities that are known as at the financial statements preparation date. Also all types of impairment are taken into account. A temporary diminution in the value of the certificates is reflected via an allowance. The allowance amount depends on the price of "color" certificates at the Polish Energy Exchange and is determined as the difference between the acquisition cost and the current market value of the certificates. Purchased certificates are stated at actual cost being determined using the first-in, first-out ('FIFO') method.

Gas Storages

The purchased natural gas is valued by average spot price or purchased price and is being determined using the first-in, first-out ('FIFO') method. Costs of purchased gas include acquisition-related costs such as variable injection fees.

f) Receivables

Both long- and short-term receivables are carried at their realizable value after allowance for doubtful accounts. Additions to the allowance account are charged to income. Amounts resulting from the revaluation of financial and commodity derivatives at fair value are shown in other receivables.

g) Derivatives

Derivatives are initially measured at cost. Derivatives are recorded in other short-term receivables or payables, as appropriate, in the accompanying balance sheet.

Derivatives are classified as derivatives held for trading or hedging derivatives. The latter are designated as either fair value hedges or cash flow hedges. In order to qualify for hedge accounting, the change in the fair value of a derivative or of its estimated cash flow must offset, in whole or in part, the change in the fair value or cash flow arising from the hedged item. In addition, there must be formal documentation of the hedging relationship at inception and the Company must prove that the hedging relationship is highly effective. In all other cases, derivatives are recognized as financial and held-for-trading.

Derivatives are revalued to fair value as at the balance sheet date. The Company recognizes fair values of derivatives to costs and revenues on netting principle. The net position of financial non-commodity derivatives is recognized either in Other finance cost or in Other finance income, as appropriate in the income statement. Due to the Company's scope of business, changes in the fair value of commodity derivatives for purchase or sale of electricity, gas, coal, emission allowances and color certificates are reported net in income statement on position Revenue from sale of goods (see Note 16). Changes in the fair value of derivatives designated as fair value hedges are also recognized in income, together with the change in the fair value of the hedged item attributable to the risk being hedged. Changes in the fair value of derivatives designated as cash flow hedges are taken to equity and reflected in the balance sheet through gain or loss on revaluation of assets and liabilities. Any ineffective portion of the hedge is reported in financial cost and revenues, respectively.

Revenues from invoiced physical power, gas and coal supplies classified as commodity derivatives are part of revenues from the sale of goods. Costs billed with respect to these physically delivered derivatives are recognized as cost of the goods sold. Financially settled commodity derivatives are presented in aggregated net value and in case of profit they are part of the sale of goods and in case of loss they are part of cost of the goods sold.

h) Equity

The basic capital of the Company is stated at the amount recorded in the Public Register maintained in the Municipal Court in Prague. Any increase or decrease in the basic capital made pursuant to the decision of the General Meeting which was not entered in the Commercial Register as at the financial statements date is recorded through changes in basic capital.

i) Provisions and Liabilities

Long-term liabilities and current liabilities are carried at their nominal values. Amounts resulting from the revaluation of financial and commodity derivatives at fair value are shown in other payables.

j) Leases

The Company records leased assets by expensing the lease payments and, for finance leases, capitalizing the residual value of the leased assets when the lease contract expires and the purchase option is exercised. Lease payments paid in advance are recorded as prepaid expenses and amortized over the lease term.

k) Foreign Currency Transactions

Assets and liabilities whose acquisition or production costs were denominated in foreign currencies are translated into Czech crowns at the exchange rate prevailing at the transaction date. On the balance sheet date monetary items are adjusted to the exchange rates as published by the Czech National Bank as at 31 December.

Realized and unrealized exchange rate gains and losses were charged or credited, as appropriate, to income for the year on net basis.

l) Recognition of Revenues and Expenses

Revenues and expenses are recognized on an accrual basis, that is, they are recognized in the periods in which the actual flow of the related goods or services occurs, regardless of when the related monetary flow arises.

Revenue from the sale of electricity and gas is recognized when electricity and gas are supplied, and it comprises billed amounts and the change in balance of supplied yet unbilled electricity and gas.

The change in the balance of unbilled electricity and gas is determined as at the financial statements' date based on an estimate, which is made on assumptions and information about projected consumption received from Energy Market Operator or consumption calculated using internal estimates and measuring. An actual amount of billed electricity and gas in the future may differ from the estimate.

Purchased and sold electricity and gas are reported as revenue from sale of goods and cost of goods sold, as appropriate, in the financial statements. Other costs related to electricity and gas trading (distribution services, purchased cross-border capacities, etc.) are reported as consumed services. Sold capacities are presented as revenue from sale of finished products and services.

Within its trading activity, the Company enters into standard contracts with other traders for the purchase and the sale of electricity, gas, coal, emission allowances and color certificates, both effected in the same quantity and at the same point in time. These contracts are classified as derivatives held for trading and are revalued with a corresponding entry in net profit or loss as at the balance sheet day (see Note 3g). The revaluation of unrealized contracts is main part of the Company's trading activity and, accordingly, is reported in a net amount as revenue from sale of goods in the financial statements.

m) Income Tax

The corporate income tax expense is calculated based on the statutory tax rate and book income before taxes, increased or decreased by the appropriate permanent and temporary differences (e.g. non-deductible provisions and allowances, entertainment expenses, differences between book and tax depreciation, etc.). In addition, the following items are taken into consideration: tax base decreasing items (donations), tax deductible items (tax loss) and income tax reliefs.

The deferred tax position reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for corporate

income tax purposes, taking into consideration the period of realization. The deferred tax asset is recognized only up to the amount of expected future utilization.

n) Electricity Exchange Trading

The Company has entered electricity futures, i.e. commodity contracts for future electricity supplies on European energy markets. The futures are acquired primarily to speculate on short-term prices. In case of variation margining the movements in futures prices, which are credited or debited, as appropriate, to the Company on a daily basis, are recognized directly in profit and loss. In case of gain the variation margin is part of the sale of goods and in case of loss it is part of cost of the goods sold. Gains and losses arising from futures with physical delivery are recognized upon the supply of electricity. When the position is closed, any related gains or losses are recognized directly in profit and loss and are presented in aggregated net value. In case of profit they are part of the sale of goods and in case of loss they are part of cost of the goods sold (see point 3g).

o) Subsequent Events

The impact of events that occurred between the balance sheet date and the date of the financial statements preparation is recognized in the financial statements provided these events provide additional evidence about conditions that existed at the date of the balance sheet.

If material events reflecting the facts occurring after the balance sheet date happened between the balance sheet date and the date of the financial statements preparation the consequences of these events are disclosed in the notes to the financial statements but not recognized in the financial statements.

4. FIXED ASSETS**a) Intangible Fixed Assets (in CZK thousands)****COST**

	At beginning of year	Merger effect	Additions	Disposals	Disposals	At end of year
Software	5,486	7,560	434	-	209	13,689
Intangible fixed assets in progress	-	209	-	-	(209)	-
2021 Total	5,486	7,769	434	-	-	13,689
2020 Total	6,425	-	141	(1,080)	-	5,486

ACCUMULATED AMORTIZATION

	At beginning of year	Merger effect	Amortization during year	Disposals	At end of year	Net book value
Software	(5,039)	(6,381)	(1,733)	-	(13,153)	536
2021 Total	(5,039)	(6,381)	(1,733)	-	(13,153)	536
2020 Total	(5,618)	-	(501)	1,080	(5,039)	447

The merger effect value of CZK 6,381 thousand contain also impairment of software in the amount of CZK 4,952 thousand.

b) Tangible Fixed Assets (in CZK thousands)**COST**

	At beginning of year	Merger effect	Additions	Disposals	At end of year
Constructions	2,071	-	9	(35)	2,045
Machinery and equipment	7,046	19	1,714	(259)	8,520
Vehicles	-	-	-	-	-
Furniture and fixtures	860	-	-	-	860
2021 Total	9,977	19	1,723	(294)	11,425
2020 Total	11,679	-	906	(2,608)	9,977

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Financial Statements for the year ended 31 December 2021

ACCUMULATED DEPRECIATION

	At beginning of year	Merger effect	Depreciation during year	Net book value	Disposals	Impairment	At end of year	Net book value
Constructions	(1,830)	-	(35)	-	35	-	(1,830)	215
Machinery and equipment	(5,862)	(7)	(462)	-	259	(608)	(6,680)	1,840
Vehicles	-	-	-	-	-	-	-	-
Furniture and fixtures	(860)	-	-	-	-	-	(860)	-
2021 Total	(8,552)	(7)	(497)	-	294	(608)	(9,370)	2,055
2020 Total	(10,220)	-	(862)	(78)	2,608	-	(8,552)	1,425

In 2021 the additions relate primarily to the replacement of hardware in Hungarian branch.

The total value of small tangible fixed assets which are not reflected in the accompanying balance sheet was CZK 2,978 thousand and CZK 2,524 thousand at acquisition cost as at 31 December 2021 and 31 December 2020, respectively.

c) Long-Term Financial Investments

As at 31 December 2021 Other long-term securities and interests in the total amount of CZK 8,071 thousand represent investments in related parties:

- 0.1% ownership interest in Alpiq RomEnergie S.r.l. at the value of CHF 106 thousand (CZK 1,865 thousand) acquired in 2010 for no consideration from Alpiq Central Europe Ltd (currently Alpiq AG)
- 6.53% ownership interest in Alpiq Turkey Enerji Toptan Satis Ltd at the value of TLR 517 thousand (CZK 5,082 thousand) acquired in 2011. In 2021 the equity of the company was increased by CZK 1,018 thousand.
- 1% interest in the basic capital of Alpiq Energy Ukraine, in total amount of CZK 106 thousand, acquired by the merger with Alpiq Lithuania as at 1 January 2014 at the value UAH 12 thousand (CZK 29 thousand). On 10 February 2020 based on the extraordinary general meeting it was decided to increase the investment in company by EUR 3 thousand (CZK 77 thousand).

Alpiq AG is the majority owner of all the companies.

The company Atel Energy Romania S.r.l. was liquidated in 2020. 10% interest in the company in the amount of CZK 111 thousand was disposed in 2020.

5. INVENTORY

The Company's inventory consists of the physical natural gas in gas storage and color certificates.

As at 31 December 2021 and 31 December 2020 the total value of gas in all storages is CZK 377,160 thousand and CZK 1,250,352 thousand, respectively.

In order to meet its obligation to deliver certain volume of electricity from renewable sources to end customers in Poland the Company purchases the so-called "color" certificates. These certificates are traded at stock exchanges and are classified as goods in the accompanying balance sheet. Certificates

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The accompanying balance sheet, income statement, cash flow statement and statement of changes in equity are an integral part of the financial statements.

have been written down to their estimated net realizable value by an allowance account. As at 31 December 2021 and 31 December 2020 the gross value of certificates is CZK 44,364 thousand and CZK 12,363 thousand respectively.

6. RECEIVABLES

Allowances against outstanding receivables that are considered doubtful were charged to income (see Note 7). As at 31 December 2021 the Company had overdue receivables against third parties, except for those for which an allowance was created, in the amount of CZK 8,008 thousand, and had no significant overdue receivables from related parties more than 30 days past due. As at 31 December 2020 the Company had no significant overdue receivables against third parties except for those for which an allowance was created. As at 31 December 2020 the Company had overdue receivables from related parties in the amount of CZK 52,452 thousand more than 30 days past due.

As at 31 December 2021, long-term advance payments in the total gross amount of CZK 117,063 thousand comprise mainly advance deposits to cover potential liabilities arising from the Company's activities performed on the electricity market of CZK 66,100 thousand towards OTE, a.s. (electricity market operator), CZK 33,561 thousand towards OKTE, a.s. and CZK 17,402 thousand towards SEPS, a.s. As at 31 December 2020, long-term advance payments in the total gross amount of CZK 68,902 thousand comprise mainly advance deposits to cover potential liabilities arising from the Company's activities performed on the electricity market of CZK 15,100 thousand towards OTE, a.s. (electricity market operator), CZK 35,431 thousand towards OKTE, a.s. and CZK 18,371 thousand towards SEPS, a.s.

As at 31 December 2020, long-term miscellaneous receivables contained settlement of positions with energy counterparty in the amount of CZK 2,586 thousand, and with due date longer than 1 year.

The Company has been participating in the cash-pool system with the ultimate parent company Alpiq Holding AG; the system is administrated by Deutsche Bank AG. Cash provided by the Company within the cash-pooling bears interest of monthly average market rate Eonia (minimal interest rate is 0%), cash used by the Company within the cash-pooling bears interest of + 1.48%. As at 31 December 2020, the Company had a liability towards its parent company in the amount of CZK 555,345 thousand resulting from negative balance of the cash provided within the cash-pooling and is reflected in prior year current liabilities in the balance sheet caption Liabilities – controlled or controlling entity. As at 31 December 2021, the Company had a receivable towards its parent company in the amount of CZK 489,832 thousand, resulting from positive balance of the cash provided within the cash-pooling that is reflected in current year in current assets in the balance sheet caption Receivables – controlled or controlling entity.

On 1 February 2020 the Company provided a loan to parent company of the Group Alpiq Holding AG in the amount of EUR 70,000 thousand. Part of the loan in the amount of EUR 35,000 thousand was repaid during the year 2021 and part of the loan in the amount of EUR 35,000 thousand is due on 30 November 2022 the latest. As at 31 December 2021 the value of the loan is CZK 870,100 thousand and is reflected in current assets in the balance sheet caption Receivables – controlled or controlling entity.

The total gross value of short-term advance payments made was CZK 654,437 thousand and CZK 500,572 thousand as at 31 December 2021 and 31 December 2020, respectively. Balances as at 31 December 2021 and 31 December 2020 comprise, in particular, advances for cover future power exchange contracts, transmission and other, particularly power-related fees and advances to cover electricity and gas supplies.

As at 31 December 2021, the Company reports in short-term tax receivables from the government in gross amounts as follows: value added tax receivable of CZK 7,906 thousand and other taxes of CZK 106 thousand. As at 31 December 2020, the Company reports in short-term tax receivables from the

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Financial Statements for the year ended 31 December 2021

government in gross amounts as follows: value added tax receivable of CZK 4,146 thousand and other taxes of CZK 104 thousand.

As at 31 December 2021 unbilled revenue represents, in particular, unbilled supplies of electricity and gas, and cross border transmission capacities in the amount of CZK 13,728,672 thousand, and unbilled revenue from other energy related services in the amount of CZK 5,161,411 thousand. As at 31 December 2020 unbilled revenue represents, in particular, unbilled supplies of electricity and gas and cross border transmission capacities in the amount of CZK 8,547,371 thousand, unbilled revenue from other energy related services in the amount of CZK 559,329 thousand and others in the amount of CZK 611 thousand.

As at 31 December 2021 and 31 December 2020, other receivables comprise, in particular, positive fair values of outstanding derivatives in the amount of CZK 9,794,035 thousand and CZK 786,590 thousand, respectively (see Note 11) and initial margin collateral on power exchanges of CZK 2,497,015 thousand and CZK 490,097 thousand. As at 31 December 2021 and 31 December 2020 other receivables also include receivables from related parties (see Note 17) and others.

7. ALLOWANCES

Allowances reflect a temporary diminution in value of assets (see Notes 5 and 6).

Changes in the allowance accounts (in CZK thousands):

Allowances against:	Balance as at 31/ 12/ 2019	Decrease	Increase	Balance as at 31/ 12/ 2020	Effect of merger	Decrease	Increase	Balance as at 31/ 12/ 2021
Intangible fixed assets	-	-	-	-	4,952	-	-	4,952
Receivables – legal	3,455	(214)	-	3 241	-	(214)	3,180,725	3,183,752
Receivables and other receivables – tax non-deductible	270,630	(1,716)	3,789	272,703	244	(60,022)	912,670	1,125,596
Goods – tax non-deductible	15,492	(15,492)	-	-	-	-	-	-
Total	289,577	(17,422)	3,789	275,944	5,196	(60,236)	4,093,397	4,314,300

Legal allowances are created in compliance with the Act on Provisions and are tax deductible.

Legal allowance of CZK 3,241 thousand as at 31 December 2020 was attributable to creation of 100% allowance against trade receivable which the Company created in 2015 due to opening the insolvency proceedings at the Company's debtor. The decrease of this allowance in 2021 in the amount of CZK 214 thousand is attributable to the FX revaluation as of 31 December 2021. Moreover, the Company recognized legal allowances against trade receivables created in 2021 due to opening the insolvency proceedings at the Company's debtor in the amount of CZK 3,180,725 thousand.

A decrease in tax non-deductible allowance in 2021 is attributable, in particular, to the reversal of allowances of CZK 40,168 thousand against trade receivables due to completed insolvency proceedings and debt settlement with the counterparty in the amount of CZK 12,676 thousand. The rest of the decrease of allowances related to receivables in foreign currencies is attributable to the FX revaluation as of 31 December 2021.

Increase of tax non-deductible allowances against receivables and advanced payments in the amount of CZK 912,671 thousand in 2021 is attributable mainly to overdue compensations due from the counterparties that defaulted in contractual supplies to the Company.

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Financial Statements for the year ended 31 December 2021

As at 31 December 2021, an allowance against trade and other receivables totaled CZK 4,308,883 thousand and against tax receivables CZK 465 thousand.

8. STATEMENT OF CHANGES IN EQUITY

The movements in the capital accounts during the reporting period were as follows (in CZK thousands):

	Balance as at 31/ 12/ 2019	Transfer of profit	Profit	Balance as at 31/ 12/ 2020	Effect of merger	Transfer of profit	Profit	Balance as at 31/ 12/ 2021
Basic capital	172,655	-	-	172,655	-	-	-	172,655
Other capital funds	5,311,545	-	-	5,311,545	(24,096)	-	-	5,287,449
Retained earnings	-	-	-	-	-	-	-	-
Accumulated loss	(686,566)	107,662	-	(578,904)	-	241,974	-	(336,930)
Current year profit/ loss	107,662	(107,662)	241,974	241,974	-	(241,974)	(2,657,924)	(2,657,924)
Total	4,905,296	-	241,974	5,147,270	(24,096)	-	(2,657,924)	2,465,250

The basic capital of the Company consists of 700 pcs of shares in book-entry form with a nominal value of CZK 246,650 (EUR 10,000). Total balance of basic capital is CZK 172,655,000 (EUR 7,000,000).

The Company's profit for the year ended 31 December 2019 was CZK 107,662 thousand. Pursuant to the sole shareholder's decision dated 17 June 2020 the profit was used to cover accumulated losses.

The Company's profit for the year ended 31 December 2020 was CZK 241,974 thousand. Pursuant to the sole shareholder's decision dated 20 May 2021 the profit was used to cover accumulated losses.

The Company proposes to transfer the result for the year ended 31 December 2021 (loss of CZK 2,657,924 thousand) to the accumulated losses.

The Company did not distribute any dividends in 2021.

9. PROVISIONS

The movements in the provision accounts were as follows (in CZK thousands):

Provisions	Balance as at 31/ 12/ 2019	Additions	Deductions	Balance as at 31/ 12/ 2020	Effect of merger	Additions	Deductions	Balance as at 31/ 12/ 2021
Onerous contracts	18,412	15,584	(18,412)	15,584	491	1,156,519	(491)	1,172,103
Fee to support renewable sources	5,684	7,224	(5,684)	7,224	-	22,332	(7,224)	22,332
Other	1,730	45	-	1,775	-	187,179	(104)	188,850
Total	25,826	22,853	(24,096)	24,583	491	1,366,030	(7,819)	1,383,285

In 2021 the Company recognized a provision for onerous contracts in the amount by CZK 1,172,103 thousand. The provision was created mainly for the physical contracts portfolios that were financially hedged. In 2021 the Company realized profits from the financial hedging contracts whereas the losses from the hedged portfolios will be realized at their physical delivery in the future years (2022 and 2023).

For the purposes of the provision amount determination, an open position of portfolio of electricity contracts was valued using the CZK/EUR foreign exchange rates as published by the Czech National Bank and the of electricity futures rates applicable as at 31 December 2021. The final CZK/EUR exchange rate and the price of electricity, at which the open positions of electricity portfolio will be closed, may significantly differ from the rates and prices used for the provision determination. Due to a possible fluctuation of foreign exchange rates and electricity prices copying the developments in global markets, the net profit or loss from contracts for electricity supplies covered by the provision may significantly differ from the net profit or loss anticipated as at 31 December 2021.

During the year, the Company also created a provision related to the reorganization of part of Company's activities in the amount of CZK 38,161 thousand and provision for potential legal cases in the amount of CZK 149,018 thousand.

In addition, the Company recorded a provision for the fee to support renewable sources in Poland that the Company is obliged to pay from electricity volumes delivered to end customers. The obligation is met either by the payment of the fee determined by the government for the respective period or the purchase and following redemption of the rights to certificates confirming energy produced from renewable sources. The provision balance was CZK 22,332 thousand and CZK 7,224 thousand as at 31 December 2021 and 31 December 2020, respectively.

10. CURRENT LIABILITIES

As at 31 December 2021 and 31 December 2020 the Company had no significant overdue current liabilities against third parties neither current liabilities against related parties more than 30 days past due.

As at 31 December 2020 the company had a liability towards its parent company in the amount of CZK 555,345 thousand resulting from negative balance of the cash provided within the cash-pooling and is reflected in prior year in current liabilities in the balance sheet caption Liabilities – controlled or controlling entity. As at 31 December 2021, the company had a receivable towards its parent company in the amount of CZK 489,832 thousand resulting from positive balance of the cash provided within the cash-pooling and is reflected in current year in current assets in the balance sheet caption Receivables – controlled or controlling entity.

The total value of short-term advances received was CZK 2,064,772 thousand and CZK 280,332 thousand as at 31 December 2021 and 31 December 2020, respectively. Balances comprise of covering electricity and gas supplies and in 2021 it contains also the advance towards its parent company in the amount of 1,184,579 thousand related to gas transactions.

As at 31 December 2021 and 31 December 2020, the Company had liabilities of CZK 2,781 thousand and CZK 1,406 thousand, respectively owing to social security and health insurance premiums payable next year in January.

As at 31 December unbilled deliveries represent, in particular, unbilled supplies of electricity and related services in the amount of CZK 14,307,183, unbilled deliveries from other energy related services in the amount of CZK 48,153 and others in the amount of CZK 112,472. As at 31 December 2020 unbilled deliveries represent, in particular, unbilled supplies of electricity and related services in the amount of CZK 7,796,484 thousand, unbilled deliveries from other energy related services in the amount of CZK 104,404 and others in the amount of CZK 95,327.

As at 31 December 2021 and 31 December 2020, miscellaneous liabilities comprise, in particular, negative fair values of outstanding derivatives in the amount of CZK 14,755,166 thousand and CZK 784,576 thousand, respectively (see Note 11). Miscellaneous liabilities as at 31 December 2021 contain also collateral for energy delivery in the total amount of CZK 11 570 thousand. Miscellaneous liabilities 31 December 2020 contain also settlement of positions with energy counterparty in the total amount of CZK 7,922 thousand and payable within one year.

Payables to related parties (see Note 17).

11. DERIVATIVES

In the course of its business, the Company concludes contracts for derivatives, which do not qualify as hedging instruments and are classified as held for trading. As at 31 December 2021 and 31 December 2020, the derivatives were revalued at fair value, with the positive and negative fair values of derivatives being included in other receivables and other payables, respectively.

The following table summarizes face values and positive or negative fair values of outstanding derivatives held for trading as at 31 December 2021 and 31 December 2020:

(in CZK thousands)	31/ 12/ 2021			31/ 12/ 2020		
	Contractual/ Face value	Positive	Fair value Negative	Contractual/ Face value	Positive	Fair value Negative
Commodity derivatives	17,969,183	9,787,040	14,733,471	28,451,732	774,420	783,223
Currency forwards	950,918	6,995	21,695	402,512	12,170	1,353
Total	18,647,101	9,794,035	14,755,166	28,854,244	786,590	784,576

12. INCOME TAXES

	2021 in CZK thousands	2020 in CZK thousands
Profit before taxes	(2,446,811)	270,259
Difference between book and tax depreciation	51	103
Non-deductible expenses		
Creation / (release) of provisions and allowances	2,210,645	(14,662)
Other (e.g. entertainment expenses, donations, estimated bonuses, fines and penalties)	84,077	57,793
Revenues related to prior tax period	-	553
Non-deductible expenses incurred in prior tax period and deductible in current period	(60,273)	(69,339)
Taxable income	(212,311)	244,707
Tax loss carryforward utilized	-	(244,707)
Current income tax rate, %	19	19
Tax	-	-
Current tax abroad	201,570	(22,274)
Tax paid on dividends received in the Czech Republic	10	206
Current tax expense	201,580	(22,480)

The corporate income tax payable on ordinary activities for 2021 comprises mainly the tax payable in the Hungarian branch in the amount of CZK 179,628 thousand, in the Polish branch in the amount of CZK 21,939 thousand and in the Romanian branch in the amount of CZK 3 thousand.

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The Company can carry forward tax losses generated in prior years for up to five years. As at 31 December 2021 the Company recorded tax losses of CZK 799,626 thousand generated in ALPIQ ENERGY SE in the years 2017 through 2021 that may be used in the years 2022 through 2026.

The Company quantified deferred taxes as follows (in CZK thousand):

Deferred tax items	31/ 12/ 2021		31/ 12/ 2020	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Difference between net book value of fixed assets for accounting and tax purposes	687	-	522	-
Allowances	213,863	-	51,814	-
Provisions	262,824	-	4,671	-
Tax loss carryforward	151,929	-	289,209	-
Estimated items (untaken vacation and bonuses and other temporary differences)	75,368	(67,272)	31,428	(30,451)
Total	704,671	(67,272)	377,644	(30,451)
Net	637,399		347,193	

As at 31 December 2021 the Company recorded a deferred tax asset at an amount of CZK 11,784 thousand on temporary differences in the Polish branch and a deferred tax asset of CZK 28,937 thousand as a result of the future utilization of tax losses in the Czech Republic.

As at 31 December 2021 and 31 December 2020, the Company did not record a deferred tax asset of CZK 596,678 thousand and CZK 296,939 thousand, respectively on the basis that its recovery was uncertain. As at 31 December 2021 the deferred tax liability in the amount of CZK 67,272 thousand arose in Poland and was fully offset with the deferred tax asset.

13. LEASES

The Company leases fixed assets, which are not recorded on the balance sheet (see Note 3j).

Assets which are being used by the Company under finance leases (i.e. the assets are transferred to the Company when the lease term expires) as at 31 December 2020 consist of the following (in CZK thousands):

Description	Terms/ Conditions	Total lease	Payments made as at 31/ 12/ 2021	Remaining payments as at 31/ 12/ 2021	
				Due within one year	Due over one year
Volvo VT60	59	652	537	115	-
Nissan Leaf	35	715	539	135	41

14. COMMITMENTS AND CONTINGENCIES

The following bank guarantees and guarantees of the parent company were issued to the benefit of the Company's business partners (in CZK thousands):

	31/ 12/ 2021	31/ 12/ 2020
Guarantees issued in the Alpiq Holding Group	1 682 210	1,161,124
Bank guarantees	950 929	988,833

15. REVENUES

The breakdown of revenues from ordinary activities is as follows (in CZK thousands):

	01/ 01/ 2021 – 31/ 12/ 2021		01/ 01/ 2020 – 31/ 12/ 2020	
	Domestic	Foreign	Domestic	Foreign
Sale of electricity and gas	2,182,969	19,398,130	183,614	7,597,653
Commodity derivatives physically delivered	9,324,331	83,569,850	10,117,834	69,856,462
Commodity derivatives financial (net)	(126,988)	1,324,469	-	-
Change in fair value of derivatives relating to electricity, gas, coal and CO2 certificates trading	(2,468,350)	(2,466,206)	(956,732)	508,154
Other	-	5,649,121	970	531,951
Total revenues	8,911,962	107,475,364	9,345,686	78,494,220

Revenues from power and gas supplies classified as commodity derivatives are part of revenues from the sale of electricity and gas. They amounted CZK 92,894,181 thousand as at 31 December 2021. Costs billed with respect to these derivatives are recognized as cost of the goods sold. They amounted to CZK 91,291,566 thousand in 2021.

Summary of revenues and costs on commodity derivative trading (in CZK thousands):

	01/ 01/ 2021 – 31/ 12/ 2021		01/ 01/ 2020 – 31/ 12/ 2020	
	Domestic	Foreign	Domestic	Foreign
Revenues	9,324,331	83,569,850	10,117,834	69,856,462
Costs	(9,029,523)	(82,262,043)	(8,002,108)	(71,295,470)
Total margin	294,808	1,307,807	2,115,726	(1,439,008)

16. PERSONNEL AND RELATED EXPENSES

The breakdown of personnel expenses is as follows (in CZK thousands):

	01/ 01/ 2021 – 31/ 12/ 2021	01/ 01/ 2020 – 31/ 12/ 2020
Average number of employees	69	46
Wages and salaries	164,519	89,961
Social security and health insurance	37,020	19,747
Social cost	3,206	2,346
Total personnel expenses	204,745	112,054

Wages and salaries for 2021 include also wages and salaries paid not only to employees in the Czech Republic but also in the Company's branches in Hungary and Poland.

17. RELATED PARTY INFORMATION

The members of statutory and supervisory bodies, directors and executive officers were granted no loans, guarantees, advances or other benefits in the reporting period from 1 January 2021 to 31 December 2021 and they do not hold any shares of the Company. The Company sells electricity and gas and provides services to related parties in the ordinary course of business. Sales were CZK 63,723,249 thousand in the reporting period from 1 January 2021 to 31 December 2021.

Short-term receivables from related parties as at 31 December were as follows (in CZK thousands):

Related party	31/ 12/ 2021	31/ 12/ 2020
Alpiq AG	14,634,825	5,660,003
Alpiq Holding AG	877,095	1,866,645
Alpiq Energija Skopje DOOEL	735,863	122,375
Alpiq RomIndustries S.R.L.	12	13
Alpiq Energia Bulgaria Ltd.	659,841	106,052
Alpiq Energy Albania SH.P.K.	597	630
Alpiq Turkey Enerji Toptan Satis Ltd.	-	3,072
Alpiq Energija BH d.o.o.	1,333,239	85,316
Alpiq Retail CZ s.r.o.**	-	30,750
Po Prostu Energia SA	33,202	10,272
PPC Bulgaria AD*	14,226	54,422
Total	18,288,900	7,939,550

*Alpiq Group owns 15% share

** Alpiq Retail CZ s.r.o. merged to ALPIQ ENERGY SE on 1.1.2021

As at 31 December 2021 and 31 December 2020, short-term receivables from related parties included trade receivables from sales of electricity and gas, unbilled revenue representing unbilled supplies of electricity, gas other receivables comprising positive values of currency and commodity derivatives and receivables from providing services and loans to sister companies.

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On 1 February 2020 the Company provided a loan to ultimate parent company Alpiq Holding AG in the amount of EUR 70,000 thousand. Part of the loan in the amount of EUR 35,000 thousand was repaid during the year 2021 and part of the loan in the amount of EUR 35,000 thousand is due on 30 November 2022 the latest. As at 31 December 2021 the value of the loan is CZK 870,100 thousand and is reflected in current assets in the balance sheet caption Receivables – controlled or controlling entity. The interest revenue recorded in the current period relating to the loan was CZK 64,077 thousand.

As at 31 December 2021 the company had a receivable towards its parent company in the amount of CZK 489,832 thousand resulting from positive balance of the cash provided within the cash-pooling and is reflected in current year in current assets in the balance sheet caption Receivables – controlled or controlling entity. The interest expense recorded in the current period relating to the cash-pooling was CZK 7,510 thousand.

The Company purchases electricity and gas, receives services from related parties in the ordinary course of business, pays fees for guarantees provided. Purchases were CZK 62,098,711 thousand in the period from 1 January 2021 to 31 December 2021.

Short-term payables to related parties as at 31 December were as follows (in CZK thousands):

Related party	31/ 12/ 2021	31/ 12/ 2020
Alpiq AG	15,361,311	5,507,928
Alpiq Holding AG	22,665	2,142
Alpiq Services CZ s.r.o.	30,759	43,422
Alpiq Energija Skopje DOOEL	236,658	38,553
Alpiq Energija Bulgaria Ltd.	3,382	2,190
Atel Energija BH d.o.o.	1,399,405	112,848
Alpiq Energy Albania SH.P.K.	3,019	3,187
Po Prostu Energia SA	38,696	1,206
PPC Bulgaria AD*	14,797	24,121
Total	17,110,692	5,735,597

*Alpiq Group owns 15% share

In 2021, short-term payables to related parties included trade payables from sales of electricity, gas and emission allowances; unbilled deliveries representing unbilled supplies of electricity, gas and emission allowances, other liabilities comprising negative values of currency and commodity derivatives, liabilities from received support services (SLAs) and guarantee fees.

18. SIGNIFICANT ITEMS OF INCOME STATEMENT

The costs for services comprise, in particular, transmission fees and other costs related to power transmission. These costs amounted to CZK 522,789 thousand in 2021. The remainder is attributable to IT services in the amount of CZK 106,704 thousand and other services in the amount of CZK 285,952 thousand.

In the reporting period, taxes and fees totaled CZK 27,240 thousand of which the largest portion is attributable to concession and license fees in the amount of CZK 21,426 thousand. Other taxes and fees amount to CZK 5,814 thousand.

In 2021, other operating expenses in the total amount of CZK 41,798 thousand represent mainly expenses related to write-off of the receivables from the Czech and Polish trade counterparts in the amount of CZK 40,168 thousand, insurance costs in the amount of CZK 1,044 thousand and others.

Other operating revenues in the total amount of CZK 2,352 thousand consist mainly of revenues from re-invoicing of rent and insurance indemnification.

Other financial expense include mainly exchange rate gains and losses, guarantee fees and gains and losses on financial non-commodity derivative transactions that are recognized net (see Note 3).

Statutory auditor's fee is disclosed in the Consolidated annual report of the group.

19. SUBSEQUENT EVENTS

On 14 January 2022 based on the shareholder's decision Georgios Peponis was recalled from the position member of the Board of Directors and Gergely Gonda appointed as a member of the Board of Directors. These events were registered in the Public register on 5 February 2022.

On 5 February 2022 the procurator Gergely Gonda was deleted from Public register.

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20. STATEMENT OF CASH FLOWS

The cash flow statement was prepared under the indirect method.

21. STATEMENT OF CHANGES IN EQUITY (SEE NOTE 8 OF FOOTNOTES)

Prepared on:	Signature of accounting unit's statutory body:	
30 March 2022	Jan Kožušník	Zdeněk Čihák

Report on relations between the controlling person and the controlled person and between the controlled person and other persons controlled by the same controlling person for the period from 1 January 2021 to 31 December 2021

This report on relations between the controlling person and the controlled person and between the controlled person and other persons controlled by the same controlling person (hereinafter the "Report on Relations") was prepared by *ALPIQ ENERGY SE (a European company), with its registered office located at Jungmannova 26/15, 110 00 Prague 1, Company Identification No. (IČO) 284 77 090, registered in the Public Register maintained in Prague under file No. H81* (hereinafter the "Company" or the "Controlled Person") pursuant to Section 82 of Act No. 90/2012 Coll., on Business Corporations (hereinafter the "Business Corporations Act") for the period from 1 January 2021 to 31 December 2021 (hereinafter the "Accounting Period"). In preparing this Report on Relations, the Company's statutory body used the understanding and information available to the members of the statutory body as at the date of preparation of this Report. This Report on Relations constitutes an inseparable part of the Company's Annual Report for the period from 1 January 2021 to 31 December 2021.

1. Structure of relations between related parties

Throughout the Accounting period, the Company was a member of the Alpiq Group. The company as a successor company merged by acquisition with the dissolving company Alpiq Retail CZ s.r.o., ID No. 08183929, with registered office at Jungmannova 26/15, Nové Město, 110 00 Prague 1, with a decisive date of 1 January 2021. The assets and liabilities of the dissolving company Alpiq Retail CZ s.r.o. were transferred to the company and the company entered the legal status of the dissolving company Alpiq Retail CZ s.r.o. The Company's shareholder holding with a 100% interest is Alpiq AG (the "Controlling Person"). The ultimate parent company of Alpiq Group is Alpiq Holding AG established under the laws of the Swiss Confederation, with the seat in Lausanne, Chemin de Mornex 10, CH 1003, Switzerland, recorded in commercial register of Canton Vaud under identification number CHE-369.267.193 (hereinafter „Alpiq Holding AG“). Alpiq Holding AG is the sole shareholder of Alpiq AG and indirectly controls the Company.

1.1. Brief description of the Controlled Person and the Controlling Person:

Controlled Person

Business name: ALPIQ ENERGY SE
Registered office: Jungmannova 26/15, 110 00 Prague 1
Identification No.: 284 77 090
Legal form: European company

Controlling Person

Business name: Alpiq AG
Registered office: Olten, Bahnhofquai 12, post code 4600, the Swiss Confederation
Identification No.: CH-105.974.401
Legal form: joint-stock company
The company was established under the laws of the Swiss Confederation.

Indirectly controlling Person (ultimate parent company of Alpiq group):

Business name: Alpiq Holding AG
Registered office: Lausanne, Chemin de Mornex 10, post code 1003, the Swiss Confederation
Identification No.: CHE-369.267.193
Legal form: joint-stock company
The company was established under the laws of the Swiss Confederation.

1.2. Companies controlled by the same Controlling Person in the Accounting Period and having also the contractual obligations with the Company

Alpiq Energija Bulgaria EOOD, established and existing under the laws of Bulgaria, with its registered office located at Pozitano Sqr 2, 1000 Sofia, Bulgaria (hereinafter „Alpiq Energija Bulgaria EOOD“), with Alpiq AG being the sole shareholder;

Alpiq Energija BH d.o.o., established and existing under the laws of Bosnia and Herzegovina, with its registered office located at Street Kaptol 5/2, 71000 Sarajevo, Bosnia and Herzegovina (hereinafter „Alpiq Energija BH d.o.o.“), with Alpiq AG being the sole shareholder;

Alpiq Energy Albania SHPK, established and existing under the laws of Albania, with its registered office located at str. Deshmoret E4 Shkurtit, Sky Tower BLDG 3/4, 1031 Tirana, Albania (hereinafter „Alpiq Energy Albania SHPK“), with Alpiq AG being the sole shareholder;

Alpiq Energy Ukraine LLC, established and existing under the laws of Ukraine, with its registered office located at Lva Tolstoho str., 3A, 3rd floor, 04070 Kiev, Ukraine (hereinafter „Alpiq Energy Ukraine LLC“), with Alpiq AG being the majority shareholder (99%) and ALPIQ ENERGY SE holding the remaining 1% interest;

ALPIQ TURKEY ENERJI TOPTAN SATIŞ LTD. ŞTI., established and existing under the laws of Turkey, with its registered office located at Valikonağı Cad. No. 70, Ayaz Aptartmani Kat. 4/11, 343 65 Teşvikiye - Şişli İstanbul, Turkey (hereinafter „Alpiq Turkey Enerji Toptan Satis Ltd.“), with Alpiq AG being the majority shareholder (93.47%) and ALPIQ ENERGY SE holding the remaining 6.53% interest;

Alpik Energija Skopje d.o.o.e., DOOEL Skopje, established and existing under the laws of Macedonia, with its registered office located at Str. Mirce Acev 2/ 3rd Floor, 1000 Skopje, Macedonia (hereinafter „Alpik Energija Skopje, DOOEL“), with Alpiq AG being the sole owner;

Alpiq Energy Hellas SA, established and existing under the laws of Greece, with its registered office located at 62 Amaroussiou Chalandriou Avenue a 17 Dodonis street, Amaroussio Attica, 15125 Greece (hereinafter „Alpiq Energy Hellas SA“), with Alpiq AG being the majority shareholder (99,99%) and minority interest of 0,01% owned by Dimitros Alexandros Zeritis and Georgios Anastasios Zeritis;

Alpiq RomIndustries SRL, established and existing under the laws of Romania, with its registered office located Bulevardul DACIA, Nr. 30, camera 8, Etaj 6, Bukurešť Sectorul 1, Romania (hereinafter „Alpiq RomIndustries SRL“), with Alpiq AG being the sole owner;

PO PROSTU ENERGIA SA w likwidacji which entered the liquidation on 1 October 2021, established and existing under the laws of Poland, with its registered seat office located at Ul. Aleja Armij Ludowej 26, Warsaw, Poland, with Alpiq AG being the sole owner.

Alpiq Services CZ s.r.o. established and existing under the laws of the Czech Republic, with its registered seat office located at Jungmannova 26/15, Nové Město, 110 00 Prague, with Alpiq AG being the sole owner.

The Controlled Person with brief description provided in Article 1.1. is acquainted with the Controlling Person with brief description also provided in Article 1.1. and other persons controlled by the same Controlling Person. To the best knowledge of the statutory representatives the list of entities belonging to Alpiq Group (entities controlled directly or indirectly by Alpiq Holding AG) is enlisted on pages 104-106 of the Alpiq Holding AG's annual report available on this link: https://reports.alpiq.com/21/app/uploads/Annual_Report_2021_en.pdf.

2. The Company's role in the relationships between the Company and other persons controlled by the same Controlling Person (hereinafter the "Related Parties")

The Company trades with an electricity, natural gas, emission allowances, certificates of origin of electricity from renewable resources, other commodity derivatives and financial derivatives linked to energy commodities and provides energy related services. The Company's activities in line with its business strategy comprise of the purchases and sales of the above commodities and providing related services to some of the Related Parties stipulated in Article 1.2 and to the Controlling Person stipulated in Article 1.1.

In addition, the Company bought supporting services in various fields (accounting, reporting, risk management, controlling, portfolio management, scheduling, administrative support, invoicing, payments, IT, etc.) from Alpiq Services CZ s.r.o. and Alpiq AG and had a significant position in determining the business strategies in some Related Parties.

Moreover, the Company obtains and provides several financial services within the Group including participation in cash-pool, provision of guarantees or provision of intercompany loans.

The Company is the ultimate Controlled Person controlled by Alpiq AG; no other legal entities are indirectly controlled or managed through the Company.

3. Method and means of control

The Company is subject to single management by Alpiq AG and indirectly by Alpiq Holding AG (parent company of Alpiq Group) with which the Company forms a concern pursuant to Section 79 of the Business Corporations Act. Single management is particularly exercised through regular meetings of the Company's statutory body members with Alpiq AG management and the methodologies and guidelines issued by Alpiq AG (Alpiq Holding AG) that are reflected in the Company's internal rules and regulations.

Alpiq AG also asserts the interests of the concern by exercising the rights of the sole shareholder exercising the powers of the General Meeting, particularly by electing and recalling members of the Company's bodies and approving their remuneration. As a result of its control, Alpiq AG is able, to a certain extent, to change the Company's Code of Rules. In addition, under Code of Rules, certain explicitly stipulated legal actions that do not constitute regular day-to-day business management require prior consent of the sole shareholder exercising the powers of the General Meeting.

4. Overview of actions taken in the past accounting period at the initiative or in the interest of the Controlling Person or the entities controlled by the Controlling Person, where such actions concerned assets exceeding 10% of the Company's equity

In the Accounting Period, the following actions were taken at the initiative or in the interest of the directly or indirectly controlling person, i.e. Alpiq AG or Alpiq Holding AG, or in the interest of persons controlled by the Controlling Person, that concerned the Company's assets exceeding 10% of equity (determined from the last annual financial statements, i.e. the Financial Statements for 2021):

Counterparty	Type of action	Value in CZK
Alpiq AG	Sale of electricity	46,429,014,678
Alpiq AG	Purchase of electricity	45,993,576,150
Alpiq AG	Sale of gas	17,082,090,435
Alpiq AG	Purchase of gas	16,188,799,689
Alpiq AG	Sale of CO2	1,269,562,150
Alpiq AG	Purchase of CO2	1,313,619,377
Alpiq Energija BH d.o.o	Sale of electricity	1,129,469,617
Alpiq Energija BH d.o.o.	Purchase of electricity	3,266,638,941
Alpiq Energija BH d.o.o.	Provision of strategic services	910,150,580
Alpiq Energija Skopje d.o.o.e.	Sale of electricity	1,230,858,772
Alpiq Energija Skopje d.o.o.e.	Purchase of electricity	1,353,053,732
Alpiq Energia Bulgaria EOOD	Sale of electricity	987,062,347
Alpiq Holding AG	Provision of loan	745,800,000
Alpiq Holding AG	Repayment of loan	1,615,900,000

5. Overview of contracts and agreements between Related Parties

The following contracts and agreements between the Controlled Person and the Controlling Person and/or other Related Parties were effective in the Accounting Period:

1. Consulting agreement on electricity trading concluded with related party Alpiq Energy Hellas SA on 30 April 2009 with effect from 1 April 2009 for an indefinite period of time;
2. Cash-pooling agreement with Alpiq Holding Ltd. The agreement is effective from 5 March 2012 for an indefinite period of time;
3. Licensing Agreement with Alpiq Holding Ltd. dated 8 November 2010 with effect from 1 January 2010 for an indefinite period;
4. Framework contract (EFET) on gas purchase and supply concluded with controlling person Alpiq AG, with effect from 1 October 2014 for an indefinite period of time (part of the contract is the amendment from 26 September 2016 on trading with emission allowances CO₂);
5. Framework contract (EFET) on power purchase and supply concluded with related party Alpiq RomIndustries S.R.L., with effect from 1 November 2013 for an indefinite period of time;
6. Framework contract (EFET) on gas purchase and supply concluded with related party Alpiq RomIndustries S.R.L., with effect from 20 May 2016 for an indefinite period of time;
7. Framework contract (EFET) on power purchase and supply concluded with related party Alpiq Turkey Enerji Toptan Satis Ltd., with effect from 31 January 2012 for an indefinite period of time;
8. Framework contract (EFET) on power purchase and supply concluded with related party Alpiq Energia Bulgaria EOOD, with effect from 29 January 2010 for an indefinite period of time;
9. Framework contract (EFET) on power purchase and supply concluded with related party Alpiq Energija BH d.o.o., with effect from 29 January 2010 for an indefinite period of time;
10. Framework contract (EFET) on power purchase and supply concluded with related party Alpiq Energy Hellas S.A., with effect from 1 March 2014 for an indefinite period of time;
11. Framework contract (EFET) on power purchase and supply concluded with related party Alpiq Energija Skopje d.o.o.e., with effect from 5 October 2010 for an indefinite period of time;
12. Agreements between related parties on strategic services and local services in Alpiq Energija BH d.o.o., Alpiq Energy Albania SH.P.K. and Alpiq Energija Skopje d.o.o.e.. Agreements are effective from 1 January 2012 for an indefinite period of time;
13. IT service agreement concluded with the controlling person, Alpiq AG. The agreement is effective from 1 January 2016 for an indefinite period of time;
14. Service agreement on consulting and other services connected with access to the Bulgarian electricity market concluded on 11 September 2013 with related party Alpiq Energia Bulgaria EOOD for an indefinite period of time from 1 January 2013;
15. Loan agreement with related party Alpiq Energy Albania SH.P.K. concluded on 2 November 2011 with effect from 30 June 2010 for an indefinite period of time;
16. Loan agreement with related party Alpiq Energy Ukraine LLC concluded on 5 November 2012 with effect from 15 May 2013 for an indefinite period of time;
17. Framework contract (ISDA) concluded on 24 August 2014 with ultimate parent company of whole group, Alpiq Holding AG, for an indefinite period of time from 1 September 2014;
18. Service agreement on consulting and other services connected with access to particular electricity and gas markets, portfolio management and optimization and support to new markets and projects concluded on 3 January 2017 with parent company Alpiq AG for indefinite period of time;
19. Framework contract (ISDA) concluded on 10 May 2016 with parent company Alpiq AG;
20. Agreement for providing of office premises with related party PO PROSTU ENERGIA SA w likwidacji from 31 October 2016 for a period from 1 November 2016 to 31 May 2018 that was replaced by agreement from 13 February 2018 for a period from 20 December 2017 to 31

December 2018 that was replaced by agreement from 11 December 2018 for a period from 8 October 2018 to 30 June 2019 that was replaced by agreement from 25 July 2019 for a period from 16 July 2019 to 31 May 2021 that was replaced by agreement from 1 June 2021 for a period from 1 June 2021 to 31 December 2022;

21. Agreement for providing of balancing services with related party PO PROSTU ENERGIA SA w likwidacji dated 25 July 2017;
22. Framework contract (EFET) on power purchase and supply concluded with related party PO PROSTU ENERGIA SA w likwidacji, with effect from 11 May 2018 for an indefinite period of time;
23. Framework contract (EFET) on gas purchase and supply concluded with related party PO PROSTU ENERGIA SA w likwidacji, with effect from 5 March 2019 for an indefinite period of time;
24. Consulting agreement on finance services, management services, back-office, middle-office, risk management, scheduling, IT and office management with the related party Alpiq Services CZ s.r.o. concluded on 14 November 2018 for the period from 1 June 2018 for an indefinite period of time;
25. Reporting obligation agreement on EU "EMIR" concluded on 17 October 2018 with parent company Alpiq AG for an indefinite period of time;
26. Service agreement on energy services connected with intraday trading support with related party Alpiq Energia Bulgaria EOOD concluded on 30 May 2019 for the period from 1 June 2019 for an indefinite period of time.
27. Framework contract (ISDA) concluded on 8 August 2019 with related party Alpiq Energia Bulgaria EOOD, for an indefinite period of time;
28. Reporting delegation agreement on EU "EMIR" concluded on 8 August 2019 with related party Alpiq Energia Bulgaria EOOD;
29. Framework contracts for the usage of cross-border capacities (CUFA) concluded won 19 February 2019 with related party Alpiq Energija Skopje DOOEL for an indefinite period;
30. License agreement on software platform ARTIS with controlling person Alpiq AG concluded on 17 December 2019;
31. Operating agreement for operating gas trading with controlling person Alpiq AG concluded on 31 August 2020 with effectivity from 1 March 2019.
32. Agreement on provision of intercompany loan with ultimate parent company Alpiq Holding AG from 5 May 2020 effective from 1 February 2020 to 30 November 2021;
33. Framework contract (EFET) on power purchase and supply concluded with parent company Alpiq AG, with effect from 8 April 2020 for an indefinite period of time (including appendix from 8 April 2020 related to trading with emission allowances CO₂);
34. Agreement on provision of intercompany loan with related party Alpiq Energija Skopje DOOEL. from 5 September 2020 effective from 9 September 2020 to 4 May 2021;
35. Agreement on provision of intercompany loan with related party Alpiq Energia Bulgaria EOOD from 21 September 2020 effective from 22 September 2020 to 22 September 2022;
36. Reporting delegation agreement on REMIT concluded on 10 December 2020 with related party PO PROSTU ENERGIA SA w likwidacji for an indefinite period of time;
37. Framework contract (EFET) on power purchase and supply concluded with related party Alpiq Energy Albania SH.P.K., with effect from 15 February 2021 for an indefinite period of time;
38. Framework contract (ISDA) concluded on 2 July 2021 with related party Alpiq Energy Hellas SA for an indefinite period of time;
39. Reporting obligation agreement on EU "EMIR" concluded on 2 July 2021 with related party Alpiq Energy Hellas SA for an indefinite period of time;
40. Guarantee line agreement with ultimate parent company Alpiq Holding AG concluded on 30 August 2021 effective from 1 January 2021 for an indefinite period of time.

6. Overview of issued guarantees to the benefit of Related Parties' business partners

The Company did not provide guarantees for the obligations to related parties during the reporting period.

7. Assessment of damage or detriment suffered, if any, and its settlement and evaluation of advantages or disadvantages and risks, if any, resulting from the relations between the Related Parties.

a. Assessment of damage or detriment suffered as a result of the relations between Related Parties

The statutory body of the Company, taking into account the circumstances and conditions under which the actions between the related parties in the accounting period were realized (conditions common in the ordinary course of business), concluded that the Company did not suffer any damage due to the influence. For that reason, the statutory body does not provide its comment either on settlement of damages, or on manner and time of such settlement, in the related party report.

b. Evaluation of advantages and disadvantages resulting from the relations between Related Parties

The Company's statutory body further declares that the Company's advantages as member of the concern, Alpiq Group, prevail, including, in particular, the Company's financial stability resulting from cash-pooling, group synergies in using and development of commonly needed platforms or other services, access to Group knowledge base as well as diversification of risks thanks to the opportunity to operate, via the concern, in various Central and Eastern European markets. The Company can moreover use concern brand and logo Alpiq.

c. Evaluation of risks involved in the relations between Related Parties

The Company did not identify any material risks resulting from the relations between Related Parties.

8. Lack of information necessary for the preparation of the Report on Relations

The Company declares that Alpiq Group comprises more than eighty related parties incorporated and existing under the laws of various world countries. Pursuant to Section 82(3) of the Business Corporations Act, the Controlled Person declares that given the circumstances and acting with due care, the dominant entity was requested to provide information on the complete structure of relations between related parties, including the ownership interests therein of the dominant entity or indirectly controlling person or other related parties. Information containing the list of Alpiq Group entities is included in section 1.2. The statutory body of the Company declares that as at the date of this report it is not aware of any other entities controlled directly or indirectly by Alpiq AG or Alpiq Holding AG.

This Report on Relations was prepared by the Controlled Person's statutory body as at 30 March 2022.

In Prague, on 30 March 2022

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ALPIQ ENERGY SE
Zdeněk Čihák
Chairman of the Board of Directors

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ALPIQ ENERGY SE
Jan Kožušník
Member of the Board of Directors