MND a.s.

Annual Report

2024

Note

The Annual Report has been prepared in the Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of the Annual Report takes precedence over the English version.

Content:

I. Report on the company's business activities and the state of its assets (consolidated)

1. Company

MND a.s. (hereinafter referred to as the "**Company**") was established by its sole founder on 30 September 2008 under the original business name ORTOKLAS a.s.. The Company was incorporated on 3 November 2008 and is entered in the Commercial Register at the Regional Court in Brno under file number B 6209.

2. Consolidated group

As at 31 December 2024, the Company formed a consolidated group with the following entities that are controlled entities vis-à-vis the Company pursuant to Section 74 et seq. of Act No. 90/2012 Coll., on Business Corporations, as amended:

1. **IGNIS HOLDING a.s.**, with its registered office at Prague 10, Strašnice, Vinohradská 1511/230, 100 00, ID No.: 07435304;
2. **FVE Mušov I s.r.o.**, with its registered office at Hodonín, Úprkova 807/6, 695 01, ID No.: 19174098;
3. **FVE Mušov II s.r.o.**, with its registered office at Hodonín, Úprkova 807/6, 695 01, ID No.: 17873517;
4. **FVE Orlová I s.r.o.**, with its registered office at Hodonín, Úprkova 807/6, 695 01, ID No.: 06763731;
5. **FVE Orlová II s.r.o.**, with its registered office at Hodonín, Úprkova 807/6, 695 01, ID No.: 19254504;
6. **FVE Tichá s.r.o.**, with its registered office at Hodonín, Úprkova 807/6, 695 01, ID No.: 28605233;
7. **G2P Borkovany s.r.o.**, with its registered office at Hodonín, Úprkova 807/6, 695 01, ID No.: 17873592;
8. **"Geologichne bureau "Lviv" LLC**, with its registered office at Lviv Oblast, Lviv, 79011, ul. Kubiyovicha 18, Office 6, Ukraine, reg. no. 31978102;
9. **"Horyzonty" LLC**, with its registered office at Lvivska Oblast, Lviv, 79011, ul. Chubaia Hrytska 6C, Office 7, Ukraine, reg. no. 36828617;
10. **KBOC Director s.r.o.**, with its registered office at Hodonín, Úprkova 807/6, 695 01, ID No.: 19666144;
11. **MND Austria a.s.**, with its registered office at Hodonín, Úprkova 807/6, 695 01, ID No.: 19407904;
12. **MND BESS a.s.**, with its registered office at Hodonín, Úprkova 807/6, 695 01, ID No.: 21140839;
13. **MND BESS GmbH**, with registered office at 29227 Celle, Maschweg 1, Federal Republic of Germany, Reg. No HRB212002;
14. **MND Drilling & Services a.s.**, with registered office at Lužice, Velkomoravská 900/405, 696 18, ID No.: 25547631;
15. **MND Energy Storage a.s.**, with its registered office at Hodonín, Úprkova 807/6, 695 01, ID No.: 27732894;
16. **MND Energie a.s.**, with registered office at Prague 6, Vokovice, Evropská 866/71, 160 00, ID No.: 29137624;
17. **MND GasInvestUA s.r.o.**, with its registered office at Hodonín, Úprkova 807/6, 695 01, ID No.: 19237375;
18. **MND Gas Storage a.s.**, with its registered office at Hodonín, Úprkova 807/6, 695 01, ID No: 285 06 065
19. **MND UK NORTH SEA LTD**, with its registered office is 4th Floor 3 Dering Street, London W1S 1AA, United Kingdom of Great Britain and Northern Ireland, reg. no. 15921060;
20. **MND Ukraine a.s.**, with its registered office at Hodonín, Úprkova 807/6, 695 01, ID No.: 08957517;
21. **MND Wind s.r.o.**, with its registered office at Hodonín, Úprkova 807/6, 695 01, ID No.: 17873568;
22. **Oriv Holding a.s.**, with its registered office at Hodonín, Úprkova 807/6, 695 01, ID No.: 11735376;
23. **"Precarpathian energy company" LLC**, with registered office at Ivano-Frankivska Oblast, Bohorodchany, 77701, ul. Shevchenka, Ukraine, reg. no. 36042045;
24. **SG Storage 2 s.r.o.**, with its registered office at Hodonín, Úprkova 807/6, 695 01, ID No.: 05781779;
25. **"Tynivske" LLC**, with registered office at Chubaya Gritska Street, building 6C, room 7, Lviv, 79005, Ukraine, reg. no. 45716076;

(the Company and its controlled entities together the “**MND Group**” or “**Group**”).

3. Jointly controlled and associated entities

As at 31 December 2024, the following entities were jointly controlled or associated entities vis-à-vis the Company (pursuant to Section 22, par. 3, point (b) and (c) of Act No. 563/1991 Coll., on Accounting, as amended):

1. **Biosférická rezervace Dolní Morava o.p.s.**, with its registered office at 691 44 Lednice, Zámecké náměstí 69, ID No.: 285 06 065;
2. **NANO Advanced s.r.o.**, with its registered office at Jakubské náměstí 580/4, Brno-město, 602 00 Brno, ID: 26949211;
3. **NANO Advanced Electrolysis s.r.o.**, with its registered office at Jakubské náměstí 580/4, Brno-město, 602 00 Brno, ID: 19283768;
4. **Silent partnership Anshof** with **ADX VIE GmbH**, with its registered office at Ölzeltgasse 3/8, 1030, Vienna, Austria, reg. no. FN515926s
5. **Silent partnership AT-I** with **ADX VIE GmbH**, with its registered office at Ölzeltgasse 3/8, 1030, Vienna, Austria, reg. no. FN515926s
6. **Oriv Windpark LLC**, with its registered office Oriv Windpark LLC, with registered office at Sichovykh Striltsiv, 12 ap. 9, Lviv, 79007, Ukraine, reg. no. 38057121

4. Business activities the MND Group

The principal business activities of the MND Group are:

- Sale of gas and electricity to households and small businesses;
- Trading in energy commodities;
- Operation of underground gas storage facilities and provision of gas storage services;
- Exploration and production of oil and natural gas;
- Drilling contractor services, focusing on drilling of oil and gas exploration and production wells, hydro and geothermal wells, and well workover and abandonment;
- Investment in renewable energy sources and the development of new technologies.

These activities were carried out both in the Czech Republic and abroad. The MND Group does not engage in research and development activities. Neither MND a.s. nor other MND Group companies have branches abroad.

5. Sale of gas and electricity to households and small businesses

As at 31 December 2024, the MND Group supplied energy to 269,722 supply points. For gas, it was more than 119,000 and for electricity, more than 150,000 supply points. As part of its offer, MND reflected the development of the market and continuously adjusted the prices of its products so that customers were satisfied with the energy supply from MND. The MND Group has long prided itself on and invested in a pro-customer, transparent and fair approach to energy supply.

MND Group has launched its first projects using artificial intelligence to speed up the processing of customer requests and refine data analysis. These innovations improve communication with customers, leading to an increase in the quality of service provided.

Another significant step was the takeover of call centre and back-office services into internal management, which resulted in greater operational efficiency, better customer service and measurable improvements in business results.

The extension of our range of services also includes a new solar account functionality that allows customers to share the funds received from the purchase of electricity. The move underlines MND's focus on innovation and, like the company's other services, is built on fairness, simplicity, and transparency.

6. Trading in energy commodities

MND Group continued its business activities on the European continent. MND operated as a licensed electricity and gas trader, including trading with and above gas storage facilities, primarily in the markets of the Czech Republic, Germany, the Netherlands, Austria, and Hungary. In 2024, we increased the volumes traded in the financial markets for emission allowances, oil, and started trading selected oil products on a global level. As part of our long-term strategy, the MND Group has continued to develop and refine automated and autonomous trading models for various market segments, countries and commodities. MND further expanded its geographic reach to include electricity trading in Italy.

Increased volatility in the markets persisted throughout the year, mainly due to the emergence of external non-market risks - especially risks associated with the ongoing war in Ukraine and the threat to gas flows through its territory. Trading strategies reflected the increased risk. The aim was, as last year, to keep the risk parameters of trades at low level, to focus on short-term holding of trading positions and to eliminate market risks by cross hedging between commodities.

7. Underground gas storage

MND Group is the operator of the Uhřice and Dambořice underground gas storage facilities (UGS). The Uhřice gas storage facility consists of two storage structures and has a total storage capacity of 335 million m^3, with the potential for further development to 350 million m^3. The Dambořice gas storage facility was commissioned during 2016 and has a total storage capacity of 448 million m^3. In addition to natural gas storage, both storages are also suitable for electricity storage via hydrogen gas and are ready to receive energy in the form of hydrogen up to 5% H_2 concentrations mixed with natural gas at the entry point of MS Brumovice from 1 January 2022.

8. Exploration and production of hydrocarbons

MND Group is the largest Czech group engaged in the production of oil and natural gas. The Group holds five exploration permits covering a total area of 1,784 km^2 in the region of south-eastern Moravia. Subsidiaries hold nine exploration and production licenses with a total area of 400 km^2 in Ukraine. These exploration areas are covered by a network of 2D seismic surveys and, to a large extent, a network of 3D seismic surveys. In 2024, the MND Group carried out 3D seismic survey in the Zhukivska license area in eastern Ukraine. Based on the results and interpretation of the seismic measurements and other geological information, the MND Group designs and drills exploration wells to discover new oil and gas fields. In 2024, the MND Group drilled two appraisal wells and two exploration wells in southern Moravia and six wells in western Ukraine.

The MND Group produces oil and/or natural gas from 36 fields in the region of south-eastern Moravia. Oil production in 2024 amounted to 75 thousand m^3, natural gas production amounted to 79 million m^3 and natural gas supplies from own production amounted to 71 million m^3. Subsidiaries in Ukraine produced 67 million m^3 of natural gas.

9. Drilling and workover activities

In 2024, the MND Group drilled 4 wells for its own operations (MND a.s.) and 19 wells for external customers. The MND Group carried out drilling or underground workover operations in Hungary, France, Germany, Croatia, Spain, and the Czech Republic. The Group has completed drilling projects for HHE Sarkad Limited, several projects for the Vermilion Energy Group, completed a project in France for KEM-ONE S.A.S and has also completed several projects in the German market for Neptune Energy Deutschland GmbH, Rhein Petroleum GmbH and started a long-term cooperation with the operator Wintershall Dea Deutschland GmbH.

In the Czech Republic, the MND Group started its drilling activities in 2024 by drilling 2 deeper wells - Borkovany 8 and Krumvíř 3 - with the Bentec 350 rig for the parent company MND a.s. In addition, the MD150 rig was used to drill the Břeclav 46 and Břeclav 45 wells for LAMA Gas & Oil a.s. from August to September, followed by the Koryčany 21 and Mikulov 3 wells for MND a.s.

10. Investments in renewable energy sources and new development projects

During 2024, the construction of a 54.6 MW wind power plant in the Lviv region of western Ukraine, in which MND Group is participating with its partner company Ivena Limited, was completed.

In 2024, the MND Group continued to invest in projects for the construction of rooftop photovoltaic power plants in the locations of MND's operating centres - Ždánice, Poddvorov, Hodonín, and Lužice.

MND Group is engaged in the development of modern energy projects and invests in their implementation and preparation. The Borkovany Grid Support Services (GSS) project has been completed. In parallel, project preparation and the start of construction of a similar GSS project at the Hrušky 5 site, and project preparation for the implementation of large capacity battery storage facilities in the Czech Republic and Germany were carried out. The implementation and operation of the CHP unit in Lužice was completed and the implementation of the CHP unit in Ždánice was started.

In cooperation with universities and business partners, MND Group has participated in projects related to hydrogen technology, transportation and underground storage of hydrogen.

The MND Group has joined NANO Advanced s.r.o. as a majority shareholder, which is developing an advanced water electrolyser for hydrogen production that will use artificial intelligence elements to control it.

The MND Group is a partner in the COREu project, whose main objective is to develop CO_2 transport routes in the regions of Southern and Central Europe.

11. Human resources

As at 31 December 2024, MND Group companies employed a total of 1 156 employees, of which 1 079 were in the Czech Republic and 77 in Ukraine.

12. Education and social affairs

The MND Group encourages employee education and provides an environment that is conducive to the personal development of every employee. The educational system focuses on professional, managerial, and language training. The MND Group also promotes cooperation with selected secondary schools and universities in the Czech Republic and abroad, with a focus on both increasing the qualifications of its employees, and on acquiring new talents, further developing their skills by giving them the opportunity to work with teams of experts. With respect to employee care, the MND Group focuses on creating a professional working environment with a broad selection of employee benefit options.

13. Corporate social responsibility and sponsorship

The MND Group has an active social responsibility program to support a wide range of beneficial and charitable events and civic associations in the Czech Republic. Consistent with the scope and location of its business and respect for the environment, MND directs its activities to improve the quality of the environment in the communities where it operates.

MND has been cooperating on joint projects with the Dolní Morava Biosphere Reserve, o.p.s. concerning the protection of natural and cultural diversity and sustainable economic development.

MND financially supports a wide range of other projects focusing mainly on sports, culture and education, especially supporting children in sports.

14. MND Group's financial results and state of assets in 2024

The MND Group reported a consolidated profit of CZK 572 million for 2024 CZK after tax. Revenues amounted to CZK 28,578 million in the period concerned. The consolidated profit from operating activities for the period under review amounted to CZK 811 million. The consolidated result from financial operations amounted to a loss of CZK 189 million.

The MND Group's assets as at 31 December 2024 were as follows:

- property, plant and equipment worth CZK 9 571 million CZK, intangible assets in the amount of CZK 289 million, and non-current financial assets of CZK 1 547 million;
- current assets of CZK 9 676 million CZK, comprising current financial assets of CZK 3 240 million and cash of CZK 1 139 million.

The MND Group's equity as at 31 December 2024 totalled CZK 10 657 million, of which equity attributable to the shareholders amounted to CZK 10 421 million. The total liabilities amounted to CZK 10 541 million.

In 2024, the MND Group companies did not hold any own shares or interim certificates.

15. Information on risk management

The principal role of the MND Group’s risk management is to identify risks, determine a risk measurement method, quantify and analyse risk exposure, define a hedging strategy and the hedging implementation as such. The overall responsibility for setting up the MND Group’s risk management system and supervising its operation lies on the level of the board of directors. With regard to the diversity of operations and the corresponding risks, the management of each group company is responsible for setting up and monitoring risk management policies. Information on the MND Group’s risk management is disclosed in note 30 of the notes to the consolidated financial statements, which includes a description of investment instruments used by the MND Group and price, credit and liquidity risks as well as the risks connected with cash flows that the MND Group is exposed to.

16. Outlook for the upcoming period

In 2024, the MND Group has recorded an increase in natural gas production. In 2024, compared to 2023 levels, it expects a decline in hydrocarbon production in the Czechia and a significant increase in gas production in Ukraine. In sales of gas and electricity to end customers, MND Group expects a further increase in the number of customers. MND Group's financial results will depend to a large extent on oil, gas, and electricity price developments in European markets.

17. Subsequent events

Significant subsequent events are disclosed in Note 33 of the notes to the consolidated financial statements.

Prague, 16 May 2025

Ing. Miroslav Jestřabík
Member of the Board of Directors

Ing. Jiří Ječmen
Member of the Board of Directors

II. Report on relations between the controlling entity and the controlled entity, and between the controlled entity and entities controlled by the same controlling entity

The company MND a.s., with its registered office in Hodonín, Úprkova 807/6, postal code 695 01, Czech Republic, ID No. 28483006, incorporated in the Commercial Register kept with the Regional Court in Brno, registration no. B 6209 (hereinafter the "**Company**") acted in the accounting period from 1st January, 2024 to 31st December, 2024 (hereinafter the "**Accounting Period**") as a controlled entity in accordance with the provision of Section 74 et seq. of Act No. 90/2012 Coll., on business corporations and cooperatives, as amended (hereinafter the "**BCA**").

In compliance with Section 82 of the BCA, the Board of directors of the Company, as the controlled entity, has issued for the Accounting Period this report on relations between the controlling and controlled entities, and between the controlled entity and other entities controlled by the same controlling entity (hereinafter the "**Report on Relations**" and "**Related Entities**"). This Report on Relations has been structured in accordance with Section 82, par. 2 and 4 of the BCA.

1. The structure of relations between the Company and other Related Entities

The Company is a member of the KKCG Group comprised of companies directly or indirectly controlled by KKCG Group AG, with its registered office at Kapellgasse 21, 6004 Lucerne, the Swiss Confederation, registration number CHE-326.367.231 (hereinafter the "**KKCG Group AG"**).

The Company is controlled by KKCG Group AG indirectly via its parent company, MND Group AG, with its registered office at Kapellgasse 21, 6004 Lucerne, the Swiss Confederation, registration number CHE-448.401.517.

The list of all the entities of KKCG Group that are, either directly or indirectly controlled by KKCG AG, including the Company, constitutes Annex 1 to this Report on Relations. Data on KKCG Group companies are stated as at 31 December 2024.

2. Role of the Company

The role of the Company, as the controlled entity, is to conduct oil and gas exploration and production operations, natural gas storage, drilling contractor services, trade in gas and electricity, energy supply to residential and small business customers and investment in renewable energy sources and development of new technologies.

3. Methods and means of control

The control of the Company is exercised via its 100% share in voting rights at the general meeting of the Company.

4. Overview of significant acts

In the Accounting Period the Company did not perform any acts upon the initiative or in the interest of KKCG Group AG, or of entities under KKCG Group AG control, concerning assets whose value exceeds 10% of the Company's equity as specified in its most recent financial statement, except for those listed below:

(in millions of Czech crowns)	**2024**
Costs / purchases	
Purchase of services	5 132
Revenues / sales	
Total sales	8 685

5. Overview of contracts

During the Accounting Period, the Company and KKCG Group AG, or any other entities controlled by KKCG Group AG, entered into the contracts attached as Annex 2 to this Report on Relations.

The contracts concluded between the Company and KKCG Group AG, or any other entities controlled by KKCG Group AG, prior to the commencement of the Accounting Period were still in force during the Accounting Period and are listed in Annex 3 to this Report on Relations.

6. Loss evaluation and settlement

The Company did not suffer any loss as a result of the contracts entered into during the Accounting Period between the Company and other KKCG Group entities or other actions taken by the Company in the interest of or at the instigation of such entities during the Accounting Period.

7. Advantages and disadvantages of the relations between Related Entities

The Company derives numerous benefits from its membership in the KKCG Group, with KKCG Group AG as the controlling entity. These benefits include, in particular, the opportunity to share know-how and information (in compliance with the laws and third-party contractual obligations), to draw on the strong reputation associated with the KKCG brand, and to access both intragroup and external bank financing (e.g. the possibility of having its financial obligations secured by other entities within the group).

The Company is not aware of any disadvantages arising from its relations with the Related Entities.

Annexes:

Annex 1 - List of Related Entities

Annex 2 - List of contracts between Related Entities concluded during the Accounting Period

Annex 3 - List of contracts between Related Entities concluded prior to the Accounting Period

Prague, 31 March 2025

Miroslav Jestřabík Member of the Board of Directors MND a.s.	Jiří Ječmen Member of the Board of Directors MND a.s.

Annex 1 - List of Related Entities

List of entities controlled as at 31 December 2024 by KKCG Group AG, Kapellgasse 21, 6004 Lucerne, Swiss Confederation, reg. no. CHE-326.367.231

COMPANY	Registered office, Identification number / Registration number
"CCB" Congress Center Baden Betriebsgesellschaft m.b.H.	Kaiser Franz Ring 1, 2500 Baden, Austria, reg. No. FN 67046y
"Geologichne byreau "Lviv" LLC	L'vivska Oblast, L'viv, 79011, ul. Kubiyovicha 18, Office 6, Ukraine, reg. No. 31978102
"Horyzonty" LLC	L'vivska Oblast, L'viv, 79005, ulice Chubaia Hrytska 6C, Office 7, Ukraine, reg. No. 36828617
"Precarpathian energy company" LLC	Ivano-Frankovska Oblast, Bohorodchany, 77701, ul. Shevchenka, Ukraine, reg. No. 36042045
"Tynivske" LLC	Chubaya Gritska str., building 6c, room 7, Lviv, 79005, Ukraine, reg. No. 45716077
Allwyn AG	Mühlenplatz 9, 6004 Lucerne, Switzerland, reg. No. CHE-366.705.452
Allwyn Asia Holding a.s.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 05266289
Allwyn Austria Holding 1 GmbH (formerly SAZKA Austrian Gaming Holding a.s.)	c/o DORDA Rechtsanwälte GmbH, Universitätsring 10, 1010 Vienna, Austria, reg No. FN 636509 v (formerly Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 04047788)
Allwyn Austria Holding 2 GmbH	c/o DORDA Rechtsanwälte GmbH, Universitätsring 10, 1010 Vienna, Austria, reg No. FN 38898d
Allwyn Austria Holding 3 GmbH	c/o DORDA Rechtsanwälte GmbH, Universitätsring 10, 1010 Vienna, Austria, reg. No. FN 117154k
Allwyn Czech Republic Holding a.s.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 24852104
Allwyn Entertainment Financing (UK) Plc	4th Floor 3 Dering Street, W1S 1AA London, United Kingdom, reg. No. 13841508
Allwyn Entertainment Financing (US) LLC (formerly Allwyn Services US LLC)	125 High Street, Suite 1704, Boston, MA 02110, USA
Allwyn Entertainment Ltd.	Tolpits Lane, Watford, WD18 9RN, United Kingdom, reg. No. 13157556
Allwyn Financing Czech Republic 2 a.s. v likvidaci / in liquidation	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 09771522
Allwyn Greece & Cyprus Holding 2 Ltd	Arch. Makariou III, 195, Neocleous House, 3030 Limassol, Republic of Cyprus, reg. No. HE 287956
Allwyn Greece & Cyprus Holding Ltd	Arch. Makariou III, 195, Neocleous House, 3030 Limassol, Republic of Cyprus, reg. No. HE320752
Allwyn Illinois LLC	222 W. Merchandise Mart Plaza Suite 2300, Chicago, IL60654, USA, registration No. 05886996
Allwyn Information Technology Systems Single Member S.A.	Leoforos Kifisias 18 & Gkyzi, 15125 Maroussi, Athens, Greece, registration No. 137792901000
Allwyn International AG (formerly Allwyn International a.s.)	c/o Allwyn AG, Mühlenplatz 9, 6004 Lucerne, Switzerland, reg. No. CHE-149.109.354 (formerly Evropská 866/71, Vokovice, 160 00 Praha 6, ID No. 24287814)
Allwyn Investments Cyprus Ltd	Arch. Makariou III, 195, Neocleous House, 3030 Limassol, Republic of Cyprus, reg. No. HE432870
Allwyn Italy Holding AG (formerly Italian Gaming Holding a.s.)	c/o Allwyn AG, Mühlenplatz 9, 6004 Lucerne, Switzerland, reg. No. CHE-157.693.004 (formerly Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 04828526)
Allwyn Lottery Solutions Limited	Magdalen House, Tolpits Lane, Watford, Hertfordshire, WD189RN, United Kingdom, reg. No. 07553980
Allwyn North America Inc.	222 W. Merchandise Mart Plaza Suite 2300, Chicago, IL60654, USA, reg. No. 70663287
Allwyn Services Czech Republic a.s.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 08993165
Allwyn Services UK Ltd	4th Floor 3 Dering Street, W1S 1AA London, United Kingdom, reg. No. 08869774

COMPANY	Registered office, Identification number / Registration number
Allwyn Slovensko a.s. (formerly Allwyn Slovakia a.s.)	Žižkova 9, Bratislava - mestská časť Staré Město, 811 02, Slovak Republic, ID No. 56627424
Allwyn Technology Services Limited	Tolpits Lane, Watford, Hertfordshire, WD189RN, United Kingdom, reg. No. 02822300
Allwyn UK Holding B Ltd	4th Floor 3 Dering Street, W1S 1AA London, United Kingdom, reg. No. 13849924
Allwyn UK Holding C Ltd	4th Floor 3 Dering Street, W1S 1AA London, United Kingdom, reg. No. 14530228
Allwyn UK Holding Ltd	4th Floor 3 Dering Street, W1S 1AA London, United Kingdom, reg. No. 13154201
Allwyn US Holding Inc.	251 Little Falls Drive, New Castle, Delaware 19808, USA, registration No. 7177345
ALOE spol. s r. o.	Kytlická 818/21a, Prosek, 190 00, Prague 9, Czech Republic, ID No. 65416571
Aricoma a.s.	Vinohradská 1511/230, Strašnice, 100 00, Prague 10, Czech Republic, ID No. 04615671
Aricoma Capital a.s.	Vinohradská 1511/230, Strašnice, 100 00, Prague 10, Czech Republic, ID No. 11834587
Aricoma Digital s.r.o.	Vinohradská 1511/230, Strašnice, 100 00, Prague 10, Czech Republic, ID No. 47117087
Aricoma Enterprise Applications s.r.o. (formerly Internet Projekt, s.r.o.)	Vinohradská 1511/230, Strašnice, 100 00, Prague 10, Czech Republic, ID No. 08526541
Aricoma Enterprise Cybersecurity a.s.	Voctářova 2500/20a, Libeň, 180 00, Prague 8, Czech Republic, ID No. 04772148
Aricoma Enterprise Cybersecurity s.r.o.	Krasovského 3986/14, 851 01, Bratislava, Slovak Republic, ID No. 31384072
Aricoma Group Finance a.s.	Vinohradská 1511/230, Strašnice, 100 00, Prague 10, Czech Republic, ID No. 17848369
Aricoma Group Holding a.s.	Vinohradská 1511/230, Strašnice, 100 00, Prague 10, Czech Republic, ID No. 17848601
Aricoma Shared Services s.r.o. (formerly Aricoma Brand s.r.o.)	Hornopolní 3322/34, Moravská Ostrava, 702 00 Ostrava, Czech Republic, ID No. 17867096
Aricoma Systems a.s. (formerly AUTOCONT a.s.)	Hornopolní 3322/34, Moravská Ostrava, 702 00 Ostrava, Czech Republic, ID No. 04308697
Aricoma Systems s.r.o. (formerly AUTOCONT s.r.o.)	Krasovského 14, Bratislava - mestská časť Petržalka, 851 01, Slovak Republic, ID No. 36396222
Aricoma Systems SRL	Cantersteen 47, Bruxelles, Brussels-Capitale, 1000, Belgium, reg. No. 0767.591.979
Avenga AG	Herrengasse 34, 6430 Schwyz, Switzerland, reg. no. CHE-137.888.208
Avenga Germany GmbH	Bahnhofsvorplatz 1, 50667 Cologne, Germany, reg. No. HRB 79623
Avenga Holding S. á r. l.	63-65, rue de Merl, L-2146 Luxembourg, Reg. no. B237726
Avenga Holding s.r.o. (formerly Avengiro s.r.o.)	Vinohradská 1511/230, Strašnice, 100 00, Prague 10, The Czech Republic, ID No. 19930372
Avenga International GmbH	Bahnhofsvorplatz 1. 50667 Cologne, Germany, reg. No. HRB 97336
Avenga International Holding GmbH	Bahnhofsvorplatz 1. 50667 Cologne, Germany, reg. No. HRB 107505
Avenga IT Professionals Sp. z o.o.	ul. Gwiaździsta 66, 53-413 Wrocław, Poland, reg. No. 210937
AVENGA LIMITED (formerly Next Peak Limited)	4th Floor 3 Dering Street, London, United Kingdom, W1S 1AA, reg. No. 15250344
Avenga Malaysia Sdn. Bhd.	suite 15.2, level 15, The Gardens North Tower Lingkaran Syed Putra, Mid Valley City, 59200 Kuala Lumpur, reg. no. 1202542-M
Avenga Platinum Holding I GmbH	Bahnhofsvorplatz 1. 50667 Cologne, Germany, reg. No. HRB 113232
Avenga Platinum Holding II GmbH	Bahnhofsvorplatz 1. 50667 Cologne, Germany, reg. No. HRB 113177
Avenga Poland sp. z o.o.	ul. Zielińskiego 22, 30-320 Kraków, Poland, reg. no. 518453
Avenga Portugal, Lda.	Rua Castilho, 5, 1o esqo, Sala 13, Distrito: Lisboa Concelho: Lisboa Freguesia: Santo António, Portugal, reg. No. 517050803
Avenga s. r. o.	Krasovského 3986/14, Bratislava - municipal district Petržalka, 851 01, Slovakia, ID No.56350341
Avenga Services sp.z.o.o.	ul. Przyokopowa 26, 01-208 Warszawa, Poland, reg. no. 984152

COMPANY	Registered office, Identification number / Registration number
Avenga US Holding Corp.	Telos Legal Corp., 1012 College Road, Suite 201, in the City of Dover, County of Kent, zip code 19904, reg. No. 6993384
Avenga US LLC	c/o CORPORATION TRUST CENTER 1209 ORANGE STREET, WILMINGTON, New Castle 19801, USA, reg. no. 7078267
Azúr a.s.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 22172939
Blue Rosemarine Development s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 08797200
Cachi Valle Aventuras S.A. (in liquidation)	Av. Francisco de Uriondo 330, 4400 Salta, Argentina, reg. No. IGTJ de Salta Folio 71/2 asiento 2465 L 10
CAI Hungary Kft.	Lackner Kristóf u. 33/A, 9400 Sopron, Hungary, reg. No. 08-09-027729
Camelot UK Lotteries Limited	Tolpits Lane, Watford, Hertfordshire, WD189RN, United Kingdom, reg. No. 02822203
Casino Odense K/S	Claus Bergs Gade 7, 5000 Odense C, Denmark, reg. No. 14920293
Casino Sopron Kft.	Lackner Kristóf u. 33/A, 9400 Sopron, Hungary, reg. No. 08-09-009273
Casino St. Moritz AG	Via Veglia 3, 7500 St. Moritz, Switzerland, reg. No. CHE-107.653.178
Casinoland IT-Systeme GmbH	Lister Meile 2, 30161 Hannover, Germany, reg. No. HRB 61326
Casinos Austria (Liechtenstein) AG	Vorarlberger Strasse 210, 9486 Schaanwald, Liechtenstein, reg. No. FL-0002.543.564-5
Casinos Austria (Swiss) AG	c/o LIREX AG, Davidstrasse 1, 9000 St. Gallen, Switzerland, reg. No. CHE-100.189.949
Casinos Austria AG Liegenschaftsverwaltungs und Leasing GmbH	Rennweg 44, 1038 Vienna, Austria, reg. No. FN 114288x
Casinos Austria Aktiengesellschaft	Rennweg 44, 1038 Vienna, Austria, reg. No. FN 99639d
Casinos Austria International (Mazedonien) Holding GmbH	Rennweg 44, 1038 Vienna, Austria, reg. No. FN 400167g
Casinos Austria International Belgium S.A.	Rue Grétry 16-20, 1000 Bruxelles, Belgium, reg. No. 0502.785.246
Casinos Austria International GmbH	Rennweg 44, 1038 Vienna, Austria, reg. No. FN 131441x
Casinos Austria International Holding GmbH	Rennweg 44, 1038 Vienna, Austria, reg. No. FN 37681p
Casinos Austria International Ltd.	35-41 Wharf Street, 4870 Cairns, QLD, Australia, reg. No. ACN: 065998807, ABN: 31065998807
Casinos Austria Management GmbH	Rennweg 44, 1038 Vienna, Austria, reg. No. FN 38657z
Casinos Event Immobilien GmbH	Lister Meile 2, 30161 Hannover, Germany, reg. No. HRB 201793
CAST Casinos Austria Sicherheitstechnologie GmbH	Rennweg 44, 1038 Vienna, Austria, reg. No. FN 94404f
CIPHER SOLUTIONS, a.s.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 10675680
Clarystone s.r.o.	Na Větrově 889/13, Lhotka, 142 00 Prague 4, Czech Republic, ID No. 27745422
Clearcode Services Sp. z o.o.	Św. Antoniego 2/4, 50-073 Wrocław, Poland, reg. No. 871153
CLS Beteiligungs GmbH	Goldschmiedgasse 3, 1010 Vienna, Austria, reg. No. FN84419x
Collington II Limited	Custom House Plaza Block 6, International Financial Services Centre, Dublin 1, Republic of Ireland, reg. No. 506335
Complejo Monumento Güemes S.A. (in liquidation)	Av. Francisco de Uriondo 330, 4400 Salta, Argentina, reg. No. FOLIO 187/88 ASIENTO 2288 LIBRO 9
Consulting 4U s.r.o.	Wellnerova 134/7, Nová Ulice, 779 00, Olomouc, Czech Republic, ID No. 25851471
Coopera Development s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 08682802
Core Value Global Holding LLC	c/o CORPORATION TRUST CENTER 1209 ORANGE STREET, WILMINGTON, New Castle 19801, USA, reg. no. 7078263
CoreEmpl Company Inc.	831 Notch Tatnall St Suite 200, Wilmington, DE 19801, USA, reg. no. 6990013
Cuisino Ges. m.b.H.	Rennweg 44, 1038 Vienna, Austria, reg. No. FN 54015i
Deutsche Sportwetten GmbH	Karmarschstr. 37-39, D-30159 Hannover, Germany, reg. No. HRB 219939

COMPANY	Registered office, Identification number / Registration number
Entretenimientos y Jegos de Azar (EN.J.A.S.A.) S.A. (in liquidation)	Del Milagro 142, 4400 Salta, Argentina, reg. No. IGTJ de Salta Folio 65/6 asiento 2462 L 10
Finance-Gate Software GmbH	Köpenicker Str. 154, 10997 Berlin, Germany, reg. no. HRB 194193
FM&S Czech a.s.	Vinohradská 1511/230, Strašnice, 100 00, Prague 10, Czech Republic, ID No. 04283112
Fortuna 1 ApS	c/o Casino Odense K/S, Claus Bergs Gade 7, 5000 Odense C, Denmark, reg. No. 14909087
FVE Mušov I s.r.o.	Úprkova 807/6, 695 01, Hodonín, Czech Republic, ID No. 19174098
FVE Mušov II s.r.o.	Úprkova 807/6, 695 01, Hodonín, Czech Republic, ID No. 17873517
FVE Orlová I s.r.o.	Úprkova 807/6, 695 01, Hodonín, Czech Republic, ID No. 06763731
FVE Orlová II s.r.o.	Úprkova 807/6, 695 01, Hodonín, Czech Republic, ID No. 19254504
FVE Tichá s.r.o.	Úprkova 807/6, 695 01, Hodonín, Czech Republic, ID No. 28605233
G2P Borkovany s.r.o.	Úprkova 807/6, 695 01, Hodonín, Czech Republic, ID No. 17873592
GIST, s.r.o.	Collinova 421, Vìkoše, 500 03, Hradec Králové, Czech Republic, ID No. 60916851
G-JET s.r.o.	Vinohradská 1511/230, Strašnice, 100 00, Prague, Czech Republic, ID No. 27079171
Glücks- und Unterhaltungsspiel Betriebsgesellschaft m.b.H.	Rennweg 44, 1038 Vienna, Austria, reg. No. FN 241637z
Harriague y Asociados SRL	Humberto Primo Ave 650, Capitalinas Tower 5000, Córdoba, Argentina, reg. č. 30-68095660-6
HELLENIC LOTTERIES S.A. (HELLENIC LOTTERIES – SOCIÉTÉ ANONYME FOR THE PRODUCTION, OPERATION, CIRCULATION, PROMOTION AND MANAGEMENT OF LOTTERIES)	112 Athinon Avenue, GR 104 42, Athens, Greece, reg. No.125891401000
HORSE RACES SINGLE MEMBER S.A.	112 Athinon Avenue, GR 104 42, Athens, Greece, reg. No. 132846101000
IGNIS HOLDING a.s.	Vinohradská 1511/230, Strašnice, 100 00, Prague 10, Czech Republic, ID No. 07435304
Incluit LLC	1065 SW 8th PMB 622. Miami. Fl 33156. United states, reg. No. L12000129508
Inmobiliara Ovale S.A.	Ignacio Carrera Pinto 109, 2720426 San Antonio, Chile, reg. No. 14996/10019
INSTANT WIN GAMING North America Inc.	2723 S. State St. Suite 150, Ann Arbour MI, 48104, USA, reg. No. 802249423
INSTANT WIN GAMING (Gibraltar) Limited	Madison Building, Midtown, Queensway, Gibraltar, reg. No. 121696
INSTANT WIN GAMING LIMITED	1st Floor 2 Old Street Yard, London, EC1Y 8AF, United Kingdom, reg. No. 07852508
IPM – Industrial Portfolio Management a.s.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 04572033
IT Service sp. z o.o.	ul. Przyokopowa 26, 01-208 Warszawa, Poland, reg. no. 395960
ITK Inwestycje sp. z o.o.	ul. Przyokopowa 26, 01-208 Warszawa, Poland, reg. no. 654511
JiBa Hold s.r.o.	Evropská 866/63, 160 00, Prague 6 - Vokovice, Czech Republic, ID No. 08590664
JNR Alfa, s.r.o.	Evropská 866/71, 160 00, Prague 6 - Vokovice, Czech Republic, ID No. 17875072
JNR Beta s.r.o. (formerly SC Czech ACI, s.r.o.)	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 10969551
JNR Sigma, s.r.o	Evropská 866/71, 160 00, Prague 6 - Vokovice, Czech Republic, ID No. 17875064
JTU Czech, s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 02612020
KBOC Director s.r.o.	Úprkova 807/6, 695 01, Hodonín, Czech Republic, ID No. 19666144
KBOC Investering B.V.	1101CT Amsterdam, Herikerbergweg 292, Kingdom of the Netherlands, reg. No. 52308944
KCT Data, s.r.o.	Valčíkova 1369/17, Libeň, 182 00, Prague 8, Czech Republic, ID No. 25730878
KKCG a.s.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 27107744

COMPANY	Registered office, Identification number / Registration number
KKCG Advisory a.s.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 22369074
KKCG Development a.s.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 08295484
KKCG Financing 2 a.s.	Dúbravská cesta 14, 841 04, Bratislava - Karlova Ves, Slovak Republic, ID No. 55970494
KKCG Financing a.s.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 21531455
KKCG Industry B.V.	1101CT Amsterdam, Herikerbergweg 292, Kingdom of the Netherlands, reg. No. 27271144
KKCG Methanol Holdings LLC	108 Lakeland Ave., Dover, Delaware, 19901, United States of America, EI No. 36-4831670
KKCG Real Estate Group a.s.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 24291633
KKCG Structured Finance AG	Kapellgasse 21, 6004 Lucerne, Switzerland, reg. No. CHE-292.174.442
KKCG TechLabs s.r.o.	Vinohradská 1511/230, Strašnice, 100 00, Prague 10, Czech Republic, ID No. 14042479
KKCG Technologies Finance s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 14038641
KKCG Technologies s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 07171234
KKCG UK Advisory Ltd	4th Floor 3 Dering Street, W1S 1AA London, United Kingdom, reg. No. 16075110
KKCG US Advisory LLC	125 High Street, Boston, MA-02110, United States of America, reg. No. 84-2817214
Krč Alfa a.s.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 24237761
Krč Beta a.s.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No.09810196
Krč Development, s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 10969624
KrP stav. s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 07491697
Kynero Consulting a.s.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 24193461
Leisure & Enterteinment S.A. (in liquidation)	Del Milagro 142, 4400 Salta, Argentina, reg. No. IGTJ de Salta Folio 253/4 asiento 3484 L 13
Liberty One Methanol LLC	400 Capitol Street, Suite 200, Charleston WV 25301, United States of America, EI. No.32-0521898
Liberty One O&M LLC	400 Capitol Street, Suite 200, Charleston WV 25301, United States of America, EI. No. 30-0975326
Liberty Two Methanol LLC	400 Capitol Street, Suite 200, Charleston WV 25301, United States of America, EI. No. 30-0988055
LLC Avenga Ukraine	1A, Kamyanets'ka Str., Lviv, 79034, Ukraine, reg. No. 44614060
LLC ITK Services Ukraine	118 B, V.Antonovycha str., Lviv, 79057, Ukraine, reg. no. 42685538
LLC ITK Ukraine	118 B, V.Antonovycha str., Lviv, 79057, Ukraine, reg. no. 42686264
LTB Beteiligungs GmbH	c/o DORDA Rechtsanwälte GmbH, Universitätsring 10, 1010 Vienna, Austria, reg. No. FN 84439a
MARTKOPI OIL COMPANY LIMITED	Arch. Makariou III, 195, Neocleous House, 3030 Limassol, Republic of Cyprus, reg. No. HE111838
MEDICEM Group a.s.	Kamenné Žehrovice, Karlovarská třída 20, 273 01, Czech Republic, ID No. 07118422
Medicem Inc.	125 High Street, Boston, MA-02110, United States of America, EI. No. 38-4126132
MEDICEM Technology s.r.o	Kamenné Žehrovice, Karlovarská třída 20, 273 01, Czech Republic, ID No. 48036374
Metanol d.o.o.	Lendava, Mlinska ulica 5, 9220 Lendava – Lendva, Slovenia, reg. No. 6564534000
Mindsquared a.s.	Evropská 866/63, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 09771492
MND a.s.	Úprkova 807/6, 695 01, Hodonín, Czech Republic, ID No. 28483006
MND Austria a.s.	Úprkova 807/6, 695 01 Hodonín, Czech Republic, ID No. 19407904
MND BESS GmbH	Maschweg 1, 29227 Celle, Germany, reg. No. HRB 212002
MND BESS a.s.	Úprkova 807/6, 695 01, Hodonín, Czech Republic, ID No. 21140839
MND Drilling & Services a.s.	Velkomoravská 900/405, 696 18, Lužice, Czech Republic, ID No. 25547631
MND Drilling Germany GmbH	29227 Celle, Maschweg 1, Germany, reg. No. HRB212091
MND Energie a.s.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 29137624

COMPANY	Registered office, Identification number / Registration number
MND Energy Storage a.s.	Úprkova 807/6, 695 01, Hodonín, Czech Republic, ID No. 27732894
MND Energy Storage Germany GmbH	64665 Alsbach-Hähnlein, Birkenweg 2, Germany, reg. No. HRB96046
MND Gas Storage a.s. (formerly Moravia Gas Storage a.s.)	Úprkova 807/6, 695 01, Hodonín, Czech Republic, ID No. 28506065
MND GasInvestUA s.r.o.	Úprkova 807/6, 695 01, Hodonín, Czech Republic, ID No. 19237375
MND Germany GmbH	29227 Celle, Maschweg 1, Germany, reg. No. HRB207844
MND Group AG	Kapellgasse 21, 6004 Lucerne, Switzerland, reg. No. CHE-448.401.517
MND Prodej a.s.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 09002359
MND UK NORTH SEA LTD	4th Floor 3 Dering Street, London, United Kingdom, W1S 1AA, reg. No. 15921060
MND Ukraine a.s.	Úprkova 807/6, 695 01, Hodonín, Czech Republic, ID No. 08957517
MND Wind s.r.o.	Úprkova 807/6, 695 01 Hodonín, Czech Republic, ID No. 17873568
Musala Services EOOD	36 Dragan Tsankov blvd, Office 505, 1057 Sofia, Bulgaria, reg. No. 205329279
Musala Soft DOOEL	3, Filip II Makedonski, Str., fl.4, office 4003, Skopje 1000, Republic of North Macedonia, reg. No. 7008040
Musala Soft EAD	36 Dragan Tsankov blvd, Office 505, 1057 Sofia, Bulgaria, reg. No. 202569949
Musala Soft Kosovo LLC	Str.Mujo Ulqinaku No 5-, Ap.10 Qyteza Pejton, 1000 Pristina, Kosovo, reg. No. 810171728
Musala Soft LLC	16 Khartoum St, Floor 4, Heliopolis Cairo, Egypt, reg. No. 180934
NANO Advanced Electrolysis s.r.o.	Jakubské náměstí 580/4, Brno-město, 602 00 Brno, Czech Republic, ID No. 19283768
NANO Advanced s.r.o.	Jakubské náměstí 580/4, Brno-město, 602 00 Brno, Czech Republic, ID No. 26949211
NEOFACTO Luxembourg S.A.	12, avenue du Rock'n'Roll, L-4361 Esch-sur-Alzette, Luxembourg, reg. no. B131144
NetOp CLD Ltd.	Hebron Road 24, Jerusalem, Israel, reg. No. 51-593482-6
Neurosoft Cyprus Ltd	11 Erechtheiou Street, Egomi, P.C. 2413, Nicosia, Cyprus, reg. No. HE 245439
Neurosoft Romania Software and Services Srl	Loc. Voluntari, Oras Voluntari, Sos. Bucuresti Nord, Nr 10, Cladirea de Birouri O21, Bucharest, Romania, reg. No. J23/1752/2009
NEUROSOFT S.A. (NEUROSOFT SOCIÉTÉ ANONYME SOFTWARE PRODUCTION)	466 Irakliou Avenue & Kiprou Street, 141 22 Iraklio Attikis, Athens, Greece, reg. No.084923002000
Nikolajka Development s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 08797072
NOVECON a.s.	Evropská 866/63, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 08270783
ÖLG Holding GmbH	Rennweg 44, 1038 Vienna, Austria, reg. No. FN 268558p
OPAP CYPRUS LTD	128-130 Lemesos Avenue, Strovolos, 2015, Nicosia, Republic of Cyprus, reg. No. HE140568
OPAP ECO SINGLE MEMBER S.A.	112 Athinon Avenue, GR 104 42, Athens, Greece, reg. No. 175665901000
OPAP INTERNATIONAL LTD	128-130 Lemesos Avenue, Strovolos, 2015, Nicosia, Republic of Cyprus, reg. No. HE145913
OPAP INVESTMENT LTD	128-130 Lemesos Avenue (Floor 1), Strovolos, 2015, Nicosia, Republic of Cyprus, reg. No. HE297411
OPAP S.A. (Organization of Football Prognostics S.A.)	112 Athinon Avenue, GR 104 42, Athens, Greece, reg. No. 003823201000
OPAP SPORTS LTD	128-130 Lemesos Avenue (Floor 1), Strovolos, 2015, Nicosia, Republic of Cyprus, reg. No. HE133603
Oriv Holding a.s.	Úprkova 807/6, 695 01, Hodonín, Czech Republic, ID No. 11735376
Österreichische Klassenlotterie Vertriebsgesellschaft m.b.H.	Rennweg 44, 1038 Vienna, Austria, reg. No. FN 468412t
Österreichische Lotterien Gesellschaft m.b.H.	Rennweg 44, 1038 Vienna, Austria, reg. No. FN 54472g
Österreichische Sportwetten Gesellschaft m.b.H.	Rennweg 44, 1038 Vienna, Austria, reg. No. FN 196645i
Perfectial Holding Limited	68, Oakkhill 3, Old College Street, Sliema, Malta, reg. no. C 76419

COMPANY	Registered office, Identification number / Registration number
Perfectial LLC	3422 Old Capitol Trail, Suite 700, Wilmington, Delaware 19808-6192, USA, reg. no. 5575406
Perfectial Solutions Limited	68, Oakkhill 3, Old College Street, Sliema, Malta, reg. no. C 76465
Pernerova Development s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 08682844
Qinshift Espaňa S.L. (formerly Aricoma Espaňa S.L.)	Calle Barcas 2 2 - EDIFICIO EPOCA. 46002, Valencia, Spain, reg. No.B72432248
QINSHIFT a.s.	Vinohradská 1511/230, Strašnice, 100 00, Prague 10, Czech Republic, ID No. 17865522
Qinshift AB (formerly Seavus AB)	Lilla Nygatan 7 3tr, 211 38 Malmö, Sweden, reg. No. 556588-5935
Qinshift Academy DOO (formerly Seavus Educational and Development Center DOO)	Vojvode Misica 9, 18 000 Nis, Republic of Serbia, reg. No. 29508429
Qinshift Academy DOOEL	11 Oktomvri 33A, 1000 Skopje, Republic of North Macedonia, reg. No. 6643140
QINSHIFT CAPITAL a.s.	Vinohradská 1511/230, Strašnice, 100 00, Prague 10, Czech Republic, ID No. 17802733
Qinshift Czechia s.r.o. (formerly Cleverlance Enterprise Solutions s.r.o.)	Voctářova 2500/20a, Libeň, 180 00, Prague 8, Czech Republic, ID No. 27408787
Qinshift d.o.o. Banja Luka	Svetozara Markovica No.5, 78 000 Banja Luka, Bosnia and Herzegovina, reg. No. 57-01-0252-17
Qinshift DOO	Vojvode Misica 9, 18 000 Nis, Republic of Serbia, reg. No. 20177861
Qinshift DOOEL	11 Oktomvri 33A, 1000 Skopje, Republic of North Macedonia, reg. No. 5323983
Qinshift Germany GmbH (formerly Cleverlance Deutschland GmbH)	Eduard-Schopf-Allee 1, 28217 Bremen, Germany, reg. No. 32267
Qinshift H2B s.r.o. (formerly Cleverlance H2B s.r.o.)	Tuřanka 1519/115a, Brno, Slatina, 627 00, Czech Republic, ID No. 28223756
Qinshift LLC (formerly Seavus FLLC)	FLLC SEAVUS, 25A Internatsionalnaya st., office 420, Minsk, 220 030, Republic of Belarus, reg. No. 190835458
Qinshift S.R.L.	Calea Ieșilor 8/1, et.5, of.8 , Chisinau, MD 2068, Republic of Moldova, reg. No. 1020600026584
Qinshift Slovakia s.r.o. (formerly Cleverlance Slovakia s.r.o.)	Mlynské Nivy 18890/5, 821 09, Bratislava, Slovak Republic, ID No. 35942487
Qinshift Software Technologies J.S.C. (formerly SEAVUS SOFTWARE TECHNOLOGIES J.S.C.)	Fulya Mah. Büyükdere Cad. Pekintaş Group Blok No: 32 İç Kapı No: 4 Şişli / İstanbul, Turkey, reg. No. 352133
Qinshift Sweden AB (formerly Aricoma Group International AB)	Lilla Nygatan 7 3tr, 211 38 Malmö, Sweden, reg. No. 559235-9748
Qinshift Switzerland GmbH (formerly Seavus GmbH)	Itziker Dorf Strasse 57, 8627 Grüningen, Switzerland, reg. No. CHE–020.4.049.285-2
Qinshift USA Inc.	2352 Main Street, Suite 200, Concord, MA 01742, United States of America, reg. No. 000873055
Rabcat Computer Graphics GmbH	Rennweg 46-50/1/6 (1.OG), 1030 Vienna, Austria, reg. No. FN 276027y
Relax Rezidence Cihlářka, s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 05662079
Rezervoarji d.o.o	Lendava, Mlinska ulica 5, 9220 Lendava – Lendva, Slovenia, reg. No. 6564470000
Sabris Consulting s.r.o.	Vinohradská 1511/230, Strašnice, 100 00, Prague 10, Czech Republic, ID No. 04701780
Sabris Consulting SK s.r.o.	Krasovského 3986/14, Bratislava - Petržalka, 851 01, Slovakia, ID No. 44118821
SALEZA, a.s. (in bankruptcy, insolvency proceedings initiated)	K Žižkovu 851, 19093, Prague 9, Czech Republic, ID No. 47116307
SAZKA a.s.	Evropská 866/69, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 26493993
SAZKA DELTA AIF VARIABLE CAPITAL INVESTMENT COMPANY LTD	Arch. Makariou III, 195, Neocleous House, 3030 Limassol, Republic of Cyprus, reg. No. HE314350

COMPANY	Registered office, Identification number / Registration number
SAZKA DELTA MANAGEMENT LTD (in liquidation)	Arch. Makariou III, 195, Neocleous House, 3030 Limassol, Republic of Cyprus, reg. No. HE314151
SAZKA FTS a.s.	Evropská 866/69, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 01993143
SAZKA Services s.r.o.	Evropská 866/69, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 05111901
SC Czech ACJ, s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 10969560
SC Czech ADC, s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 11973609
SC Czech ADE, s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 11974265
SC Czech ADK, s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 11975300
SDL ALFA, s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 11977051
SC Czech ADZ, s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 11977230
SC Czech AER, s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 117084458
SC Czech AGM, s.r.o.	Evropská 866/63, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 17875111
SDL Beta, s.r.o. (formerly SC Czech AES, s.r.o.)	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 17084539
SG Storage 2 s.r.o.	Úprkova 807/6, 695 01, Hodonín, Czech Republic, ID No. 05781779
Spielbanken Niedersachsen GmbH	Karmarschstraße 37-39, 30159 Hannover, Germany, reg. No. HRB 50373
SPORTLEASE a.s.	Evropská 866/69, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 62361546
Springtide Ventures s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 01726587
Stoiximan Limited (Office/Branch in Cyprus)	Themistokli Dervi 41, HAWAII TOWER, 1066, Nicosia, Republic of Cyprus, reg. No. AE 3438
Stoiximan Ltd	Office 1/1007, Level G, Quantum House 75, Abate Rigord Street, Ta'Xbiex XBX 1120, reg. No. C95597
Stoiximan Ltd Greek Branch	Neratziotissis 111, GR 151 24 Amarousio, Attica, Greece, reg. No. 155539301001
STR Czech s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 07728344
STZ Gama s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 11746777
SUPERMARINE, s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 08062773
Sweetspot CZ s.r.o.	Evropská 866/63, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 09858636
SYSCOM SOFTWARE spol. s r.o.	Kytlická 818/21a, Prosek, 190 00, Prague 9, Czech Republic, ID No. 61498084
TaxLabs s.r.o.	28. října 810/246, Mariánské Hory, 709 00 Ostrava, Czech Republic, ID No. 19632401
Theta Real s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 27631842
TORA DIRECT SINGLE MEMBER S.A. (TORA DIRECT SINGLE-MEMBER SOCIETE ANONYME FOR THE PROVISION OF SERVICES)	112Athinon Avenue, GR 104 42 Athens, Greece, reg. No. 005641201000
TORA WALLET SINGLE MEMBER S.A. (TORA WALLET SINGLE-MEMBER SOCIETE ANONYME FOR ELECTRONIC MONEY SERVICES)	112 Athinon Avenue, GR 104 42 Athens, Greece, reg. No. 139861001000
US Methanol LLC	400 Capitol Street, Suite 200, Charleston WV 25301, United States, EI. No. 81-1952040
US Methanol Midco LLC	400 Capitol Street, Suite 200, Charleston WV 25301, United States of America, EI. No. 81-1952040
VESTINLOG, s.r.o.	Evropská 866/71, Vokovice, 160 00, Prague 6, Czech Republic, ID No. 05629276
Viage Production S.A.	Rue Grétry 16-20, 1000 Bruxelles, Belgium, reg. No. 0474.725.225
Vinohradská 230 a.s.	Vinohradská 1511/230, Strašnice, 100 00, Prague 10, Czech Republic, ID No. 26203944

Annex 2 - List of contracts between Related Entities concluded during the Accounting Period

Contracting party	Contract No.	Subject of the contract	Date of contract
Aricoma Enterprise Applications s.r.o.	NS/2024/0123	Work contract No 88-240029	07.06.2024
Aricoma Enterprise Cybersecurity a.s.	NSO/2024/0001	Agreement on the protection of confidential information and data	06.02.2024
Aricoma Enterprise Cybersecurity a.s. MND Energy Storage a.s.	NS/2024/0017	Agreement on accession to the Contract for work - execution of the Information Security Risk Analysis	20.12.2024
FVE Mušov II s.r.o.	NSO/2024/0012	Contract for the provision of a contribution to other capital funds	26.09.2024
FVE Orlová I s.r.o.	PS/2024/0015	Premium recharging agreement	09.02.2024
FVE Orlová II s.r.o.	PS/2024/0016	Premium recharging agreement	09.02.2024
FVE Tichá s.r.o.	PS/2024/0017	Premium recharging agreement	09.02.2024
KBOC Investering B.V.	NSO/2024/0020	Agreement on consideration for novation and assignment of the Agreement for sale and purchase of shares	13.06.2024
KKCG a.s.	NS/2024/0252	Agreement on cooperation to prevent damage in Ukraine	02.12.2024
Kynero Consulting a.s.	RO/2240064	Printing ID cards	31.12.2024
LLC Geologichne bureau "Lviv"	PS/2024/0037	Contract for Services	01.04.2024
LLC Horyzonty	PS/2024/0038	Contract for Services	01.04.2024
LLC Precarpathian energy company	PS/2024/0036	Contract for Services	01.04.2024
MND BESS a.s.	NSO/2024/0039	Contract for the provision of a contribution to other capital funds	26.09.2024
MND BESS a.s.	PS/2024/0018	Contract for the provision of services	07.02.2024
MND BESS GmbH	NSO/2024/0018	Contract for the provision of a contribution to other capital funds	16.05.2024
MND Drilling & Services a.s.	NP/2024/0025	Exchange contract	25.06.2024
MND Drilling & Services a.s.	NS/2023/0261	Contract for work - drilling of Borkovany 8 well	15.01.2024
MND Drilling & Services a.s.	NS/2024/0011	Contract for work - workover of the Bošovice 7 well	06.02.2024
MND Drilling & Services a.s.	NS/2024/0015	Contract for work - workover of the Lubná 18 well	15.02.2024
MND Drilling & Services a.s.	NS/2024/0050	Contract for work - repair of the well-heads Uhřice 86, 87, 88, 104a, 102, 76a, 57, 61a	31.07.2024
MND Drilling & Services a.s.	NS/2024/0051	Contract for work - drilling of the Krumvíř 3 well	08.03.2024
MND Drilling & Services a.s.	NS/2024/0062	Contract for work - workover of the Uhřice 78a well	14.03.2024

Contracting party	Contract No.	Subject of the contract	Date of contract
MND Drilling & Services a.s.	NS/2024/0064	Contract for work - abandonment of a set of 11 wells	25.03.2024
MND Drilling & Services a.s.	NS/2024/0065	Contract for work - workover of the Uhřice 90a well	02.04.2025
MND Drilling & Services a.s.	NS/2024/0074	Contract for work - workover of the Uhřice 77a well	04.04.2024
MND Drilling & Services a.s.	NS/2024/0077	Contract for work - workover of the Ždánice 11 well	04.04.2024
MND Drilling & Services a.s.	NS/2024/0078	Contract for work - workover of the Ždánice 101 well	04.04.2024
MND Drilling & Services a.s.	NS/2024/0079	Contract for work - workover of the Ždánice 102 well	04.04.2024
MND Drilling & Services a.s.	NS/2024/0085	Contract for work - workover of the Uhřice 35 well	15.04.2024
MND Drilling & Services a.s.	NS/2024/0098	Contract for work - workover of the Ždánice 27 well	02.05.2024
MND Drilling & Services a.s.	NS/2024/0099	Contract for work - workover of the Ždánice 124 well	26.04.2024
MND Drilling & Services a.s.	NS/2024/0100	Contract for work - workover of the Ždánice 88 well	02.05.2024
MND Drilling & Services a.s.	NS/2024/0104	Contract for work - workover of the Uhřice 63bH well	06.05.2024
MND Drilling & Services a.s.	NS/2024/0108	Contract for work - workover of the Ždánice 92 well	13.05.2024
MND Drilling & Services a.s.	NS/2024/0112	Contract for work - workover of the Ždánice 95 well	17.05.2024
MND Drilling & Services a.s.	NS/2024/0126	Contract for work - workover of the Ždánice 28 well	07.06.2024
MND Drilling & Services a.s.	NS/2024/0131	Contract for work - workover of the Ždánice 19 well	31.05.2024
MND Drilling & Services a.s.	NS/2024/0133	Contract for work - workover of the Ždánice 13 well	20.06.2024
MND Drilling & Services a.s.	NS/2024/0141	Contract for work - workover of the Uhřice 76a well	26.06.2024
MND Drilling & Services a.s.	NS/2024/0145	Contract for work - workover of the Ždánice 190H well	28.06.2024
MND Drilling & Services a.s.	NS/2024/0146	Contract for work - workover of the Ždánice 192H well	05.07.2024
MND Drilling & Services a.s.	NS/2024/0147	Contract for work - workover of the Mutěnice 14 well	02.07.2024
MND Drilling & Services a.s.	NS/2024/0158	Contract for work - workover of the Ždánice 45 well	18.07.2024
MND Drilling & Services a.s.	NS/2024/0159	Contract for work - workover of the Ždánice 60 well	11.07.2024
MND Drilling & Services a.s.	NS/2024/0160	Contract for work - workover of the Mutěnice 8 well	29.07.2024
MND Drilling & Services a.s.	NS/2024/0161	Contract for work - workover of the Koryčany 1 well	26.07.2024
MND Drilling & Services a.s.	NS/2024/0163	Contract for work - workover of the Ždánice 29 well	23.07.2024
MND Drilling & Services a.s.	NS/2024/0165	Contract for work - workover of the Poddvorov 24 well	22.07.2024
MND Drilling & Services a.s.	NS/2024/0171	Contract for work - production test at the Krumvíř 3 well	25.07.2024

Contracting party	Contract No.	Subject of the contract	Date of contract
MND Drilling & Services a.s.	NS/2024/0173	Contract for work - workover of the Ždánice 53 well	29.07.2024
MND Drilling & Services a.s.	NS/2024/0175	Contract for work - workover of the Ždánice 48 well	05.08.2024
MND Drilling & Services a.s.	NS/2024/0176	Contract for work - workover of the Poddvorov 109 well	09.08.2024
MND Drilling & Services a.s.	NS/2024/0186	Contract for work - workover of the Ždánice 184 well	15.08.2024
MND Drilling & Services a.s.	NS/2024/0187	Contract for work - workover of well 37	04.09.2024
MND Drilling & Services a.s.	NS/2024/0190	Contract for work - workover of the Ždánice 155 well	14.06.2024
MND Drilling & Services a.s.	NS/2024/0191	Contract for work - workover of the Ždánice 119 well	08.08.2024
MND Drilling & Services a.s.	NS/2024/0192	Contract for work - workover of the Poddvorov 36 well	16.09.2024
MND Drilling & Services a.s.	NS/2024/0198	Contract for work - workover of the Klobouky 5 well	16.09.2024
MND Drilling & Services a.s.	NS/2024/0208	Contract for work - drilling of the Koryčany 21 well	01.10.2024
MND Drilling & Services a.s.	NS/2024/0225	Contract for work - drilling of the Mikulov 3 well	12.11.2024
MND Drilling & Services a.s.	NS/2024/0230	Contract for work - workover of the Hrušky 42 well	08.11.2024
MND Drilling & Services a.s.	NS/2024/0234	Contract for work - workover of the Hrušky 58 well	19.11.2024
MND Drilling & Services a.s.	NS/2024/0247	Contract for work - workover of the Bošovice 4 well	09.12.2024
MND Drilling & Services a.s.	NS/2024/0266	Contract for work - workover of the Bošovice 7 well	30.12.2024
MND Drilling & Services a.s.	PS/2024/0096	Lease agreement on business lease of movable property	17.10.2024
MND Drilling & Services a.s.	PS/2024/0104	Cost recharging agreement	11.11.2024
MND Drilling & Services a.s.	RO/2240017	Recharging of water consumption in 2024	31.12.2024
MND Drilling & Services a.s.	RO/2240018	Purchase of material from stock 2024	31.12.2024
MND Drilling & Services a.s.	RO/2240019	Defectoscopic works 2024	30.04.2024
MND Drilling & Services a.s.	RO/2240020	Participation in weighing of pipe material	31.12.2024
MND Drilling & Services a.s.	RO/2240022	Technical gases purchase 2024	31.12.2024
MND Drilling & Services a.s.	RO/2240029	Cleaning of leased premises 2024	31.12.2024
MND Drilling & Services a.s.	RO/2240075	Fuel tank rental	31.12.2024
MND Drilling & Services a.s.	RS/2240003	First aid training	05.12.2024
MND Drilling & Services a.s.	RS/2240004	Assembly and testing of the rescue trolley	03.01.2025
MND Drilling & Services a.s.	RS/2240007	Reprographic work	02.12.2024

Contracting party	Contract No.	Subject of the contract	Date of contract
MND Drilling & Services a.s.	RS/2240010	Sale of goods warehouse	11.11.2024
MND Drilling & Services a.s.	RS/2240017	Laboratory services 2024	02.12.2024
MND Drilling & Services a.s.	RS/2240021	Evaluation of the logging measurement	17.12.2024
MND Energie a.s.	NS/2024/0001	Contract for electricity supply services	02.01.2024
MND Energie a.s.	NS/2024/0203	Contract for electricity supply services	21.10.2024
MND Energie a.s.	NS/2024/0214	Contract for electricity supply services	22.10.2024
MND Energie a.s.	NS/2024/0264	Contract for electricity supply services	30.12.2024
MND Energie a.s.	PS/2024/0007	Purchase contract	25.01.2024
MND Energie a.s.	PS/2024/0035	Contract for the purchase of electricity from renewable sources	04.04.2024
MND Energie a.s.	PS/2024/0079	Purchase contract	21.08.2024
MND Energie a.s.	PS/2024/0107	Purchase contract	19.12.2024
MND Energie a.s.	PS/2024/0112	Settlement Agreement	09.12.2024
MND Energie a.s.	PSO/2024/0031	Agreement on withdrawal of shares from circulation	04.09.2024
MND Energy Storage a.s.	NS/2024/0060	Purchase contract	09.04.2024
MND Energy Storage a.s.	OP/2024/0036	Gas storage contract for reservation of monthly storage capacity with fixed capacity	07.10.2024
MND Energy Storage a.s.	PS/2024/0020	Contract for the lease of a vehicle	10.02.2024
MND Energy Storage a.s.	PS/2024/0027	Framework contract for the provision of services	26.06.2024
MND Energy Storage a.s.	PS/2024/0045	Framework agreement for the provision of services in the field of "Human resources"	01.02.2024
MND Energy Storage a.s.	PS/2024/0078	Contract for the acquisition and use of Aveva Historian FLEX software	31.07.2024
MND Energy Storage a.s.	RS/2240027	Professional and promotional activities	09.01.2025
MND G2P s.r.o.	NS/2024/0205	Lease agreement	04.11.2024
MND G2P s.r.o.	NS/2024/0249	Electricity supply and cost recharging contract	30.10.2024
MND G2P s.r.o.	NSO/2024/0038	Contract for the provision of a contribution to other capital funds	26.09.2024
MND G2P s.r.o.	PS/2024/0033	Connection and Operating Agreement between gas market participants	15.03.2024
MND G2P s.r.o.	PS/2024/0059	Contract for the establishment of an easement	16.05.2024
MND G2P s.r.o.	PS/2024/0106	Premium recharging agreement - liability	29.11.2024
MND Gas Storage a.s.	OP/2024/0039	Gas storage contract for reservation of annual storage capacity with fixed capacity	18.11.2024

Contracting party	Contract No.	Subject of the contract	Date of contract
MND Gas Storage a.s.	OP/2024/0040	Gas storage contract for reservation of annual storage capacity with fixed capacity	18.11.2024
MND Gas Storage a.s.	PS/2024/0028	Framework contract for the provision of services	26.06.2024
MND Gas Storage a.s.	PS/2024/0044	Framework agreement for the provision of services in the field of "Human resources"	01.02.2024
MND Gas Storage a.s.	PS/2024/0077	Purchase contract Sale of the well Uhřice 48	23.07.2024
MND Gas Storage a.s.	PS/2024/0083	Purchase contract Sale of the well Uhřice 89	09.09.2024
MND Group AG	NSO/2024/0030	Share Purchase Agreement	01.07.2024
NANO Advanced s.r.o.	NSO/2024/0025	Contract for the provision of contributions	03.06.2024
Oriv Holding a.s.	NSO/2024/0026	Contract for the provision of a contribution to other capital funds	18.06.2024
Oriv Holding a.s.	NSO/2024/0041	Contract for the provision of a contribution to other capital funds	05.11.2024

Annex 3 - List of contracts between Related Entities concluded prior to the Accounting Period

Contracting party	Contract No.	Subject of the contract	Date of contract
Aricoma Digital s.r.o.	NS/2023/0196	Technical maintenance and development contract	14.09.2023
Aricoma Enterprise Applications s.r.o.	724.42-735/03	Navision Service	18.12.2003
Aricoma Enterprise Applications s.r.o.	724.42-736/03	Navision licence	18.12.2003
Aricoma Enterprise Applications s.r.o.	NS/2022/0188	Work contract No. PAS-220048	22.12.2022
Aricoma Systems a.s.	NS/2015/0141	Subcontract for the provision of services	28.08.2015
Aricoma Systems a.s.	NS/2016/0045	Contract for the provision of services	03.05.2016
Aricoma Systems a.s.	NS/2016/0094	Subcontract for the provision of services	29.07.2024
Aricoma Systems a.s.	NS/2017/0008	Subcontract for the provision of services	06.02.2017
Aricoma Systems a.s.	NS/2019/0242	Contract for the provision of services	13.12.2019
Aricoma Systems a.s.	NS/2021/0111	Contract for the provision of services	26.10.2021
Aricoma Systems a.s.	NS/2023/0030	Framework Licensing Agreement	24.02.2023
Aricoma Systems a.s.	OP/2022/0039	Agreement for the provision of datacentre, cloud and other services	27.12.2022
FM&S Czech a.s.	NS/2021/0052	Contract for the provision of fitness services	12.05.2021
FM&S Czech a.s.	NS/2021/0053	Contract for the provision of services - factory catering	12.05.2021
FM&S Czech a.s.	NS/2021/0054	Rental and service contract	12.05.2021
FM&S Czech a.s.	NS/2021/0151	Contract for the provision of property management and maintenance services	01.07.2021
FVE Mušov I s.r.o.	PS/2023/0042	Contract for the provision of services	19.05.2023
FVE Mušov II s.r.o.	PS/2023/0043	Contract for the provision of services	19.05.2023
FVE Orlová I s.r.o.	PS/2023/0067	Contract for the provision of services	16.10.2023
FVE Orlová II s.r.o.	PS/2023/0068	Contract for the provision of services	16.10.2023
FVE Tichá s.r.o.	PS/2023/0066	Contract for the provision of services	16.10.2023
KKCG a.s.	NS/2016/0079	Contract for the provision of services	30.05.2016
KKCG a.s.	PS/2022/0023	Sublease agreement Bořislavka centre	01.05.2022
KKCG AG	NS/2016/0107	Trademark Licensing Agreement	23.08.2016
KKCG Services a.s.	NS/2020/0070	ICT Service Contract	08.06.2020
Kynero Consulting a.s.	RO/2230051	Card ID	28.01.2022

Contracting party	Contract No.	Subject of the contract	Date of contract
Horyzonty LLC	PS/2023/0028	Contract for Services	01.04.2023
Horyzonty LLC	PS/2024/0021	Contract for Information Technology Services	31.12.2023
MND Austria a.s.	PS/2023/0048	Contract for the provision of services	09.06.2023
MND Drilling & Services a.s.	724.42-007/01	Economic and payroll services	12.02.2024
MND Drilling & Services a.s.	724.42-146/01	Contract for work	19.01.2001
MND Drilling & Services a.s.	NS/2005/0266	Contract for work	01.09.2005
MND Drilling & Services a.s.	NS/2006/0209	Agreement on the joint use of the canteen and technological equipment	31.07.2006
MND Drilling & Services a.s.	NS/2011/0012	Framework contract for the execution of small-scale perforation works	21.01.2011
MND Drilling & Services a.s.	NS/2012/0108	Framework contract for the provision of services - repairs, preventive inspections, maintenance, emergency service	01.05.2012
MND Drilling & Services a.s.	NS/2012/0168	Lease agreement for non-residential premises and land	01.05.2012
MND Drilling & Services a.s.	NS/2013/0346	Framework contract for the supply of diesel fuel	31.10.2013
MND Drilling & Services a.s.	NS/2014/0462	Framework contract for the supply of machine parts	31.12.2014
MND Drilling & Services a.s.	NS/2015/0038	Contract for re-invoicing of costs - water and sewerage charges Lužice	30.01.2015
MND Drilling & Services a.s.	NS/2016/0130	Framework contract for the provision of services - transport and crane services	18.10.2016
MND Drilling & Services a.s.	NS/2017/0039	Contract for storage and storage-related activities	29.03.2017
MND Drilling & Services a.s.	NS/2018/0257	Framework Contract - cleaning, renovation and storage of footrests and rods	31.12.2018
MND Drilling & Services a.s.	NS/2019/0001	Framework contract Well research	16.01.2019
MND Drilling & Services a.s.	NS/2019/0119	Contract for the provision of steam generator services	31.12.2020
MND Drilling & Services a.s.	NS/2020/0090	Framework contract for the provision of services - cementing and pressure units work	27.07.2020
MND Drilling & Services a.s.	NS/2020/0128	Framework contract for the provision of environmental services	02.12.2020
MND Drilling & Services a.s.	NS/2022/0105	MWCD lease agreement	31.03.2022
MND Drilling & Services a.s.	NS/2022/0135	Lease agreement Object S Lužice	31.08.2022
MND Drilling & Services a.s.	NS/2022/0202	Contract for work - abandonment of a set of 25 wells	07.12.2022
MND Drilling & Services a.s.	NS/2022/0221	Lease agreement	15.09.2022
MND Drilling & Services a.s.	NS/2023/0053	Contract for the re-invoicing of gas supply costs	01.01.2023
MND Drilling & Services a.s.	NS/2023/0238	Contract for work - abandonment of the Krumvíř 1Ra well	01.11.2023

Contracting party	Contract No.	Subject of the contract	Date of contract
MND Drilling & Services a.s.	NS/2023/0264	Contract for work - workover of the Ladná 7 well	29.12.2023
MND Drilling & Services a.s.	NS/2023/0269	Contract for work - workover of the Žižkov 20 well	29.12.2023
MND Drilling & Services a.s.	PS/2004/0003	Contract for cost re-invoicing - electricity Lužice	10.02.2004
MND Drilling & Services a.s.	PS/2007/0062	Contract for the provision of well control services	20.12.2007
MND Drilling & Services a.s.	PS/2012/0012	Framework contract for the provision of services - repairs, preventive inspections, maintenance, emergency service	01.05.2012
MND Drilling & Services a.s.	PS/2013/0043	Lease agreement	30.07.2013
MND Drilling & Services a.s.	PS/2014/0003	Agreement on the use of mine water use and reimbursement of costs	02.01.2014
MND Drilling & Services a.s.	PS/2014/0028	Framework contract for services - dismantling and assembly of drilling rigs	23.07.2014
MND Drilling & Services a.s.	PS/2014/0039	Lease agreement for the lease of business premises and the provision of services related to the lease	03.11.2014
MND Drilling & Services a.s.	PS/2015/0082	Insurance premium rebilling agreement	26.11.2015
MND Drilling & Services a.s.	PS/2020/0058	Agreement on rebilling of operating and maintenance costs for the HV 64 line	02.11.2020
MND Drilling & Services a.s.	PS/2020/0059	Framework agreement for the provision of HR services	30.10.2020
MND Drilling & Services a.s.	PS/2022/0004	Contract for the provision of well control services	03.02.2022
MND Drilling & Services a.s.	PS/2023/0016	Contract for the lease of a vehicle	02.01.2023
MND Drilling & Services a.s. MND Energy Storage a.s.	PSO/2022/0002	Agreement on the reimbursement of the costs of the release of a member of a trade union body	01.02.2022
MND Energie a.s.	NS/2021/0124	Contract for the provision of services	27.10.2021
MND Energie a.s.	NS/2021/0125	Contract for the provision of services	27.10.2021
MND Energie a.s.	NS/2022/0213	Contract for electricity supply services	09.12.2022
MND Energie a.s.	NS/2022/0219	Contract for electricity supply services	22.12.2022
MND Energie a.s.	NS/2022/0220	Contract for associated services for the supply of natural gas	22.12.2022
MND Energie a.s.	NS/2023/0013	Contract for gas supply services	19.08.2022
MND Energie a.s.	NS/2023/0014	Contract for gas supply services	19.08.2022
MND Energie a.s.	NS/2023/0077	Contract for electricity supply services	14.04.2023
MND Energie a.s.	OE/2021/0013	EFET electricity	01.11.2021

Contracting party	Contract No.	Subject of the contract	Date of contract
MND Energie a.s.	OP/2021/0079	EFET gas	01.11.2021
MND Energie a.s.	PS/2021/0062	Contract for the provision of services	04.04.2025
MND Energie a.s.	PS/2021/0063	Lease agreement	04.04.2025
MND Energie a.s.	PS/2021/0064	Sublease agreement Bořislavka centre	27.10.2021
MND Energie a.s.	PS/2021/0065	Contract for the provision of services	27.10.2021
MND Energie a.s.	PS/2021/0066	Contract for the provision of services	27.10.2021
MND Energie a.s.	PS/2021/0075	Sublease agreement Bořislavka centre	27.10.2021
MND Energie a.s.	PS/2021/0077	Contract for the provision of services	30.11.2021
MND Energie a.s.	PS/2021/0080	Contract for the lease of movable property	31.12.2021
MND Energie a.s.	PS/2021/0081	Sublease and service contract	01.11.2021
MND Energie a.s.	PS/2023/0004	Insurance premium recharging agreement	16.01.2023
MND Energy Storage a.s.	NS/2012/0120	Contract for gas supply to the Dambořice field	30.04.2012
MND Energy Storage a.s.	NS/2015/0248	Purchase contract - low temperature condensate	28.12.2015
MND Energy Storage a.s.	OP/2019/0035	Contract for the provision of commercial dispatching services	02.01.2019
MND Energy Storage a.s.	OP/2022/0009	Gas storage contract for reservation of monthly storage capacity and gas loan	28.02.2022
MND Energy Storage a.s.	OP/2023/0023	Gas storage contract for reservation of monthly storage capacity and gas loan	14.04.2023
MND Energy Storage a.s.	OP/2023/0040	Gas storage contract for reservation of annual storage capacity with fixed capacity	24.07.2023
MND Energy Storage a.s.	PS/2008/0101	Drill Core Storage Contract	28.02.2008
MND Energy Storage a.s.	PS/2008/0113	Lease agreement for the lease of non-residential premises	30.05.2008
MND Energy Storage a.s.	PS/2009/0012	Contract for the provision of electronic communications services	30.01.2009
MND Energy Storage a.s.	PS/2009/0019	Contract for the provision of well control services	30.04.2009
MND Energy Storage a.s.	PS/2009/0025	Contract for the maintenance of mining measurement documentation	30.04.2009
MND Energy Storage a.s.	PS/2010/0057	Contract for the provision of economic and other services	30.07.2010
MND Energy Storage a.s.	PS/2015/0006	Insurance premium recharging agreement	02.01.2015
MND Energy Storage a.s.	PS/2016/0002	Contract for the provision of maintenance services for technical equipment	13.01.2016
MND Energy Storage a.s.	PS/2016/0021	Contract for the provision of reservoir engineering and geology services	30.04.2016
MND Energy Storage a.s.	PS/2022/0005	Contract for well control services and reimbursement of the costs of the MWCD	30.12.2021

Contracting party	Contract No.	Subject of the contract	Date of contract
MND Energy Storage a.s.	PS/2023/0005	Framework contract for the provision of services	02.01.2023
MND Energy Storage a.s.	PS/2023/0006	Framework contract for the provision of services	02.01.2023
MND Energy Storage a.s.	PS/2023/0007	Framework contract for the provision of services	02.01.2023
MND Energy Storage a.s.	PS/2023/0012	Framework contract for the provision of services	02.01.2023
MND Energy Storage Germany GmbH	PS/2015/0067	Contract for Services	30.09.2015
MND G2P s.r.o.	PS/2023/0040	Contract for the provision of services	19.05.2023
MND Gas Storage a.s.	NP/2012/0003	Land Use Agreement	02.01.2012
MND Gas Storage a.s.	NS/2016/0012	Purchase contract	09.02.2016
MND Gas Storage a.s.	NS/2023/0127	Lease agreement	15.06.2023
MND Gas Storage a.s.	PS/2011/0039	Contract for the maintenance of mining measurement documentation	01.08.2011
MND Gas Storage a.s.	PS/2011/0040	Contract for well control services and reimbursement of the costs of the MWCD	01.08.2011
MND Gas Storage a.s.	PS/2011/0076	Contract for the provision of services	01.08.2011
MND Gas Storage a.s.	PS/2016/0003	Framework agreement for the provision of technical equipment and reservoir engineering services	13.01.2016
MND Gas Storage a.s.	PS/2021/0048	Agreement to allow off-take and reimbursement of costs for electricity	21.09.2021
MND Gas Storage a.s.	PS/2022/0006	Contract for well control services and reimbursement of the costs of the MWCD	30.12.2021
MND Gas Storage a.s.	PS/2023/0020	Framework contract for the provision of services	13.06.2023
MND Gas Storage a.s.	PS/2023/0023	Framework contract for the supply of goods	05.04.2023
MND Gas Storage a.s.	PS/2023/0024	Framework contract for the provision of services	05.04.2023
MND GasInvestUA s.r.o.	PS/2023/0044	Contract for the provision of services	19.05.2023
MND Prodej a.s.	PS/2020/0062	Contract for the provision of services	30.10.2020
MND Prodej a.s.	PS/2023/0003	Insurance premium recharging agreement	09.02.2023
MND Ukraine a.s.	PS/2020/0064	Contract for the provision of services	05.11.2020
MND Wind s.r.o.	PS/2023/0039	Contract for the provision of services	19.05.2023
Oriv Holding a.s.	PS/2021/0061	Contract for the provision of services	01.11.2021
SAZKA a.s.	NSO/2014/0123	Agreement on the regulation of relationship within the VAT group	29.10.2014

III. Consolidated Sustainability Statement

1 ESRS 2 - General information

1.1 Basis for preparation

[BP-1] General basis for the preparation of the Consolidated Sustainability Statement

This Consolidated Sustainability Statement (hereinafter the "**Statement**") of MND a.s. (hereinafter "**MND**") has been prepared in accordance with Act No. 563/1991 Coll., on Accounting, as amended (hereinafter the "Act on **Accounting**"), which transposes the Accounting Directive (2013/34/EU)[1] as amended by the Corporate Sustainability Reporting Directive (2022/2464)[2] , including the European Sustainability Reporting Standards[3] (hereinafter the "**ESRS**" or "**Standards**"). The Statement also contains disclosures pursuant to Article 8 of Regulation (EU) 2020/852[4] of the European Parliament and of the Council and the Commission Delegated Regulation (hereinafter "**EU Taxonomy**").

The Statement was prepared for the period from 1 January 2024 to 31 December 2024, in the same scope as the consolidated financial statements, and includes MND, the parent company, and the companies with which MND forms a consolidated group[5] (the "**Group**").

The Statement covers the Group's own operations, upstream (suppliers) and downstream (customers) parts of the value chain, including companies that were under joint control or affiliated (within the meaning of section 22(3)(b) and (c) of the Act on Accounting) in relation to MND, where relevant, depending on the identified impacts, risks and opportunities. The information and data disclosed about specific impacts, risks and opportunities may be limited to the specific Group companies, groups of employees, activities and products, based on the results of the double materiality assessment.

The Group has not exercised the option to omit specific disclosures relating to intellectual property, know-how or the results of innovation, nor has it applied exemptions for disclosure of information on impending developments or matters in the course of negotiations.

Selected financial information presented in the Statement is derived from the Group's consolidated financial statements, which are prepared in accordance with IFRS standards. Monetary amounts are expressed in Czech crowns. Other figures are presented in the units specified in the relevant section of the Statement. Rounding of these figures may cause minor discrepancies.

In accordance with ESRS 1, the Group does not disclose comparative information in respect of year 2023. Where permitted by ESRS, the Group has applied the phase-in requirements and transitional provisions and therefore the Statement does not include information that is not required for this reporting period.

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[1] Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual accounts, consolidated accounts and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Directives 78/660/EEC and 83/349/EEC

[2] Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards corporate sustainability reporting.

[3] Commission Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards.

[4] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088

[5] For detailed information on the consolidating entity, see Part I. Business Report, point 2.

List of phased-in disclosure requirements

ESRS	Disclosure requirement	Full name of the disclosure request	Phased-in or effective date (including first year)
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model.	The undertaking may omit the information prescribed by ESRS 2 SBM-3 paragraph 48(e) (anticipated financial effects) for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS 2 SBM-3 paragraph 48(e) by reporting only qualitative disclosures for the first 3 years of preparation of its sustainability statement, if it is impracticable to prepare quantitative disclosures.
ESRS E1	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	The undertaking may omit the information prescribed by ESRS E1-9 for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E1-9 by reporting only qualitative disclosures for the first 3 years of preparation of its sustainability statement, if it is impracticable to prepare quantitative disclosures.
ESRS E2	E2-6	Anticipated financial effects from pollution-related risks and opportunities	The undertaking may omit the information prescribed by ESRS E2-6 for the first year of preparation of its sustainability statement. Except for the information prescribed by paragraph 40 (b) on the operating and capital expenditures occurred in the reporting period in conjunction with major incidents and deposits, the undertaking may comply with ESRS E2-6 by reporting only qualitative disclosures, for the first 3 years of preparation of its sustainability statement.
ESRS E3	E3-5	Anticipated financial effects from water and marine resources-related risks and opportunities	The undertaking may omit the information prescribed by ESRS E3-5 for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E3-5 by reporting only qualitative disclosures, for the first 3 years of preparation of its sustainability statement.
ESES E5	E5-6	Anticipated financial effects from resource use and circular economy-related risks and opportunities	The undertaking may omit the information prescribed by ESRS E5-6 for the first year of preparation of its sustainability statement. The undertaking may comply with ESRS E5-6 by reporting only qualitative disclosures, for the first 3 years of preparation of its sustainability statement.
ESRS S1	S1-7	Characteristics of non-employee workers in the undertaking's own workforce	The undertaking may omit reporting for all datapoints in this Disclosure Requirement for the first year of preparation of its sustainability statement.
ESRS S1	S1-8	Collective bargaining coverage and social dialogue	The undertaking may omit this Disclosure Requirement with regard to its own employees in non-EEA countries for the first year of preparation of its sustainability statement.
ESRS S1	S1-11	Social protection	The undertaking may omit the information prescribed by ESRS S1-11 for the first year of preparation of its sustainability statement.
ESRS S1	S1-12	Percentage of employees with disabilities	The undertaking may omit the information prescribed by ESRS S1-12 for the first year of preparation of its sustainability statement.
ESRS S1	S1-13	Training and skills development	The undertaking may omit the information prescribed by ESRS S1-13 for the first year of preparation of its sustainability statement.
ESRS S1	S1-14	Health and safety	The undertaking may omit the data points on cases of work-related ill-health and on number of days lost to injuries, accidents, fatalities and work-related ill health for the first year of preparation of its sustainability statement.

ESRS	Disclosure requirement	Full name of the disclosure request	Phased-in or effective date (including first year)
ESRS S1	S1-14	Health and safety	The undertaking may omit reporting on non-employees for the first year of preparation of its sustainability statement.
ESRS S1	S1-15	Work-life balance	The undertaking may omit the information prescribed by ESRS S1-15 for the first year of preparation of its sustainability statement.

1.1.1 [BP-2] Disclosures in relation to specific circumstances

Time horizons

The time horizons for the purposes of this Statement are as follows:

- short-term horizon: up to 1 calendar year (corresponding to the accounting period);
- medium-term horizon: 1 to 5 years;
- long-term horizon: more than 5 years.

The Group has not deviated from the medium- or long-term time horizons as defined under the ESRS in the Statement.

Value chain estimation and sources of estimation and outcome uncertainty

Where permitted by the ESRS, the Group has applied the phased-in requirements and transitional provisions and therefore the Statement does not include disclosures that are not required for this reporting period.

The Statement does not include any indicators covering upstream and downstream value chain data estimated using indirect sources such as sectoral averages or other proxies, except for greenhouse gas emissions.

For the presentation of quantitative metrics, estimates and assumptions have been used in cases where direct measurable data were not available and thus these may be subject to a higher degree of measurement uncertainty. The table below provides an overview of the metrics that are subject to a certain degree of measurement uncertainty. The Group will make every effort in future reporting periods to establish reliable methods for obtaining such information.

Description of the metric	Source of uncertainty	Approximations and judgements
GHG emissions	Inaccurate measurement technique, poor quality data, missing data	Using emission factors, natural gas is considered to be a mixture consisting of 100% methane, extrapolation of operational data for which data exist (see section Environmental information, article 2.2.7*[E1-6] Gross Scope 1, 2, 3 and total GHG emissions*).
Energy consumption-related metrics	Insufficient data granularity for Horyzonty LLC and Precarpathian energy company LLC, Geologichne Bureau "Lviv" LLC	The Group has data on the total value of electricity consumption for Horyzonty LLC, Precarpathian energy company LLC, Geologichne Bureau "Lviv" LLC. The data source used to estimate the energy mix was Ukraine: Energy Country Profile - Our World in Data
Recycled and reused water	The volume is calculated for drilling purposes (exact measurements are not available)	The resulting value is calculated as the difference between the projected and actual water consumption.

A degree of uncertainty may also apply to statements about the future that are based on current expectations and assumptions. Actual results could subsequently differ significantly due to a number of factors, including unpredictable market developments, regulatory or technological changes, operational risks or geopolitical events and natural disasters. Given these uncertainties, the projections presented should be interpreted with caution.

Changes in the preparation or presentation of sustainability information and reporting errors in prior periods

In 2023, the Group disclosed information according to the EU Taxonomy, which was neither part of the sustainability statement nor subject to verification by the auditor. This information in respect of year 2023 has been restated in this Statement – see section Environmental information, article *2.1 EU Taxonomy for the 2024 reporting period*

Disclosures stemming from other legislations

No additional disclosures were identified.

1.2 Governance

1.2.1 [GOV-1, GOV-2, GOV-3] The role of administrative, management and supervisory bodies

The structure of MND is hierarchical with clearly defined roles and responsibilities across the different levels and within the respective bodies. The roles and responsibilities of each body are regulated by the Articles of Association of MND.

The statutory body of MND is the Board of Directors, which is responsible for the business management of MND.

The supervisory body of MND is the Supervisory Board. Membership in the Supervisory Board is incompatible with the membership in the Board of Directors. Further information on the position and competence of the Board of Directors of MND and the Supervisory Board of MND is regulated by the Articles of Association of MND and Act No. 90/2012 Coll., on Commercial Companies and Cooperatives, as amended.

As of 31 December 2024, the Board of Directors of MND was composed of 3 men, and the Supervisory Board of MND was also composed of 3 men, i.e. 100% male representation (0% female). The members of the Supervisory Board of MND are independent of the members of the Board of Directors of MND (100% share of independent board members). All members of the Board of Directors of MND have the status of executive member and all members of the Supervisory Board of MND have the status of non-executive member. MND employees are not directly represented on the administrative, management and supervisory bodies of MND.

Composition of the Board of Directors of MND as of 31 December 2024		Experience relevant to the industry, products and geographic locations of the undertaking (including sustainability) and the Group's culture
Chairman of the Board of Directors	Karel Komarek	Founder of KKCG Group 30 years of experience in the Oil & Gas industry
Member of the Board of Directors	Ing. Jiří Ječmen	Long-standing member of the Group's statutory and supervisory bodies
Member of the Board of Directors	Ing. Miroslav Jestřabík	Long-standing member of the Group's statutory and supervisory bodies

Composition of the MND Supervisory Board as of 31 December 2024		Experience relevant to the industry, products and geographic locations of the undertaking (including sustainability) and the Group's culture
Chairman of the Supervisory Board	Ing. Robert Kolář	Long-standing member of the supervisory boards of Group companies
Member of the Supervisory Board	Ing. Pavel Šaroch	Long-standing Investment Director at KKCG Group
Member of the Supervisory Board	JUDr. Josef Novotný	Attorney-at-law, long-standing member of the supervisory boards of Group companies

Responsibility for overseeing the impacts, risks and opportunities identified within this Statement, similar to the Group's overall strategy, is the responsibility of the Board of Directors of MND and the statutory bodies of individual companies within the Group. This includes areas related to corporate governance, including the approval and oversight of compliance with the Code of Ethics of MND Group and the Compliance System (for more information, see Governance information, article 4.1.1 *[G1-1] Business conduct policies and corporate culture***).**

As part of the approval of the Group's double materiality assessment, the Board of Directors was informed of all identified material impacts, risks and opportunities. The process of formalising the impacts, risks and opportunities according to ESRS was only been undertaken for 2024 and the Board of Directors approved the identified material impacts, risks and opportunities for this reporting period as set out in article 1.3.4 *[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities*. In addition to overseeing the identification of material impact risks and opportunities in the context of compliance with reporting requirements, the Board of Directors also oversees the implementation of the management of material impacts, risks and opportunities where these impact the Group’s strategy or relate to risk and compliance matters, including processes associated with the decision-making on significant transactions. This role is not delegated to a specific management level position or committee.

The Group does not currently have specific targets for material impacts, risks and opportunities, including those related to climate change. If such targets are set in the future, a process will be formalised for the Board of Directors to monitor progress towards achieving them, including alignment with the Group's business conduct and culture. The Group has also not yet implemented a system of incentives or remuneration policies related to sustainability matters for members of the administrative, management or supervisory bodies.

To ensure effective management of impacts, risks and opportunities in the interim period before specific roles and responsibilities are formalised, the preliminary structures and processes have been established. These already oversee the sustainability agenda although they are still in the process of development and validation to ensure proper functionality. An ESG Committee has been established to provide recommendations, advice and information (at least quarterly) to the designated member of the Board of Directors - Ing. Jiří Ječmen. The ESG Committee (as a *sui generis* establishment) operates at a management level and provides a platform for planning and monitoring initiatives related to significant impacts, risks and opportunities in the Group. The Group ESG Coordinator leads the Group ESG Team, which acts in an advisory, consultative and informative capacity to the ESG Committee and the management of each Group company. He collaborates with selected personnel of the Group companies, the so-called ESG Points of Contact, on the management of activities at an operational level. If a specific part of the risk and opportunity impact management does not require a separate project or programme oversight, the relevant decisions are made within the existing management and decision-making bodies. This reflects the fact that where possible, impact, risk and opportunity management is integrated into existing business processes rather than being treated as a separate topic. The Group does not apply specialised controls and procedures in managing impacts, risks and opportunities.

Composition of the ESG Committee:

Group ESG Coordinator

Director of Energy Division of MND a.s.

Chairman of the Board of Directors of MND Drilling & Services a.s.

Director of Trading Division of MND a.s.

Member of the Boards of Directors of MND Energy Storage a.s. and MND Gas Storage a.s.

Executive Director of MND Energie a.s.

HR Director of Energy Division of MND a.s.

The Group is working to finalize and formalize these structures and processes to reflect the results of the analysis of material topics and lessons and experiences from their operation.

The Group has also established a CSR Sub-Committee which serves as an advisory body to the ESG Committee. Its main function is to coordinate the Group's voluntary donor activities aimed at incorporating social and environmental considerations into corporate operations and community projects in the regions where the Group operates.

In preparation for ESRS reporting obligations, including ensuring access to expertise and skills, the Board of Directors approved the engagement of external consultants, and support for training of employees responsible for the sustainability agenda.

Persons responsible for managing sustainability-related impacts, risks and opportunities were appointed to their roles based on their expertise and understanding of the subject matter. The Group ESG Coordinator and the Group ESG team receive ongoing training and update their knowledge through specialised training sessions, seminars and conferences.

ESG Committee		**Experience relevant to the industry, products and geographic locations (including sustainability) of the undertaking**
Group ESG Coordinator	Josef Novotný	Accredited degree in atmospheric sciences, sustainability and ESG courses of PwC Academy, 3 years of experience in ESG and Oil & Gas.
Director of Energy Division of MND a.s.	Jana Hamršmídová	30 years of experience in executive positions in companies operating in hydrocarbon exploration and production, underground gas storage, renewable energy construction and operation, electricity generation from gas, and carbon capture and storage (CCS) projects.
Chairman of the Board of MND Drilling & Services a.s.	René Kachyňa	17 years of experience in executive positions in companies engaged in deep drilling, including drilling of geothermal wells.
Director of Trading Division of MND a.s.	Martin Pich	20 years of experience in executive positions in companies involved in international trade with energy commodities, 25 years of experience in the industry.
Member of the Boards of Directors of MND Energy Storage a.s. and MND Gas Storage a.s.	Pavel Marek	28 years of experience in executive positions in companies involved in hydrocarbon exploration and production in the Czech Republic, Ukraine, Yemen, Georgia, Germany and Morocco, and underground gas storage companies.
Executive Director of MND Energie a.s.	Milan Duba	7 years of experience in executive positions in companies selling energy to end customers, focusing on strategy, business development and improving customer satisfaction.
HR Director of Energy Division of MND a.s.	Petra Kulčárová	25 years of experience in human resource management, accredited degree in social security.

1.2.2 [GOV-4] Statement on due diligence

Some elements of due diligence are already embedded in the Group's principles and activities.

The Group upholds its commitment to respecting human rights, sustainable business practices, and socially responsible conduct throughout its operations. The Group is working to ensure that these commitments are reflected across its value chain.

The Group is also currently preparing for the transposition of Directive (EU) 2024/1760 of the European Parliament and of the Council on corporate sustainability due diligence into the Czech law.

The individual elements of the due diligence process are described in the sub-sections of this Statement, and their location is indicated in the following table.

Basic elements of due diligence	Location in the Statement
Embedding due diligence in governance, strategy and business model	ESRS 2 - General information - Article 1.2.1 *[GOV-1, GOV-2, GOV-3] The role of administrative, management and supervisory* bodies
Involving affected stakeholders in all key steps of the due diligence process	ESRS 2 - General information – Article 1.3.3 [SBM-2] Interests and views of stakeholders
Identifying and assessing adverse impacts	ESRS 2 - General information - Article 1.4 *[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities* Social information: Article 3.1.3 *[S1-2] Processes for engaging with own workforce and workers' representatives about impacts* Article 3.2.3 *[S4-2] - Processes for engaging with consumers and end-users about impacts*
Taking actions to address those adverse impacts	Environmental information Article 2.2.4 *[E1-3] Actions and resources in relation to climate change* policies Article 2.3.2 *[E2-2] Actions and resources related to pollution ,* Article 2.4.2 *[E3-2] Actions and resources related to water resources* Article 2.5.2 *[E5-2] Actions and resources related to resource use and circular economy* Social information: Article 3.1.5 *[S1-4] Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions,* Article 3.2.5 *[S4-4] - Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions* Governance information - Article 4.1.1 *[G1-1] Business conduct policies and corporate culture*
Tracking the effectiveness of these efforts and communicating about them	Environmental information: Article 2.2.6 *[E1-5] Energy consumption and mix,* Article 2.2.7 *[E1-6] Gross Scope 1, 2, 3 and total GHG emissions,* Article 2.3.4 *[E2-5] Substances of concern and substances of very high concern,* Article 2.4.4 *[E3-4] Water consumption,* Article 2.5.3 *[E5-4] Inflow of* resources,

Basic elements of due diligence	Location in the Statement
	Article 2.5.5 [E5-5] Resource outflows, Social information: Article 3.1.7 *[S1-6] Characteristics of the undertaking's employees*, Article 3.1.8 *[S1-8] Collective bargaining coverage and social dialogue*, Article 3.1.9 *[S1-9] Diversity* , Article 3.1.10 *[S1-14] Health and safety* , Article 3.2.6 *[S4-5] - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities*

1.2.3 [GOV-5] Risk management and internal controls over sustainability reporting

As year 2024 is the Group's first year of reporting under the ESRS, the control environment is still emerging and is thus less mature than for financial reporting. The Group is therefore introducing enhanced internal controls and external auditor assurance over the preparation of the Statement, including integration into the Group's annual reporting process, which is already well established, and includes internal approvals, checks and external assurance.

The Group ESG team is responsible for monitoring and assessing the risks in the process of preparing the Statement for the year 2024 and reporting significant findings to the ESG Committee. The Group ESG Team is informed of the resolutions or outcomes of the ESG committee meetings through the Group ESG Coordinator. The ESG committee reports at least quarterly to the designated member of the Board of Directors - Ing. Jiří Ječmen. The Group's ESG team has applied its internal risk assessment methodology, taking into account the likelihood and impact of risks, and has identified that the main risks associated with the Statement relate to the accuracy and completeness of the data, particularly with regards to data collection. The prioritisation of risks was based on the potential impact on the quality of the information, reputation and the financial impact on the Group. The risks identified for 2024 primarily relate to data reported for the value chain as the Group has no operational control over this, for operations in Ukraine due to the ongoing war conflict, and the manual process of data collection and consolidation. Where estimates are used by the Group, these are based on widely used third party data such as DEFRA (UK Department for Environment, Food & Rural Affairs) to determine emission factors under the GHG Protocol or in the case of metrics, the best estimates of personnel responsible for data collection. The risk of deliberate misrepresentation of the reported information was assessed as low as the Group does not link the financial evaluation or remuneration of employees or board members to sustainability indicators.

The Audit Committee of MND a.s. also monitors the assurance process of the Statement in accordance with the legal regulations.

The Group is in the process of preparing the implementation of software that will allow greater control over the data collection and reporting process, which will involve the integration of the control mechanisms for the preparation of the Statement.

1.3 Strategy

1.3.1 [SBM-1] Business model

As part of its sustainable and responsible approach, the Group applies the principles of protecting the environment, protecting the health of its employees and protecting the rights of its customers, but the Group has not yet adopted a specific strategy or set specific targets in the area of sustainability.

As of 31 December 2024, the Group employed a total of 1 156 employees, of which 1 079 were in the Czech Republic and 77 in Ukraine.

The Group's principal activities are:

- energy supply to households and small businesses:

  As of 31 December 2024, the Group supplied natural gas to more than 119 000 and electricity to more than 150 000 supply points in the Czech Republic.

- trading with energy commodities:

  The Group operated as electricity and natural gas licensed trader, including trading over gas storage facilities and storage capacity, in the European Union markets, mainly in the Czech Republic, Germany, the Netherlands, Austria and Hungary. Since 2023, the Group has traded on the financial markets with emission allowances and crude oil.

- operation of underground gas storage facilities and provision of gas storage services:

  The Group is the operator of underground gas storage facility Uhřice (PZP Uhřice). PZP Uhřice consists of two storage structures. The total actual storage capacity of PZP Uhřice is 335 million m^3, with the potential for further development up to 350 million m^3.

  The Group is also the operator of the underground gas storage facility Dambořice (PZP Dambořice). The Dambořice gas storage facility was commissioned on 1 July 2016 and has a total storage capacity of 448 million m^3 as of 31 December 2024.

  In addition to storing natural gas, both underground storage facilities are also suitable for storing electricity via gaseous hydrogen and are ready to receive energy in the form of hydrogen up to 5% H_2 concentrations mixed with natural gas at the entry point of MS Brumovice from 1 January 2022.

- exploration and production of crude oil and natural gas:

  The Group holds licences for five exploration areas with a total area of 1 784 km^2 in the Czech Republic, in the South-East Moravia region and holds (through subsidiaries) nine exploration and production licenses with a total area of 400 km^2 in Ukraine.

  The Group produces oil and/or natural gas from 36 fields in the South-East Moravia region. Oil production in 2024 amounted to approximately 75 thousand m^3 and natural gas production to approximately 79 million m^3. Subsidiaries in Ukraine produced approximately 67 million m^3 of natural gas.

- provision of services in the field of drilling of exploration and production wells for oil and gas and hydro and geothermal wells, underground repairs and abandonment of wells:

  In 2024, the Group carried out drilling or subsurface repairs, abandonment and re-abandonment of wells for internal and external customers' needs within the European Union countries.

investing in renewable energy and in the development of new technologies:

The Group is engaged in the construction and operation of renewable energy sources, specifically photovoltaic and wind power plants, in the Czech Republic and Ukraine. The installed capacity is currently 10.8 MWp in the Czech Republic and 59 MW in Ukraine.

The Group is also currently in the phase of pre-project preparation and preparation of documentation for the subsidy for the Carbon capture and storage ("CCS") project, with an investment requirement of approximately CZK 4.6 billion, with an estimated implementation period of 7-8 years. Implementation of the project plan would enable the storage of approximately 800 thousand tonnes of CO_2e per year.

In 2024, the Group worked on project preparation for the construction of a large-scale battery storage facility ("BESS") in the Czech Republic, with completion scheduled for late 2025/early 2026. Pre-project preparation for projects of the same nature and larger scale was also underway in Germany, with the first project currently scheduled for completion in 2026.

In the Czech Republic, the Group operates one Gas-to-Power ("G2P") grid support services resource, consisting of six gas-fired engine-generators enabling the generation of electricity from natural gas. The current installed capacity is 3 MW. Another similar project is under construction with completion scheduled for mid-2025.

In year 2024, the Group generated CZK 22 537 million in revenue from fossil fuels, as defined in Article 2, point 62 of Regulation (EU) 2018/1999 of the European Parliament and of the Council, and did not generate any revenue from economic activities in accordance with the taxonomy related to fossil gas as required by the EU Taxonomy.

No products or services offered by the Group are prohibited in the markets in which the Group operates.

Number of employees by geographic locations	
Country	**Number of employees**
Czech Republic	1 079
Ukraine	77

The breakdown of total revenues under IFRS 8 Operating Segments ((i) Exploration and Production, (ii) Gas and Electricity Trading, Storage, (iii) Drilling services, (iv) Other Unclassified Activities) is disclosed in note 4 of the consolidated financial statements.

1.3.2 [SBM-1] Value chain

The Group is an oil and gas enterprise. The Group focuses on the efficient operation of its extraction facilities and technologies. The material resources and services used by the Group are essential for maintaining and upgrading its operations.

The upstream part of the value chain comprises the supply of energy required for its own operations, the supply of technology and components for its own operations, the purchase of water and materials to support mining and related activities, and the purchase of electricity and natural gas for supplies to end customers. In addition, the upstream part of the value chain also includes IT, economic, administrative and other services (in particular, transportation services for produced oil/natural gas, rental of the distribution network and distribution services for natural gas and electricity to end customers, as well as technical, operational, recycling and environmental services). The Group actively assesses the risks associated with its supply chain and monitors key suppliers[6] , to minimise any potential impact on its business. Ensuring sufficient diversification is a key strategy in this process.

The Group's own activities include oil and natural gas exploration and production, drilling services, as well as storage and transportation to processing plants. The Group also trades energy domestically and internationally as a licensed electricity and natural gas trader, trading involving natural gas storage and capacity. In the area of renewable energy investments and climate change mitigation, the Group is involved in the construction and operation of photovoltaic and wind power plants, the analysis of technologies to store CO_2 in rock structures and hydrogen infrastructure.

The Group emphasises the safety and health of its employees and promotes fair pay and equal treatment.

In the downstream part of the value chain, the Group focuses on the sale of oil and natural gas and the supply of natural gas and electricity to end customers through distribution networks (mainly households, for whom the Group saturates their energy needs). The Group also provides drilling contractor services and natural gas storage services.

1.3.3 [SBM-2] Interests and views of stakeholders

The stakeholders form an important part of the Group's business. They include individuals, groups and institutions that have direct or indirect relationship with and interest in the Group's business activities. Engaging with

[6] A key supplier is defined as a supplier that the Group (i) cannot replace or (ii) can only replace at an unreasonable cost or (iii) whose elimination would have a significant impact on the Group's business model.

stakeholders and understanding their views and expectations is not only key to the Group's ability to deliver its business strategy, grow its business and create long-term value, but also to identify impacts, risks or opportunities.

The table below presents the key stakeholder groups. Internal departments, such as HR regularly communicate with stakeholder groups such as their own employees through various channels, gaining valuable insights on topics of importance to them and related to employment issues.

Key stakeholders	Form of engagement	Purpose of engagement (topics)	Consideration of stakeholder engagement outcomes
Employees	Questionnaire surveys on selected topics among selected groups of employees - 1-2 times a year Intranet - daily MND report magazine - 4 times a year	Improving corporate culture - succession and substitutability Evaluation of employee satisfaction and employee motivation - management development, remuneration (including benefits) Internal communication - communication across the organization	Improvement of internal and inter-departmental communication – continuation of exit meetings, maintaining open communication channels across all companies. Introduction of management skills training, feedback required towards employees. Initiation of steps towards greater optimisation and efficiency of incentive systems.
Business partners (suppliers of materials, resources and services and customers)	Cooperation / contract negotiation - ongoing, informal communication KYC questionnaires - when establishing cooperation	Screening of suppliers in the area of corporate culture - topics of governance, corruption, sanctions, etc. Long-term business relationships - individual initiatives of business partners towards the Group	Initiation of steps for the consistent implementation of the Code of Ethics of MND Group / Compliance System (e.g. thorough screening against sanctions lists). Continued use of specialised software aimed at screening business partners. Planned supplier questionnaires not only at the start of cooperation, but also on an ongoing basis.[7] Individual suggestions considered by the persons responsible.
Consumers / End-users	Questionnaire surveys (during contracting, customer portal, website) - on an ongoing basis Satisfaction survey after phone call - ongoing	Communication clarity - customer satisfaction with the contracting process Measure the touch points that most impact customer satisfaction (changes, service requests, contract anniversaries, calls) Identifying the potential for new products/services/ predicting churn	Increasing the clarity and intelligibility of communication Continue to collect feedback (including on changes made). Improving customer processes and improving the quality of service based on customer feedback.

[7] relevant for MND a.s. - Trading Division.

Key stakeholders	Form of engagement	Purpose of engagement (topics)	Consideration of stakeholder engagement outcomes
Trade Unions	Negotiations with trade unions - regular quarterly meetings and information sharing, once a year negotiation of amendments to the collective agreement, once a year addressing safety issues within ISO 45001	Adjustment of the remuneration system Ensuring safe working conditions Employee training	The results of negotiations with unions are reflected in written amendments to collective agreements. Implementing preventive measures to reduce accidents and improve workplace safety.
Local actors (municipalities, landowners)	Involvement before and during project permitting (e.g. exploratory drilling) - as required	Authorisation of the plan Resolution of property rights to the land concerned	In 2024, no material topics emerged from the interactions.
Banks and investors	KYC questionnaires - 1x per year Meetings - as required	Information on corporate culture, carbon footprint and financial reporting	Implementation of corporate culture measures and training Preparation of an internal Carbon Report for the purpose of completing the banks' questionnaires.

The Group has leveraged insights from its existing stakeholder dialogue set up as part of its due diligence in assessing material impacts of risks and opportunities (see article 1.4 *[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities.*

The Group does not currently expect to change its strategy or business model based on the results of stakeholder engagement. Next steps include greater formalisation of the stakeholder engagement process over the next few years, but this step is unlikely to significantly affect stakeholder relations.

The Board of Directors is informed of the views and interests of the stakeholders concerned within the framework of the internal process set up by the persons responsible for the relevant agenda, e.g. the results of negotiations with the trade unions as employee representatives regarding wage increases, especially in cases where specific measures would be necessary.

Employees

Employees are one of the most important stakeholders within the Group. The Group makes efforts to ensure that their views and comments are heard and respected in the context of the Group's day-to-day operations, including decision-making processes, adjustments and changes to business strategy. These efforts include consulting and gathering feedback from employees, which is then used to develop policies and procedures. The Group focuses on maintaining long-term, stable and strong relationships with employees based on trust, recognition of commitments and legitimate interests and open communication. The Group also emphasises compliance with applicable laws and regulations as part of its strategy to ensure respect for the human rights of its employees.

The Group believes that open and constructive dialogue is the key to lasting and stable employee relations. Regular and effective communication with them is the ground of the Group's approach to transparency, accountability and building trust. Employees are a key part of the Group's business and their involvement in consultation processes is therefore essential.

The Group acts responsibly and is committed to building relationships based on ethics, integrity and respect for human rights. It provides truthful, complete and relevant information in all forms of communication and encourages employee involvement in consultation processes.

Consumers and end-users

Consumers and end-users, which the Group defines as its customers, play a key role in its activities, especially in MND Energie a.s., which, as an electricity and gas trader, is the only company within the Group that handles the personal data of its customers (hereinafter the "**customer data**").

The customers of MND Energie a.s. (hereinafter the "**customers**") are consumers (households) and entrepreneurs, i.e. natural persons engaged in the business and legal entities with gas consumption up to 630 MWh/year and customers connected at the low voltage level of electricity (retail customers). The consumers make up the majority of MND Energie a.s.'s customer portfolio.

The interests, views and rights of consumers and end-users are an integral part of the Group's business strategy and are taken into account in its development, changes or adjustments, as the Group can achieve its economic objectives by making efforts to contribute to their satisfaction.

1.3.4 [SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

Based on the double materiality assessment, material topics (at the granularity of sub-topics and sub-sub-topics), that originate from material impacts, risks and opportunities, were identified. An overview of the material topics is provided in the table below.

The Group already managed majority of material impacts, risks and opportunities based on its capabilities and priorities prior to the double materiality assessment. As part of the double materiality assessment, the Group performed a qualitative analysis of the resilience of its current business strategy.

Based on the inputs used to analyse natural and social resource dependence, resilience to climate risks (see more detail in 1.4 *[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities* below and the section *Environmental information*, article *2.2.1 [SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model*), the current geopolitical situation and already ongoing actions, the Group has concluded that it is able to address material impacts, risks and opportunities in the short and medium term through current strategic and operational initiatives and it has not identified the need to develop specific processes to manage them. As the Group assessed some of these areas for the first time in 2024, both in terms of financial impact and dependency, the Group recognises that it will need to obtain more information and strengthen this analysis related to material impacts, risks and opportunities by improving the methodology, including medium- and long-term time horizons.

With respect to year 2024, the Group has not identified any actual financial impact of material risks and opportunities on its financial position, financial performance and cash flows, nor has it identified any material risks and opportunities where there would be a material risk of material adjustment to the accounting values of assets and liabilities to be reported in the relevant financial statements in the next reporting period.

The Group does not currently anticipate any changes to its business strategy or business model (including its value chain), but will monitor, for example, the regulatory environment and adjust its plans.

Topical standard	Topic and sub-topic	Actual and potential impacts, risks and opportunities	Description of activities or business relationships leading to impact, risk or opportunity	Consequences for the business model, value chain, strategy and decision-making, including the Group's response	Value chain			Time horizon		
					Upstream	Own operation	Downstream	Short-term	Medium-term	Long-term
E1	Climate change mitigation	Actual negative impact	The production of greenhouse gas emissions associated with oil and gas exploration and production, including unexploited reserves, contributes to climate change with negative impact on the environment and people.	The Group is investing in emission reduction measures using available technologies within the current business model.		X	X	X	X	X
E1	Climate change mitigation	Actual negative impact	The production of greenhouse gas emissions associated with the purchase of goods and services, including energy commodities, contributes to climate change with negative impact on the environment and people.	The Group monitors the current market situation and its needs within its current business model.	X			X	X	X
E1	Climate change mitigation	Potential positive impact	Reducing greenhouse gas emissions through carbon capture and storage (CCS) projects and the development of battery energy systems (BESS) contributes to climate stability, with a positive impact on the environment and people.	The Group monitors the current market situation and develops projects that can have a positive impact on the environment.		X	X	X	X	X
E1	Climate change mitigation	Opportunity	Reducing greenhouse gas emissions through carbon capture and storage (CCS) projects and the development of battery energy systems (BESS).	The Group monitors current developments, including grant opportunities, and pursues the opportunity as a potential additional source of income for the Group.		X	X			X
E1	Climate change mitigation	Opportunity	Reducing greenhouse gas emissions through projects focused on electricity production from renewable energy sources.	The Group generates income within its current business model and continuously evaluates opportunities for further future investments.		X		X	X	X

Topical standard	Topic and sub-topic	Actual and potential impacts, risks and opportunities	Description of activities or business relationships leading to impact, risk or opportunity	Consequences for the business model, value chain, strategy and decision-making, including the Group's response	Value chain			Time horizon		
					Upstream	Own operation	Downstream	Short-term	Medium-term	Long-term
E1	Climate change mitigation	Actual positive impact / Opportunity (transition to renewables)	Reducing greenhouse gas emissions through projects focused on the generation of electricity from renewable energy sources contributes to climate stability, with positive impacts on the environment and people.	The Group generates income within its current business model and expects to do so in the future.		X		X	X	X
E1	Climate change mitigation	Risk	The risks associated with the transition to a low-carbon economy, including a possible shift away from fossil fuels, additional taxation and other regulatory measures, can lead to revenue losses or additional costs.	The Group monitors the current market situation and develops projects that may be an opportunity to compensate for revenue shortfalls.		X				X
E1	Climate change mitigation	Actual negative impact	The production of greenhouse gas emissions associated with the sale and consumption of oil, gas and electricity (purchased on the market) to customers contributes to climate change with negative impact on the environment and people.	The Group monitors the current situation within the current business model.			X	X	X	X
E1	Energy	Actual negative impact	The production of greenhouse gas emissions associated with the consumption of energy for their own operation contributes to climate change with negative impact on the environment and people.	The Group is investing in emission reduction measures using available technologies within the current business model.		X		X	X	X
E2	Substances of (very high) concern	Potential negative impact	If substances of (very high) concern are handled incorrectly, environmental pollution and damage to health might occur.	The Group invests in substance management measures using available technologies within the current business model.		X		X	X	X

Topical standard	Topic and sub-topic	Actual and potential impacts, risks and opportunities	Description of activities or business relationships leading to impact, risk or opportunity	Consequences for the business model, value chain, strategy and decision-making, including the Group's response	Value chain			Time horizon		
					Upstream	Own operation	Downstream	Short-term	Medium-term	Long-term
E3	Water - Water withdrawal	Potential negative impact	The withdrawal (purchase) of water for mining and exploration activities that may be carried out in areas of water risk and thus affect the hydrological conditions in those areas.	The Group minimises water consumption, including reusing it in the process using available technologies within the current business model.	X			X	X	X
E3	Water - Water consumption	Actual negative impact	Water consumption during mining and exploration activities can affect hydrological conditions and society.	The Group minimises water consumption, including water reuse in the process, using available technologies within the current business model.		X	X	X	X	X
E5	Resource inflows, including resource use	Actual negative impact / Risk (resource dependency)	Oil and gas extraction, and the associated depletion of non-renewable resources.	The Group is investing in the identification and exploration of new oil and gas discoveries, as well as opportunities to diversify revenue streams, for example from, within its current business model.		X		X	X	X
E5	Waste	Actual negative impact	Drilling and mining operations produce wastes (sludge, reagents, etc.) that, if not handled properly, can contribute to environmental pollution.	The Group minimises waste production using available technologies and complies with the prescribed waste management obligations within current business model.		X		X	X	X
S1	Working conditions - Working hours	Potential negative impact	Continuous operation in mining and exploration activities can lead to excessive workload for employees.	The Group minimises the impact on employees by monitoring attendance and financial or non-financial compensation in accordance with legal requirements		X		X	X	X

Topical standard	Topic and sub-topic	Actual and potential impacts, risks and opportunities	Description of activities or business relationships leading to impact, risk or opportunity	Consequences for the business model, value chain, strategy and decision-making, including the Group's response	Value chain			Time horizon		
					Upstream	Own operation	Downstream	Short-term	Medium-term	Long-term
S1	Working conditions - Work-life balance	Actual negative impact	The continuous operation in extraction and exploration activities, especially in remote locations, leads to employee isolation and disruption of work-life balance.	The Group minimises the impact on employees by monitoring attendance and compensating them with rotations, compensatory time off and allowances within set processes		X		X	X	X
S1	Working conditions - Collective bargaining coverage and social dialogue	Actual positive impact	Active dialogue with employees and functioning labour unions contribute to improving working conditions, including remuneration and transparency.	The Group promotes social dialogue with employees and their representatives, including labour unions, within the framework of set processes.		X		X	X	X
S1	Working conditions - Work-life balance	Actual positive impact	Benefits above and beyond those required by law or negotiated by the labour union contribute to the quality of life and employee satisfaction.	The approach to employees, including the provision of benefits, is part of the Group's strategic management and is subject to continuous, ongoing updating in response to current needs and trends		X		X	X	X
S1	Working conditions - Health and safety	Actual negative impact	Health impacts in hazardous work positions, e.g. mining and exploration.	The Group minimises the impact on employees by applying OHS and PPE policies within set processes.		X		X	X	X
S1	Equal treatment and opportunities for all - Gender equality	Actual negative impact	Gender imbalance in favour of men in top management, and in specific technical positions.	The gender disparity is not based on the Group's strategy or decisions and is mainly due to the nature of the business.		X		X	X	X
S1	Equal treatment and opportunities for all -	Potential negative impact	Unequal remuneration of men and women in the same position performing equivalent work could lead to gender inequality.	The Group minimises the impact on employees by monitoring salaries and		X		X	X	

Topical standard	Topic and sub-topic	Actual and potential impacts, risks and opportunities	Description of activities or business relationships leading to impact, risk or opportunity	Consequences for the business model, value chain, strategy and decision-making, including the Group's response	Value chain			Time horizon		
					Upstream	Own operation	Downstream	Short-term	Medium-term	Long-term
	Equal pay for equal work			remuneration, including preparing for the legislation on pay transparency.						
S4	Information-related impacts on consumers and/or end-users - Privacy	Potential negative impact	Violation of consumer privacy through improper handling or processing of user data or leakage of sensitive data.	The Group minimises the impact on customers through established data protection and cybersecurity systems.		X	X	X	X	X
G1	Corporate culture	Potential negative impact	Insufficient implementation and compliance with the Group's policies, including the Code of Ethics, can have a negative impact on the corporate culture and indirectly on society.	The Group minimises the likelihood of impacts by emphasising compliance with legislation, internal policies and employee training.	X	X	X	X	X	X
G1	Whistleblower protection	Potential negative impact	Potential violations of whistleblower protection may lead to violations of rights and damage trust in whistleblowing channels.	The Group minimises the likelihood of impacts by emphasising compliance with legislation, internal policies and employee training.	X	X	X	X	X	X

1.4 [IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities

The Group carried out a double materiality assessment, which includes the identification of material impacts, risks and opportunities, considering materiality from both an impact and financial perspective.

Identifying, assessing and managing impacts, risks and opportunities requires a complex set of input parameters. The Group uses data from internal sources such as performance metrics and employee and customer surveys, and external sources such as sector statistics or regulatory requirements. The scope of the materiality assessment covers all major activities and geographic regions in which the Group operates, as well as significant parts of the value chain.

Phase I: Understanding the business model and value chain

The first step to identify and assess material impacts, risks and opportunities was to map and understand the Group's business model and value chain. Resources and relationships across the main activities were mapped to provide a clearly defined scope for the double materiality assessment.

The mapping process included information on upstream and downstream value chains obtained from the description of the business model and from the discussions with internal stakeholders at the levels of MND and its subsidiaries.

Phase II: Identification of impacts, risks and opportunities

In the second phase, the impacts, risks and opportunities were identified within the defined topics, sub-topics and sub-sub-topics according to ESRS 1 Appendix A/AR 16. GRI 11: Oil and Gas Sector 2021, SASB for Oil and Gas, Sustainability reporting guidance 2023 from IPIEC and the draft Oil and Gas Sector ESRS, publicly available databases such as ENCORE and benchmarking with companies in similar industry that already report sustainability information. The identification process also included insights from existing due diligence systems such as supplier screenings, surveys and feedback from internal and external stakeholders such as employees or documentation for reporting to regulatory bodies, mainly in the environmental sector. This information was evaluated through interviews with internal experts within the Group and external consultants.

The Group focused on its key activities and business relationships that could lead to an increased risk of negative impacts. These areas mainly include oil and gas exploration and production, management of relationships with suppliers who are significant contributors to revenue, customer relationship management and the Group governance. In doing so, the Group has considered the impacts that it contributes to through its own activities or as a result of its business relationships. This process led to the compilation of a long list of impacts, risks and opportunities and subsequent validation of its completeness.

Stakeholders involved in the process of identifying impacts, risks and opportunities primarily included experts in specific areas such as HR, procurement, legal, environmental protection who have a comprehensive understanding and overview of the Group's activities and business model. In addition, suggestions from other stakeholders were considered in identifying impacts, risks and opportunities. The topics and stakeholder engagement are further described in ESRS 2 - General information, article 1.3.3 *[SBM-2] Interests and views of stakeholders*.

Phase III: Assessment of impacts, risks and opportunities

The assessment of impacts, risks and opportunities was carried out through the engagement of the above key internal stakeholders in workshops and subsequently it was validated.

Identified actual and potential, positive or negative impacts were rated on a scale from 1 to 5 in terms of their scale, scope and irremediable character to determine their relative severity and likelihood. The assessment was based on available quantitative in-house and third-party data, qualitative input from meetings with internal and external stakeholders. Where relevant, local specific aspects (territorial and legislative) were also taken into account. The information collected in the previous phases was used during the assessment process. The evaluation also included a silent stakeholder, namely the nature, through the results of third-party research. Impacts with a rating "2.5 - Important" or higher were considered material and were identified and described as material to the Group.

The financial risks and opportunities are based not only on the identified actual and potential impacts, but also on the climate risk analysis. The assessment includes the potential impact of future events on assets, performance and value creation, as well as data on the impact of past events. The past events are analysed using available financial data, while estimates of future events are based on best practices and available information, including information from financial institutions. The combination of the magnitude of the financial effect and the probability of its occurrence defines financial materiality. Risks or opportunities with a rating "2.5 - Significant" or higher have been considered material and have been identified and described as having a material impact on the Group.

As part of the process of identifying, assessing and managing sustainability impacts and risks, the Group has built on its existing established internal system for managing traditional risks, including monitoring regulatory, commercial and financial risks associated with environmental, social and governance issues. A similar approach is taken to the process of identifying, assessing and managing opportunities, which is integrated into the overall management process.

The Group will continue to monitor risks as part of the existing operational and financial risk monitoring process and as part the double materiality process.

Phase IV: Final validation and approval at higher levels

The consolidated summary of material impacts, risks and opportunities was reviewed and validated by the Group ESG team, the ESG Committee and finally presented to the MND Board of Directors for final approval. Following the validation of the 2024 double materiality assessment results, the Group ESG Team concluded that the set threshold of 2.5 was sufficient to capture all significant impacts, risks and opportunities.

The assessment of double materiality according to ESRS requirements was first carried out for year 2024 and will be reviewed every 5 years. An earlier review will only occur if there is a change in the Group's business model or a significant acquisition.

In preparing the first ESRS-required disclosures, the Group assessed the requirements for individual data points with respect the identified IROs and mapping.

The approach described above was applied cross-sectionally, i.e. regardless of the topical standard. A possible topic-specific approach to identifying and assessing impact, risks and opportunities is presented below:

E1 (Climate change)

The carbon footprint was calculated by internal experts within the Group according to the GHG Protocol methodology covering Scopes 1, 2, 3. At the time of the double materiality assessment, the final version of the calculation for year 2024 was not available, therefore the calculation for year 2023 was used. Due to the nature of the Group's business, the majority of emissions (86%) are associated with Scope 3, specifically the use of the sold product. Potential climate change impacts with respect to changes in the Company's business strategy have not yet been assessed. The Group has also reviewed its activities and plans to identify actual and potential future sources of GHG emissions. This process included (1) an analysis of operational activities identifying emissions from the extraction, processing and transportation of oil and gas; (2) an assessment of future projects and their potential GHG emissions; and (3) identification of other climate-related impacts. In addition, the actual and potential climate change impacts of the identified emission sources were assessed. The calculation of total GHG emissions includes: (1) quantification of emissions from operational activities and planned projects; (2) an assessment of how identified emissions contribute to climate change and potential long-term impacts; (3) an assessment of GHG emissions along the entire value chain, including suppliers and customers.

A climate risk analysis was conducted and included physical (chronic, acute) and transition-related risks and opportunities. The analysis involved the collection, processing and evaluation of data from these databases and was undertaken for two scenarios of possible climate developments: RCP4.5-SSP245 and RCP8.5-SSP585, which are based on the latest IPCC AR6 report to comprehensive compliance with the required climate and socio-economic attributes. Specifically, IPCC RCP4.5-SSP245 describes a medium scenario with no strong climate policies and regulations in place. RCP8.5-SSP585 represents the worst-case scenario and is the most used for climate risk analysis. These scenarios were chosen because of their high probability of occurrence (the optimistic scenario RCP2.6 is most likely to be exceeded). The analysis was carried out in the short-term time horizon for the analysis of the current situation, in the medium-term horizon until 2030 and in the long-term horizon until 2050.

Furthermore, this analysis was carried out in alignment with the European Union's long-term plan for 2050, known as Net Zero 2050, which is part of the Green Deal for Europe. This plan is legally anchored in Regulation (EU) 2021/1119 on achieving climate neutrality, which means achieving net zero emissions by 2050. The Group does not currently have GHG emission reduction targets.

In assessing the impacts, risks and opportunities, the business model, all assets and technologies owned, as well as the Group's entire value chain were considered. Considered assets included drilling technology, infrastructure, storage tanks, compressor stations, pressure caps and office buildings. The analysis considered the expected technical and functional obsolescence of all assets, strategic planning horizons and (future) capital allocation plans over all defined time horizons.

The climate risk analysis included assets aggregated to the required ESRS geolocation granularity, specifically at NUTS 3 level, into five aggregated groups - CR: South Moravian Region, Moravian-Silesian Region, UA: Lviv Region, Ivano-Frankivsk Region, Poltava Region, covering all assets owned by the Group. As part of the transition risk analysis, not only the assets owned by the Group but also the assets related to the main infrastructure in connection with the value chain (supply and demand) were examined. At the same time, the context relating to regulatory, legislative, social developments and changes in the business were taken into account. During the analysis, there were limits to data availability for selected chronic and acute physical risks. These sites and assets are shown in Figure 1.

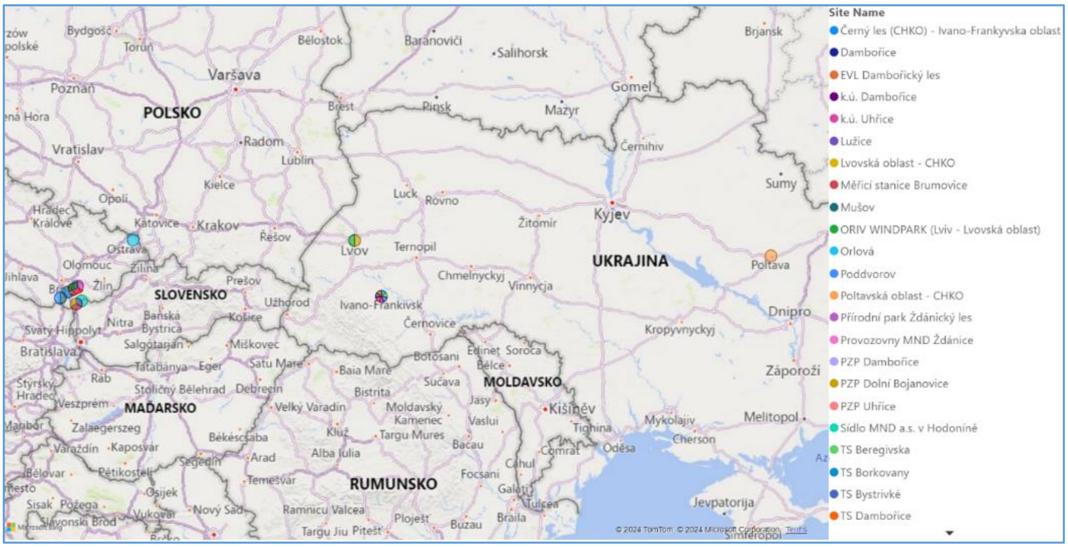

Figure 1- Locations and assets included in the Group's climate risk analysis

The following physical risks were assessed as part of the analysis:

- Chronic: changing temperature, heat stress, temperature variability, changing wind conditions, changing precipitation patterns and types, precipitation or hydrological variability, soil erosion, solifluction.
- Acute: heat wave, cold wave/freeze, forest fire, storm, tornado, heavy rainfall, flood, river spill.

Due to the nature of the risks, type of assets, location or nature of the Group's business, the following risks were assessed as not relevant:

- Chronic: melting permafrost, ocean acidification, salinization, coastal erosion, land degradation,
- Acute: cyclone, glacial lake outburst, avalanche, landslide, landslide.

The analysis of physical climate risks is based on external publicly available climate sources that assess the significance of these risks. The tools and sources used include Climate Analytics - Climate Impact Explorer, Copernicus, Aqueduct - Water Risk Atlas, the study "Projections of soil loss by water erosion in Europe by 2050" from ScienceDirect and the study "Land use and climate change impacts on global soil erosion by water (2015-2070)" from the PNAS (Proceedings of the National Academy of Sciences) database. Based on these tools and sources, physical climate risk thresholds and areas affected by each risk were identified.

The results of the physical climate risk analysis are broken down into individual climate scenarios, time horizons and locations. In both scenarios examined, for all locations in which the Group is acting as a risk (1) changing temperature; (2) heat stress; (3) temperature variability; (4) precipitation or hydrological variability. For the RSP 8.5 scenario and 2050 horizon, (5) tornadoes also came out as a risk. For some locations, (6) changing precipitation patterns; (7) soil erosion; (8) storm; (9) drought; and (10) flood also came out at risk. These risks could potentially adversely affect the Group's business. The identified physical risks included in the assessment of double materiality are shown in the table below.

	Temperature-related	Wind-related	Water-related	Solid mass-related
Chronic	**Changing temperature (air, freshwater, marine water)**	Changing wind patterns	Changing precipitation conditions and types (rain, hail, snow/ice) - JMK, MSK	Coastal erosion
	Heat stress		Precipitation or hydrological variability	Soil degradation
	Temperature variability		Ocean acidification	Soil erosion - JMK
	Permafrost thawing		Saline intrusion	Solifluction
			Sea level rise	
			Water stress	
Acute	**Heat wave**	Cyclones, hurricanes, typhoons	Drought - PO	Avalanche
	Cold wave, frost	Storms (including blizzards, dust and sandstorms) - JMK, MSK, LO, IFO	Heavy precipitation (rain, hail, snow/ice)	Landslide
	Wildfire	Tornado	Flood (coastal, fluvial, pluvial, ground water)	Subsidence
			Glacial lake outburst	

LEGEND
Relevant for all areas
Refers to the area covering part of the assets
It does not apply in any horizon

AREAS	
JMK	South Moravian Region
MSK	Moravian-Silesian Region
LVO	Lviv region
IFO	Ivano-Frankivsk region
PO	Poltava region

Based on the identification of physical climate-related risks, the following chronic and acute climate-related risks were evaluated in the double materiality assessment: changing temperature, heat stress, temperature variability, changing precipitation patterns and types, precipitation or hydrologic variability, soil erosion, storm, tornado, drought. None of the topics were found significant.

The analysis of the risks and opportunities associated with the transition considered factors of the changing energy sector. The key factor in this case is the regulatory changes that are very relevant to the Group. Given the ongoing transformation of the energy sector and the compelled changes in consumer behaviour, legislative adjustments are necessary in response to the ongoing climate change, which has led to tightening of environmental regulations. This subsequently requires the Group to invest in technologies or other measures to meet the requirements, which impacts the Group's financial performance. In the case of carbon pricing, the impacts on the Group are beyond its control and may result in a potential profit losses due to decreased demand for its products.

To mitigate this existing risks for the Group, the Group is ready to adapt to new legislative changes and diversify its portfolio with low-emission fuels such as hydrogen or biogas. In the event of a transition to hydrogen fuels, the Group has decided to adapt its infrastructure to allow the blending of hydrogen into natural gas. For existing operations in the oil and gas extraction segment, it is essential to increase the efficiency of the extraction process to remain competitive.

The analysis of risks and opportunities related to the transition was developed through a qualitative analysis, based on the TCFD framework and covering the risk groups Policy and Law, Technology, Market and Reputation, and included the following steps: (1) a list of potential risks and opportunities covering all relevant sectors of the Group's business was developed; (2) the list was shortened after an initial review, leaving only 11 risks (R5 was also assessed as not relevant in the next stage) and 4 opportunities relevant to the geographical areas of the business; (3) individual risks and opportunities were assessed in a workshop involving Group experts.

The list of analysed risks and opportunities is based on the nature of the industry in which the Group is involved and possible short, medium and long-term regulatory, legislative and societal developments and includes the following items: (1) EU ETS expansion/increase, (2) charging methane emissions from gas leaks, (3) tightening legislation, (4) tightening reporting, (5) lack of a national regulatory framework, (6) diversion of more restrictive regulation, (7) exposure to litigation, (8) lack of enforcement of climate requirements on suppliers, (9) failure to invest in decarbonisation/transformation technologies, (10) unavailability of key commodities, (11) negative perception of the Group due to fossil fuels, (12) obtaining subsidies to support decarbonization, (13) obtaining sufficient capital to support decarbonization, (14) transition to renewables, and (15) increased support for natural gas as a transitional energy source as part of decarbonization of the Czech Republic.

The analysis took into account all assets directly owned by the Group and parts of the supply chain, however, due to their nature, the assessment of risks and opportunities associated with the transition was performed only at the Group level. The risks and opportunities affect the entire Group and are common to all assets and activities. Individual risks and opportunities were assessed based on the frequency of occurrence and the level of impact of the risk/opportunity on the Group. The scale of assessment for both variables ranges from 1-4, where the variables are multiplied by each other, resulting in the values shown in the tables below. For transition risks, significant outcome values are coloured red, moderately significant orange and least significant green. For opportunities, this is an inverted colour scale (green values are significant, medium and low significance are described in light green).

The risks and opportunities assessed as "high" under the SSP2-RCP4.5 scenario were then reflected in the double materiality assessment and evaluated. All conclusions from the carbon footprint calculation, climate risk analysis (both physical and transition-related) were used as inputs for the Group-wide double materiality assessment. Significant transition-related risks are assessed in the Environmental information section, article 2.2.1 *[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model*.

Subsequently, a double materiality assessment was conducted in which all physical climate-related risks were assessed as non-material. However, their occurrence in the future together with negative financial impacts on the Group's assets is not excluded.

Any uncertainties in the above analyses may be based on the following factors:

- the available models do not provide sufficiently detailed data for individual areas within the quadrants covering the relevant territory; and
- in the case of solifluction, soil moisture saturation data were used, where the trend showed a decrease in this parameter, which implies a reduced risk for solifluction. Similarly, landslides were not assessed as a relevant risk to the Group's assets.

The uncertainties mentioned above relate to areas and assets associated with mineral extraction where they can potentially negatively affect estimates related to the resilience. It can be assumed that as climate models become more accurate, this uncertainty will naturally decrease. At the same time, the Group's assets are not located in any areas exposed or at risk of solifluction. Both uncertainties can therefore be considered low and, for the time being, the Group has not defined strategies to mitigate them. The Group will monitor and assess these uncertainties on a regular basis.

E2 (Pollution)

To identify material topics, the Group applied a double materiality assessment during which significant sites and business activities, including the value chain, were assessed. Specialised tools were not used to identify impacts, risks and opportunities.

During the double materiality assessment, dialogues were held within the Group with internal experts (ecologists). Based on these consultations, the assumption was made that the volume of used substances of (very high) concern is equal to the purchased volume of such substances.

During the double materiality assessment, the topic E2 - Substances of (very high) Concern was assessed as relevant for the following Group companies: MND a.s., MND Drilling & Services a.s., MND Energy Storage a.s., MND Gas Storage a.s. and Horyzonty LLC (collectively referred to as the "**E2 Relevant Companies**"). For the E2 Relevant Companies, the potential negative impact related to environmental pollution and health damage from the mishandling of substances of (very high) concern or their release due to a malfunction or accident was assessed.

E2 Relevant Companies are in contact with the relevant regulatory and supervisory authorities to the extent required by law. Representatives of local stakeholders, in particular municipalities and landowners, are involved in the project permitting process prior to entering the site. The impact of commercial activities on pollution is also discussed during the permitting process. However, no conclusions or issues have arisen from the communications regarding the impact of the Companies' activities on pollution.

In addition, the Group carries out regular environmental assessments which include emissions to air, land and water. Potential pollution from these substances is mainly related to the extraction, storage, transport and sale of petroleum products. During the extraction process, screening for harmful chemicals is also regularly carried out, including a protocol assessment of the safety data sheet prior to the purchase of a chemical, including those regulated by relevant regulations such as CLP 1 (Classification, Labelling, Packaging) and REACH 2 (Registration, Evaluation and Authorisation of Chemicals).

E3 (Water and marine resources)

To identify material topics, the Group applied a double materiality assessment, during which all material sites and assets used by the Group in its own operations were assessed. The assessment took into account the entire value chain. The Group identified two significant negative impacts: a reduction in water availability and quality, and potential deterioration of hydrological conditions due to water withdrawal and consumption. The Group identified impacts, risks and opportunities through a double materiality assessment. The presence of water stress at the sites was investigated using the Aqueduct Water Risk Atlas tool.

Reductions in water availability and quality and potential deterioration of hydrological conditions are significant due to drilling and exploration and production activities, particularly due to injection of water into wells. For this reason, the topic is relevant to the following Group companies: MND Drilling & Services a.s. (CR) and MND a.s. (CR) (collectively, the "**E3 Relevant Companies**").

The E3 Relevant Companies are in contact with the water authority and the municipalities in the affected areas to the extent required by law. Representatives of local stakeholders, in particular municipalities and landowners, are also involved in the project permitting process before entering the site. The impact of activities on water abstraction and consumption is also discussed during the permitting process. However, no conclusions or issues have arisen from the communications regarding the impact of the E3 Relevant Companies' activities on water availability in the landscape. The E3 Relevant Companies are not subject to additional monitoring due to the volume of consumption.

E4 (Biodiversity and ecosystems)

The Group assessed impacts across the value chain. The Group assessed impacts on biodiversity and ecosystems across all the sustainability issues covered by ESRS under E4 topic. No other sustainability matters were identified. The assessment took into account the scale, scope, irreversibility and likelihood of impact.

By the nature of its business model, the Group is dependent on the availability of mineral resources (oil, natural gas), which is one of its ecosystem services. The Group has carried out a climate risk analysis, but these risks (and any other systemic risks) have not been considered in the context of biodiversity and ecosystems.

The Group ensures that all activities are carried out in accordance with the relevant legislation. The Group is also in contact with local stakeholders (municipalities, landowners).

No conclusions have emerged from the interactions to date that would indicate the significance of the impacts that the Group would have on biodiversity and ecosystems. The Group does not operate in locations that are in areas that are sensitive in terms of biodiversity. Thus, the Group has not identified the need to implement biodiversity mitigation measures.

Based on the double materiality assessment, no significant impacts, risks and opportunities were identified for the Group in the E4 – Biodiversity and Ecosystems topic.

E5 (Resource use and circular economy)

To identify material topics, the Group applied a double materiality assessment in which all material locations in which the Group operates as well as the entire value chain were assessed. The Group did not use any specialised tool in the assessment. The double materiality assessment process included consultation with internal environmental specialists.

As a result, two material impacts relevant to the following Group companies were identified: MND Drilling & Services a.s., MND a.s. and Horyzonty LLC (collectively, the "**E5 Relevant Companies**").

E5 Relevant Companies carry out drilling, exploration and production activities that deplete non-renewable resources and produce waste. In addition, drilling and extraction activities produce waste (sludge, reagents, etc.) that contribute to environmental pollution.

The E5 Relevant Companies are in contact with relevant mining authority and the Ministry of the Environment to the extent required by the legislation of the Czech Republic. In Ukraine, the E5 Relevant Companies are in contact with (i) the State Service of Geology and Mineral Resources of Ukraine of the Ministry of Environmental Protection and Natural Resources of Ukraine and (ii) the State Environmental Inspectorate of the Lviv Region of the Ministry of Environmental Protection and Natural Resources of Ukraine. Prior to entering the site, representatives of local stakeholders, in particular municipalities and landowners, are involved in the project permitting process. During the permitting process, the scope of activities, including the management of the waste generated, is discussed. However, no conclusions or issues have arisen from the communications regarding the impact of the Company's activities on resource use and waste management.

G1 (Business conduct)

The Group prioritises the compliance with legal regulations, which sets the framework for the development of corporate culture and business conduct. The double materiality assessment was made based on internal professional judgment and other sources such as relevant legislation or information from the Group's relevant compliance and legal departments.

1.5 ESRS Index

The following table provides an overview of the identified significant topics and disclosure requirements that are part of this Statement, along with a reference to a specific page of this Statement. The Group has omitted all disclosure requirements in Topic Standards S2 and S3 as they are below its materiality thresholds.

Standard	Disclosure requirement identifier	Requirement for disclosure	Page
ESRS2 - General information	BP-1	General basis for the preparation of the sustainability statements	28
	BP-2	Disclosures in relation to specific circumstances	30
	GOV-1	The role of the administrative, management and supervisory bodies	31
	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	31
	GOV-3	Integration of sustainability-related performance in incentive schemes	31
	GOV-4	Statement on due diligence	34
	GOV-5	Risk management and internal controls over sustainability reporting	35
	SBM-1	Strategy, business model and value chain	35, 37
	SBM-2	Interests and views of stakeholders	37
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	40
	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	46
	IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	53
ESRS E1 - Climate change	E1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	83
	E1-1	Transition plan for climate change mitigation	85
	E1-2	Policies related to climate change mitigation and adaptation	85
	E1-3	Actions and resources in relation to climate change policies	86
	E1-4	Targets related to climate change mitigation and adaptation	87
	E1-5	Energy consumption and mix	87
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	89
	E1-7	GHG removals and GHG mitigation projects financed through carbon credits	91
	E1-8	Internal carbon pricing	91

Standard	Disclosure requirement identifier	Requirement for disclosure	Page
	E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	91
ESRS E2 - Pollution	E2-1	Policies related to pollution	92
	E2-2	Actions and resources related to pollution	93
	E2-3	Targets related to pollution	93
	E2-5	Substances of concern and substances of very high concern	93
ESRS E3 - Water and marine resources	E3-1	Policies related to water and marine resources	95
	E3-2	Actions and resources related to water and marine resources	96
	E3-3	Targets related to water and marine resources	96
	E3-4	Water consumption	96
ESRS E5 - Resource use and circular economy	E5-1	Policies related to resource use and circular economy	97
	E5-2	Actions and resources related to resource use and circular economy	98
	E5-3	Targets related to resource use and circular economy	98
	E5-4	Resource inflows	98
	E5-5	Resource outflows	98
ESRS S1 - Own workforce	S1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	100
	S1-1	Policies related to own workforce	101
	S1-2	Processes for engaging with own workforce and workers' representatives about impacts	103
	S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	104
	S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	105
	S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	107
	S1-6	Characteristics of the undertaking's employees	107
	S1-8	Collective bargaining coverage and social dialogue	108
	S1-9	Diversity metrics	108
	S1-14	Health and safety metrics	109
	S1-16	Remuneration metrics (pay gap and total remuneration)	109
	S1-17	Incidents, complaints and severe human rights impacts	110
ESRS S4 - Consumers and end-users	S4.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	110
	S4-1	Policies related to consumers and end-users	111
	S4-2	Processes for engaging with consumers and end-users about impacts	112
	S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	112

Standard	Disclosure requirement identifier	Requirement for disclosure	Page
	S4-4	Acting on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	113
	S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	114
ESRS G1 - Business conduct	G1-1	Business conduct policies and corporate culture	115

1.6 Data points resulting from other EU legislation

The table below includes all data that is based on other EU legislation as set out in Annex B of ESRS 2 and indicates where this data can be found in this Statement. Data points that were not relevant to this Statement are marked as 'not relevant' or 'phasing in'.

Disclosure requirement	Data point	Disclosure requirement	Link to the Sustainable Finance Disclosures Regulation	Link to Pillar 3	Reference to the Benchmark Regulation	Reference to the EU Climate Law	Page
ESRS 2							
ESRS 2 GOV-1	21 (d)	Board's gender diversity	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		31
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		31
ESRS 2 GOV-4	30	Statement on due diligence	Indicator number 10 Table #3 of Annex 1				34
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		35, 37
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Non-material

Disclosure requirement	Data point	Disclosure requirement	Link to the Sustainable Finance Disclosures Regulation	Link to Pillar 3	Reference to the Benchmark Regulation	Reference to the EU Climate Law	Page
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Non-material
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Non-material
ESRS E1							
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	85
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		85

Disclosure requirement	Data point	Disclosure requirement	Link to the Sustainable Finance Disclosures Regulation	Link to Pillar 3	Reference to the Benchmark Regulation	Reference to the EU Climate Law	Page
ESRS E1-4	34	GHG emission reduction targets	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		87
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				87
ESRS E1-5	37	Energy consumption and mix	Indicator number 5 Table #1 of Annex 1				87
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	Indicator number 6 Table #1 of Annex 1				87

Disclosure requirement	Data point	Disclosure requirement	Link to the Sustainable Finance Disclosures Regulation	Link to Pillar 3	Reference to the Benchmark Regulation	Reference to the EU Climate Law	Page
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		89
ESRS E1-6	53-55	Gross GHG emissions intensity paragraphs	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		89
ESRS E1-7	56	GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2(1)	Non-material

Disclosure requirement	Data point	Disclosure requirement	Link to the Sustainable Finance Disclosures Regulation	Link to Pillar 3	Reference to the Benchmark Regulation	Reference to the EU Climate Law	Page
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phase-in provision
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phase-in provision

Disclosure requirement	Data point	Disclosure requirement	Link to the Sustainable Finance Disclosures Regulation	Link to Pillar 3	Reference to the Benchmark Regulation	Reference to the EU Climate Law	Page
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phase-in provision
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		Phase-in provision
ESRS E2							
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Non-material
ESRS E3							
ESRS E3-1	9	Water and marine resources	Indicator number 7 Table #2 of Annex 1				95

Disclosure requirement	Data point	Disclosure requirement	Link to the Sustainable Finance Disclosures Regulation	Link to Pillar 3	Reference to the Benchmark Regulation	Reference to the EU Climate Law	Page
ESRS E3-1	13	Dedicated policy	Indicator number 8 Table 2 of Annex 1				95
ESRS E3-1	14	Sustainable oceans and seas	Indicator number 12 Table #2 of Annex 1				Non-material
ESRS E3-4	28 (c)	Total water recycled and reused	Indicator number 6.2 Table #2 of Annex 1				96
ESRS E3-4	29	Total water consumption in m 3 per net revenue on own operations	Indicator number 6.1 Table #2 of Annex 1				96
ESRS E4							
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	Indicator number 11 Table #2 of Annex 1				Non-material
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	Indicator number 12 Table #2 of Annex 1				Non-material
ESRS E4-2	24 (d)	Policies to address deforestation	Indicator number 15 Table #2 of Annex 1				Non-material
ESRS E5							
ESRS E5-5	37 (d)	Non-recycled waste	Indicator number 13 Table #2 of Annex 1				98
ESRS E5-5	39	Hazardous waste and radioactive waste	Indicator number 9 Table #1 of Annex 1				98
ESRS S1							
ESRS 2 - SBM 3 - S1	14 (f)	Risk of incidents of forced labour	Indicator number 13 Table #3 of Annex I				100
ESRS 2 - SBM 3 - S1	14 (g)	Risk of incidents of child labour	Indicator number 12 Table #3 of Annex I				100

Disclosure requirement	Data point	Disclosure requirement	Link to the Sustainable Finance Disclosures Regulation	Link to Pillar 3	Reference to the Benchmark Regulation	Reference to the EU Climate Law	Page
ESRS S1-1	20	Human rights policy commitments	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				101
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions			Delegated Regulation (EU) 2020/1816, Annex II		101
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	Indicator number 11 Table #3 of Annex I				Non-material
ESRS S1-1	23	Workplace accident prevention policy or management system	Indicator number 1 Table #3 of Annex I				101
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	Indicator number 5 Table #3 of Annex I				104
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		109
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	Indicator number 3 Table #3 of Annex I				Phase-in provision
ESRS S1-16	97 (a)	Unadjusted gender pay gap	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		109
ESRS S1-16	97 (b)	Excessive CEO pay ratio	Indicator number 8 Table #3 of Annex I				Non-material
ESRS S2							

Disclosure requirement	Data point	Disclosure requirement	Link to the Sustainable Finance Disclosures Regulation	Link to Pillar 3	Reference to the Benchmark Regulation	Reference to the EU Climate Law	Page
ESRS 2 - SBM 3 - S2	11 (b)	Significant risk of child labour or forced labour in the value chain	Indicators number 12 and n. 13 Table #3 of Annex I				Non-material
ESRS S2-1	17	Human rights policy commitments	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Non-material
ESRS S2-1	18	Policies related to value chain workers	Indicator number 11 and n. 4 Table #3 of Annex 1				Non-material
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Non-material
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		Non-material
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	Indicator number 14 Table #3 of Annex 1				Non-material
ESRS S3							
ESRS S3-1	16	Human rights policy commitments	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Non-material

Disclosure requirement	Data point	Disclosure requirement	Link to the Sustainable Finance Disclosures Regulation	Link to Pillar 3	Reference to the Benchmark Regulation	Reference to the EU Climate Law	Page
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Non-material
ESRS S3-4	36	Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1				Non-material
ESRS S4							
ESRS S4-1	16	Policies related to consumers and end-users	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				111
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		111
ESRS S4-4	35	Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1				113
ESRS G1							
ESRS G1-1	§10 (b)	United Nations Convention against Corruption	Indicator number 15 Table #3 of Annex 1				115
ESRS G1-1	§10 (d)	Protection of whistle-blowers	Indicator number 6 Table #3 of Annex 1				115
ESRS G1-4	§24 (a)	Fines for violation of anti-corruption and anti-bribery laws	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Non-material
ESRS G1-4	§24 (b)	Standards of anti-corruption and anti-bribery	Indicator number 16 Table #3 of Annex 1				Non-material

2 Environmental information

2.1 EU Taxonomy for the 2024 reporting period

Assessment of eligibility

We have assessed all existing economic activities carried out by the Group to determine which of these are eligible for taxonomy under the Climate Delegated Act (Commission Regulation (EU) 2021/2139), the Supplementary Climate Delegated Act (Commission Regulation (EU) 2022/1214), the Environmental Delegated Act (Commission Regulation (EU) 2023/2486) and the amendments to the Climate Delegated Act (Commission Regulation (EU) 2023/2485). The process included the identification of economic activities related to turnover, capital expenditure (CAPEX) and operating expenditure (OPEX).

In the following tables we list the different activities that primarily contribute to climate change mitigation.

In 2024, the analysis identified 9 relevant economic activities. A more detailed description of each activity is then provided below (Results of the compliance assessment):

Economic activity number	Name of economic activity
4.1	Electricity generation using solar photovoltaic technology
4.6	Electricity generation from geothermal energy
4.10	Storage of electricity
4.29	Electricity generation from fossil gaseous fuels
6.5	Transport by motorbikes, passenger cars and light commercial vehicles
6.6	Freight transport services by road
7.3	Installation, maintenance and repair of energy efficiency equipment
7.4	Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
7.6	Installation, maintenance and repair of renewable energy technologies

The assessment was based on the Group's current knowledge of its business model and business activities and expertise. The process took into account existing recommendations available at the time of the preparation of this Statement.

The Group's non-eligible business activities not currently included in the EU taxonomy were identified as energy sales to end customers, trading in electricity and gas, gas storage, oil and gas production, drilling and related activities of the Group.

Compliance assessment process

In order to determine whether an identified economic activity is aligned with the taxonomy, it must meet the requirements described in Article 3 of Regulation (EU) 2020/852. This sets out the obligation to assess compliance with certain criteria for classifying an activity as environmentally sustainable. First, it was assessed whether the selected activities of the Company make a significant contribution to one or more of the six environmental objectives.

All the activities of the Group identified as eligible aim to make a significant contribution to climate change mitigation. To make a significant contribution to the environmental objective, the activity shall comply with the specific technical screening criteria set out in the relevant Annex to the delegated act. We comment below on these criteria and how they have been assessed by the Group.

Assessment of minimum safeguards

An important step in assessing economic activities in accordance with the taxonomy is compliance with minimum safeguards (MS). The MSs include all procedures and processes put in place by the Group to ensure that economic activities are conducted in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises, and incorporate the principles of the International Labour Organization Declaration on Fundamental Principles and Rights at Work, the International Bill of Human Rights and Article 16 of the Taxonomy Regulation (EU) 2020/852, which defines minimum safeguards.

The Group has a corruption prevention programme in place, which includes risk assessments and training of its own employees on anti-corruption rules. It also ensures that business partners are informed of these procedures. The Group also complies with all relevant tax laws and has a transparent tax strategy. The Group also complies with applicable competition laws. The Group rejects and does not tolerate human rights abuses. These attitudes and principles are expressed in the Code of Ethics of MND Group.

During this reporting period, the Group did not record any violations of the UNGPs and OECD Guidelines for 2023 and 2024, did not receive any complaints and has no open case with the National Contact Point for the Implementation of the OECD Guidelines for Multinational Enterprises (Ministry of Industry and Trade of the Czech Republic), nor was it accused of human rights violations by the Business and Human Rights Resource Centre (BHRRC) or received a request for comment on an open case with controversy.

Results of the compliance assessment

For the year 2024, the Group identified the following economic activities as taxonomy-aligned: electricity generation using solar photovoltaic technology (4.1), storage of electricity (4.10), installation, maintenance and repair of charging stations for electric vehicles in buildings (7.4) and installation, maintenance and repair of renewable energy technologies (7.6).

4.1 CCM: Electricity generation using solar photovoltaic technology

The Group operates several photovoltaic power plants (PV plants) that sell the generated electricity to entities outside the Group. These power plants include FVE Tichá, FVE Orlová I and II and FVE Mušov. By selling electricity outside the Group, these projects support the wider energy market and contribute to the production of electricity from renewable sources.

Technical screening criteria

These photovoltaic power plants use solar energy to generate electricity which they then sell on the market, thus contributing to the expansion of renewable energy sources and the reduction of the carbon footprint and meeting the established criterion that the activity consists of the generation of electricity using solar photovoltaic energy.

The "do no significant harm" principle

The Group has completed a climate risk assessment and has not identified any significant risks for the operation of the facility that would require the development of an adaptation plan or measures. The climate risk analysis and findings are discussed in more detail in section ESRS 2 - General information, article 1.4 *[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities*.

In accordance with Czech legislation, environmental impact assessments were carried out in specific cases where required. When selecting PV technologies, the Group places emphasis on long service life. Recyclability and dismantlability were similar across the assessed equipment and therefore could not be used as distinguishing factors. None of the PVs are in areas sensitive in terms of biodiversity.

4.10 CCM: Storage of electricity

The MND BESS (Battery Energy Storage System) project focuses on electricity storage using a battery-based system. This system enables the storage of surplus electricity generated from various sources, including renewable energy, for later use during periods of high demand or supply outages. Through this project, the Group can enhance the stability and reliability of electricity supply, optimize the use of energy resources, and contribute to the overall efficiency of the energy system.

Technical screening criteria

The activity consists of the construction and operation of an electricity storage facility using lithium iron phosphate batteries.

The "do no significant harm" principle

The Group has conducted a climate risk assessment and has not identified any significant risks related to the operation of the facility that would require the development of an adaptation plan or measures. A more detailed analysis of climate risks and findings is provided in section ESRS 2 - General information, article 1.4 *[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities*.

The Group is certified under ISO 14001 and has established procedures for waste management, while also complying with applicable requirements and regulations under Czech law.

In accordance with Czech legislation, a unified environmental statement was issued confirming that the project is permissible. The MND BESS electricity storage facility is not located in areas sensitive in terms of biodiversity.

4.29 CCM: Electricity generation from fossil gaseous fuels

The Group's MND Gas to Power ("G2P") project, which commenced licensed operations in 2024, focuses on the generation of electricity from produced gas using a cogeneration unit. The cogeneration unit will provide the generated electricity primarily for balancing services, helping to stabilise the transmission system in the Czech Republic.

Technical screening criteria

The life cycle GHG emissions criterion of less than 100 g CO_2equivalent /kWh is not met for the Borkovany G2P project and the facility does not replace an existing high emission electricity generation activity that uses solid or liquid fossil fuels.

The "do no significant harm" principle

The Group has conducted a climate risk assessment and has not identified any significant risks related to the operation of the facility that would require the development of an adaptation plan or measures. The climate risk analysis and findings are discussed in more detail inESRS 2 - General information, article 1.4 *[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities*.

The Group is certified under ISO 14001, including policies and processes for effective water management and established procedures for waste handling, and complies with applicable requirements and regulations under the Czech law.

G2P Borkovany has a total installed capacity of 3 180 MW and complies with national legislative requirements for licensing by the Energy Regulatory Office. It also meets the emission limit requirements for designated stationary sources, specifically for pollutants of dust, nitrogen oxides, in accordance with Decree No. 415/2012 Coll., on the permissible level of pollution, its detection and the implementation of certain provisions of the Air Protection Act.

G2P Borkovany is also not located in areas sensitive in terms of biodiversity.

6.5 CCM: Transportation by motorcycles, passenger cars and commercial vehicles

The Group's economic activity involves the purchase and operation of M1 vehicles, which includes partial purchases, servicing and fleet replacement.

For the Group, this is a taxonomic activity that is exclusively related to capital and operating expenditure and does not generate any revenue.

Technical screening criteria

The compliance requirements were carried out at the level of individual M2 and N1 vehicles and purchases. Given the economics of vehicle purchases, the company does not have an established policy of purchasing only vehicles that meet the emission footprint requirement of up to 50 g CO_2/km. However, the Group owns and purchases electric vehicles that meet this requirement. The Group has purchased 5 electric vehicles in 2024.

The "do no significant harm" principle

Since this is a taxonomy-eligible activity involving exclusively the purchase of outputs from external suppliers, climate-related risks were not identified or further examined, in line with the principle of proportionality. A more detailed analysis of climate risks and findings is provided in sectionESRS 2 - General information, article 1.4 *[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities*

For specific vehicle purchases, no verification was carried out at the time of acquisition as to whether the vehicles were at least 85% recyclable by mass and at least 95% reusable by mass, beyond the requirements imposed on vehicle sellers under applicable legislation for placing such vehicles on the market.

The Group has not established a process for the procurement of tyres that meet the highest rolling noise performance class, due to cost considerations and the current availability of such technology.

6.6 CCM: Freight transport services by road

Similarly, in the reporting year, the Group operated vehicles in categories N1, N2 or N3 falling within the scope of the EURO VI standard, step E or its successor, for road freight transport services. In 2024, only partial purchases, servicing and replacement of the existing fleet took place.

For the Group, this is a taxonomic activity that is exclusively related to capital and operating expenditure and does not generate any revenue.

Technical screening criteria

The compliance requirements have been carried out at the level of individual vehicles of the specified categories defined by the EU taxonomy. Given the economics of vehicle purchases, the company does not have a policy of purchasing only vehicles that meet the requirement of zero direct (tailpipe) CO_2 emissions.

The Group also uses some of the vehicles to transport fossil fuels, thus failing to meet the criterion of substantial contribution.

The "do no significant harm" principle

Since this is a taxonomy-eligible activity involving exclusively the purchase of outputs from external suppliers, climate-related risks were not identified or further examined, in line with the principle of proportionality. A more detailed analysis of climate risks and findings is provided in sectionESRS 2 - General information, article 1.4 *[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities*.

For specific vehicle purchases, no verification was carried out at the time of acquisition as to whether the vehicles were at least 85% recyclable by mass and at least 95% reusable by mass, beyond the requirements imposed on vehicle sellers under applicable legislation for placing such vehicles on the market.

Currently, the Group does not have a process in place for the procurement of tyres that meet the highest rolling noise performance class, due to cost considerations and the current availability of such technology.

7.2 CCM: Renovation of existing buildings

In 2023, the Group invested in the reconstruction of buildings in the Lužice Industrial Park, which had been damaged by a tornado in 2021. In 2024, the Group had no expenditures related to this activity.

For the Group, this is a taxonomic activity that is exclusively related to capital and operating expenditure and does not generate any revenue.

Technical screening criteria

The requirements of the technical screening criteria were not met.

The "do no significant harm" principle

The Group has prepared a climate risk assessment and has not identified any significant risks related to the renovation of existing buildings that would require an adaptation plan or specific measures; however ongoing investments in energy efficiency are being made taking into account the lifetime of individual technologies. For a more detailed discussion of the climate risk analysis and findings, seeESRS 2 - General information, article 1.4 *[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities*

For specific projects, the Group purchases only construction components and materials that have been placed on the European market in accordance with applicable legislation and therefore meet the basic requirements regarding the admissibility or inadmissibility of substances and mixtures.

7.3 CCM: Installation, maintenance and repair of energy efficiency equipment

In 2024, the Group invested in building insulation, modernization of heating systems, and other partial repairs, installations, and maintenance activities aimed at improving energy efficiency.

For the Group, this is a taxonomic activity that is exclusively related to capital and operating expenditure and does not generate any revenue.

Technical screening criteria

Maintenance, repairs, and installations in the Group's buildings follow the principle of prudent asset management. Currently, there is no guarantee that investments consistently meet the requirement of purchasing equipment within the top two energy efficiency classes or minimum energy performance standards.

The "do no significant harm" principle

The Group has conducted a climate risk assessment and has not identified any significant risks related to building operations that would require the development of an adaptation plan or measures, apart from ongoing investments in measures aimed at reducing energy intensity and considering the lifespan of individual technologies. A more detailed analysis of climate risks and findings is provided in sectionESRS 2 - General information, article 1.4 *[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities*

For specific projects, the Group purchases only construction components and materials that have been placed on the European market in accordance with applicable legislation and therefore meet the basic requirements regarding the admissibility or inadmissibility of substances and mixtures.

7.4 CCM: Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)

During the reporting period, the Group installed electric vehicle charging stations in its parking areas.

For the Group, this is a taxonomic activity that is exclusively related to capital and operating expenditure and does not generate any revenue.

Technical screening criteria

In the 2024 financial year, electric vehicle charging stations were installed in parking areas adjacent to the Group's buildings.

The "do no significant harm" principle

Since this is a taxonomy-eligible activity involving exclusively the purchase of outputs from external suppliers, climate-related risks were not identified or further examined, in line with the principle of proportionality. A more detailed analysis of climate risks and findings is provided in sectionESRS 2 - General information, article 1.4 *[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities*.

7.6 CCM: Installation, maintenance and repair of renewable energy technologies

In the 2024 financial year, the Group installed photovoltaic power plants (PVs) at its facilities to reduce electricity consumption. Unlike activity 4.1 – Electricity generation using solar photovoltaic technology – these PVs were installed, maintained, or repaired exclusively for self-consumption, most commonly on the rooftops of the Group's building.

For the Group, this is a taxonomic activity that is exclusively related to capital and operating expenditure and does not generate any revenue.

Technical screening criteria

During the reporting period, the activities consisted of the installation, maintenance and repair of solar photovoltaic systems and ancillary technical equipment on the buildings and land of the Group companies.

The "do no significant harm" principle

The Group has conducted a climate risk assessment and has not identified any significant risks related to the operation of the facilities that would require the development of an adaptation plan or measures. A more detailed analysis of climate risks and findings is provided in sectionESRS 2 - General information, article 1.4 *[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities*

The installation of solar photovoltaic power plants is one of the measures aimed at reducing the consumption of non-renewable energy sources and optimising the energy efficiency management of buildings owned by Group companies. When selecting PV technologies, the Group places emphasis on long service life and recyclability.

Accounting principles for EU taxonomy KPIs

The accounting principles for key performance indicators (KPIs) within the taxonomy are based on the interpretation of the Delegated Act on Disclosure (Commission Regulation (EU) 2021/4987), Annex I, and the available European Commission guidance as amended).

The revenue, CAPEX and OPEX associated with taxonomy-eligible and taxonomy-aligned activities were determined on the basis of the interdependency principle. This principle states that all revenue, CAPEX, OPEX that can be reasonably attributed to an identified taxonomy-aligned or eligible activity can be classified as aligned or eligible and included in the numerator of the respective indicator.

The Group performed an item-by-item analysis of its revenue model, which allowed it to identify the revenues that are eligible under the EU taxonomy and then to distinguish between those that meet the technical screening criteria (aligned with the EU taxonomy), those that are eligible (failing at least one of the technical screening criteria for substantial contribution, do no significant harm, or minimum safeguards) and those that are not covered by the taxonomy (the Group's other activities).

When processing data within the EU taxonomy, emphasis was placed on eliminating the risk of double counting. This approach included reconciliation with accounting data to ensure proper consideration of eliminations and adjustments, and the use of consistent data sources to avoid duplicate inclusion of items, along with thorough verification of the completeness and accuracy of all data.

The Group does not have a defined plan to expand existing eligible economic activities or to gradually demonstrate alignment with the technical and other criteria set out in the EU taxonomy.

Calculation of Turnover

The share of taxonomy-eligible/aligned economic activities in our total turnover was calculated as the portion of net turnover derived from products and services associated with taxonomy-eligible/aligned economic activities (numerator) divided by net turnover (denominator).

The denominator of the turnover KPI corresponds to the “Total Income” line item in the Group’s consolidated statement of comprehensive income.

Calculation of capital expenditure (CAPEX)

The key performance indicator (KPI) CAPEX is defined as taxonomy-aligned CAPEX (numerator) divided by our total CAPEX (denominator).

Total CAPEX includes additions to tangible and intangible assets during the financial year. It includes acquisitions of property, plant and equipment, intangible assets, right-of-use assets and investment property (IAS 40). Additions resulting from business combinations are also included.

The Group's total capital expenditure corresponds to the sum of the “Additions” and the “Effect of asset acquisition” line items in the notes 15 and 16 to the consolidated financial statements.

Calculation of operating expenses (OPEX)

The key performance indicator Opex is defined as taxonomy-aligned Opex (numerator) divided by our total Opex (denominator).

According to the taxonomy rules, total Opex includes only a very narrow part of the Group's operating expenses. These are direct non-capitalised costs relating to research and development, building renovation measures, short-term leases and maintenance and repair. This includes:

Research and development expenditure recognised as an expense in the profit and loss account during the reporting period).

Other expenditure has been determined on the basis of expenses recorded in the Repairs and Maintenance account and the Lease expenses account, which are disclosed in notes 8 and 11 to the financial statements.

The Group does not include personnel costs related to maintenance, service costs, energy and material costs for day-to-day maintenance, or other overheads due to their immateriality and the impracticality or inefficiency of allocating a relevant share of total costs.

Individual CAPEX/OPEX eligible under taxonomy and corresponding economic activities

We have identified the following purchased outputs and individual measures that correspond to eligible economic activities and therefore result in taxonomy-eligible CAPEX and OPEX.

Description of taxonomy-eligible output and individual measures	Corresponding economic activity under the EU Taxonomy
Purchase, maintenance and servicing of passenger cars by the Group companies	6.5 Transportation by motorcycles, passenger cars and commercial vehicles
Purchase, maintenance and servicing of freight vehicles by Group companies	6.6 Freight transport services by road
Reconstruction of buildings in the Lužice industrial area after the tornado	7.2 Renovation of existing buildings
All maintenance and repair of energy efficiency equipment in our existing buildings (e.g. lighting replacement, insulation, replacement of windows, doors, etc.)	7.3 Installation, maintenance and repair of energy efficiency equipment
Installation, maintenance and repair of charging stations in buildings and parking areas of Group companies	7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)
Installation, maintenance and repair of solar photovoltaic power plants installed for the consumption needs of the Group companies	7.6 Installation, maintenance and repair of renewable energy technologies

Key performance indicators and contextual information

For reporting purposes, the Group uses the templates specified by the currently applicable Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council which clarifies the content and presentation of information to be disclosed by undertakings pursuant to Article 29a of Directive 2013/34/EU in relation to environmentally sustainable economic activities and specifies the methodology for fulfilling this disclosure obligation.

The overview of sustainability, eligibility, and key performance indicators is presented in the following summary table:

Sustainability and eligibility under the EU taxonomy in CZK million	2024			2023		
	Turnover	Capex	Opex	Turnover	Capex	Opex
Sustainable	32	78	3	15	302	2
Eligible	38	189	13	71	437	35
Non-eligible	28 675	3 395	197	56 345	507	131
Total	28 713	3 584	210	56 416	944	167
Sustainable	0%	2%	1%	0%	32%	1%
Eligible	0%	5%	6%	0%	46%	22%
Non-eligible	100%	95%	94%	100%	54%	78%

The sustainable turnover in 2024 amounted to CZK 32 million (2023: CZK 15 million), representing revenue from the sale of electricity generated by solar power plants.

Sustainable CAPEX in 2024 consisted solely of additions to tangible assets. The largest item was the acquisition of a battery storage system in the amount of CZK 68 million. In 2023, CAPEX included CZK 114 million in additions to tangible assets and CZK 188 million from asset acquisitions, primarily related to the purchase of PV Orlová I and Orlová II and the construction of PV Mušov, totalling CZK 287 million.

Sustainable OPEX amounted to CZK 3 million (2023: CZK 2 million), consisting of repair and maintenance costs for solar power plants.

The year-on-year increase in turnover and OPEX, and the decrease in CAPEX, were driven by the acquisition of PVs in 2023.

Changes from the previous reporting period and corrections

In the 2024 EU Taxonomy reporting, the Group made several corrections to the comparative figures for the prior period:

- The Group did not used the prescribed templates in the 2023 Report on Non-Financial Information.
- The Group incorrectly reported the turnover amount for activity 4.1 Electricity generation using solar photovoltaic technology.
- The Group corrected the amounts of eligible capital expenditures for 2023 for the following activities 4.1 Electricity generation using solar photovoltaic technology, 4.10 Storage of electricity and 4.29 Electricity generation from fossil gaseous fuels.
- In addition, the Group made corrections in 2023 data for activities 4.22 Electricity generation from wind power and 5.12 Permanent underground geological storage of CO_2.
- In 2023, operating expenditure included costs that are non-eligible under the EU Taxonomy definition of operating expenditure. The Group corrected the 2023 figure for operating expenditure in activity 4.1 – Electricity generation using solar photovoltaic technology, where higher eligible expenses had been reported.
- The Group added the following eligible activities to the 2023 figures for both capital and operating expenditure that had not been reported in the 2023 report:

  6.5 Transport by motorcycles, passenger cars and light commercial vehicles

  6.6 Freight transport services by road

  7.2 Renovation of existing buildings

  7.3 Installation, maintenance and repair of energy efficiency equipment

  7.6 Installation, maintenance and repair of renewable energy technologies

The comparison of the amounts reported in the 2023 Non-Financial Information Report and the restated comparative 2023 figures presented in the 2024 Consolidated Sustainability Statement:

Original 2023 data (in CZK million)	Eligible activities	Aligned Activities	Non-Eligible Activities
Total turnover	62.5	6.4	56 353.5
Capital expenditure	173.2	172.8	770.8
Operating expenditure	12.5	12.5	161.3

Restated 2023 data (in CZK million)	Eligible activities	Aligned Activities	Non-Eligible Activities
Total turnover	71	15	56 345
Capital expenditure	437	302	507
Operating expenditure	36	2	131

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities - disclosure for 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria										2023
Economic activities (1)	Code (a) (2)	Turnover (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of turnover, year 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)	Turnover (3)
Text		*CZK million*	*%*	*A; N; N/EL*	*A; N; N/EL*	*A; N; N/EL*	*A; N; N/EL*	*A; N; N/EL*	*A; N; N/EL*	*A/N*	*A/N*	*A/N*	*A/N*	*A/N*	*A/N*	*A/N*	*%*	*E*	*T*	*CZK million*
A. **TAXONOMY-ELIGIBLE ACTIVITIES**																				
A.1. **Environmentally sustainable activities (Taxonomy aligned)**																				
Electricity generation using solar photovoltaic technology	CCM 4.1	32	0%	A	N	*N/EL*	*N/EL*	*N/EL*	*N/EL*	A	A	A	A	A	A	A	0%			15
Turnover of environmentally sustainable activities (Taxonomy aligned) (A.1)		**32**	**0%**	**0%**													**0%**			**15**
A.2. **Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy aligned activities)**																				
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*											
Electricity generation from fossil gaseous fuels	CCM 4.29	6	0%	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								0%		*T*	0
Electricity generation from geothermal energy	CCM 4.6	0	0%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								0%			56
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy aligned activities) (A.2)		**6**	**0%**	**0%**													**0%**			**56**
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**38**	**0%**	**0%**													**0%**			**71**
B. **TAXONOMY NON-ELIGIBLE ACTIVITIES**																				
Turnover of Taxonomy-non-eligible activities		28 675	100%														100%			56 345
TOTAL		**28 713**	**100%**														**100%**			**56 416**

(a) Climate Change Mitigation: CCM, Climate Change Adaptation: CCA, Water and Marine Resources: WTR, Circular Economy: CE, Pollution Prevention and Control: PPC, Biodiversity and Ecosystems: BIO
A - Yes, the activity is eligible for the taxonomy and is aligned with the relevant environmental objective of the taxonomy, N - no, the activity is eligible for the taxonomy but is not aligned with the relevant environmental objective of the taxonomy, N/EL - non-eligible, the activity is non-eligible for the taxonomy for the relevant environmental objective
EL - Activity eligible for the taxonomy for the respective objective, N/EL - Activity non-eligible for the taxonomy for the respective objective

Proportion of capital expenditure from products or services associated with Taxonomy-aligned economic activities - disclosure for 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria										2023
Economic activities (1)	Code (a) (2)	Capital expenditure (3)	Proportion of capital expenditure (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of capital expenditure, year 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)	Capital expenditure (3)
Text		*CZK million*	*%*	*A; N; N/EL*	*A; N; N/EL*	*A; N; N/EL*	*A; N; N/EL*	*A; N; N/EL*	*A; N; N/EL*	*A/N*	*A/N*	*A/N*	*A/N*	*A/N*	*A/N*	*A/N*	*%*	*E*	*T*	*CZK million*
A. **TAXONOMY-ELIGIBLE ACTIVITIES**																				
A.1. **Environmentally sustainable activities (Taxonomy aligned)**																				
Electricity generation using solar photovoltaic technology	CCM 4.1	1	0%	A	N	*N/EL*	*N/EL*	*N/EL*	*N/EL*	A	A	A	A	A	A	A	30%			287
Storage of electricity	CCM 4.10	68	2%	A	N	*N/EL*	*N/EL*	*N/EL*	*N/EL*	A	A	A	A	A	A	A	0%	E		2
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	1	0%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								0%			0
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	8	0%	A	N	*N/EL*	*N/EL*	*N/EL*	*N/EL*	A	A	A	A	A	A	A	1%			13
Capital expenditure on environmentally sustainable activities (Taxonomy aligned) (A.1)		**78**	**2%**	**2%**						**A**	**A**	**A**	**A**	**A**	**A**	**A**	**32%**			**302**
A.2. **Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy aligned activities)**																				
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*											
Electricity generation from fossil gaseous fuels	CCM 4.29	41	1%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								5%			51
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	38	1%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								3%			32
Freight transport services by road	CCM 6.6	16	0%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								0%			3
Renovation of existing buildings	CCM 7.2	0	0%	*EL*	*EL*	*N/EL*	*N/EL*	*EL*	*N/EL*								5%			45
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	16	0%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								0%			4
Capital expenditure of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy aligned activities) (A.2)		**111**	**3%**	**3%**													**14%**			**135**
A. Capital expenditure of Taxonomy-eligible activities (A.1+A.2)		**189**	**5%**	**5%**													**46%**			**437**
B. **TAXONOMY NON-ELIGIBLE ACTIVITIES**																				
Capital expenditure of Taxonomy-non-eligible activities		3 395	95%														54%			507
TOTAL		**3 584**	**100%**														**100%**			**944**

(a) Climate Change Mitigation: CCM, Climate Change Adaptation: CCA, Water and Marine Resources: WTR, Circular Economy: CE, Pollution Prevention and Control: PPC, Biodiversity and Ecosystems: BIO
A - Yes, the activity is eligible for the taxonomy and is aligned with the relevant environmental objective of the taxonomy, N - no, the activity is eligible for the taxonomy but is not aligned with the relevant environmental objective of the taxonomy, N/EL - non-eligible, the activity is non-eligible for the taxonomy for the relevant environmental objective
EL - Activity eligible for the taxonomy for the respective objective, N/EL - Activity non-eligible for the taxonomy for the respective objective

Proportion of operating expenditure from products or services associated with Taxonomy-aligned economic activities - disclosure for 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria										2023
Economic activities (1)	Code (a) (2)	Operating expenditure (3)	Proportion of operating expenditure (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of operating expenditure, year 2023 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)	Operating expenditure (3)
Text		*CZK million*	*%*	*A; N; N/EL*	*A; N; N/EL*	*A; N; N/EL*	*A; N; N/EL*	*A; N; N/EL*	*A; N; N/EL*	*A/N*	*A/N*	*A/N*	*A/N*	*A/N*	*A/N*	*A/N*	*%*	*E*	*T*	*CZK million*
A. **TAXONOMY-ELIGIBLE ACTIVITIES**																				
A.1. **Environmentally sustainable activities (Taxonomy aligned)**																				
Electricity generation using solar photovoltaic technology	CCM 4.1	3	1%	A	*N*	*N/EL*	*N/EL*	*N/EL*	*N/EL*	A	A	A	A	A	A	A	1%			2
Operating expenditure of environmentally sustainable activities (Taxonomy aligned) (A.1)		**3**	**1%**	**2%**						**A**	**A**	**A**	**A**	**A**	**A**	**A**	**1%**			**2**
A.2. **Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy aligned activities)**																				
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*											
Electricity generation from geothermal energy	CCM 4.6	0	0%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								10%			16
Electricity generation from fossil gaseous fuels	CCM 4.29	1	0%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								0%			1
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	4	2%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								2%			4
Freight transport services by road	CCM 6.6	1	1%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								1%			1
Renovation of existing buildings	CCM 7.2	0	0%	*EL*	*EL*	*N/EL*	*N/EL*	*EL*	*N/EL*								0%			0
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	4	2%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								8%			13
Operating expenditure of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy aligned activities) (A.2)		**10**	**5%**	**5%**													**21%**			**35**
A. Operating expenditure of Taxonomy-eligible activities (A.1+A.2)		**13**	**6%**	**6%**													**22%**			**36**
B. **TAXONOMY NON-ELIGIBLE ACTIVITIES**																				
Operating expenditure of Taxonomy-non-eligible activities		197	94%														78%			131
TOTAL		**210**	**100%**														**100%**			**167**

(a) Climate Change Mitigation: CCM, Climate Change Adaptation: CCA, Water and Marine Resources: WTR, Circular Economy: CE, Pollution Prevention and Control: PPC, Biodiversity and Ecosystems: BIO
A - Yes, the activity is eligible for the taxonomy and is aligned with the relevant environmental objective of the taxonomy, N - no, the activity is eligible for the taxonomy but is not aligned with the relevant environmental objective of the taxonomy, N/EL - non-eligible, the activity is non-eligible for the taxonomy for the relevant environmental objective
EL - Activity eligible for the taxonomy for the respective objective, N/EL - Activity non-eligible for the taxonomy for the respective objective

As we carry out natural gas activities (activities 4.26-4.31), we publish below the special templates introduced by the Supplementary Delegated Act concerning activities in certain energy sectors:

Turnover Template 1 Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades using the best available technologies	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as the production of hydrogen from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels..	NO

Turnover Template 2 Taxonomy-aligned economic activities (denominator)

Row	Economic activities	Climate change mitigation + Climate change adaptation		Climate change mitigation		Climate change adaptation	
		CZK million	%	CZK million	%	CZK million	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	32	0	32	0		0
8.	**Total applicable KPI**	28 713	100	28 713	100		0

Turnover Template 3 Taxonomy-aligned economic activities (numerator)

Row	Economic activities	Climate change mitigation + Climate change adaptation		Climate change mitigation		Climate change adaptation	
		CZK million	%	CZK million	%	CZK million	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0	0	0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	32	100	32	100		
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	32	100	32	100		

Turnover Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic activities	Climate change mitigation + Climate change adaptation		Climate change mitigation		Climate change adaptation	
		CZK million	%	CZK million	%	CZK million	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	6	0	6	0		
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	0	0	0	0		
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	6	0	6	0		

Turnover Template 5 Economic activities not eligible for taxonomy

Row	Economic activities	CZK million	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	28 675	100
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	28 675	100

Capex Template 1 Nuclear and fossil gas related activities

Row	**Nuclear energy related activities**	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades using the best available technologies	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as the production of hydrogen from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels..	NO

Capex Template 2 Taxonomy-aligned economic activities (denominator)

Row	Economic activities	Climate change mitigation + Climate change adaptation		Climate change mitigation		Climate change adaptation	
		CZK million	%	CZK million	%	CZK million	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	78	2	78	2		
8.	**Total applicable KPI**	3 584	100	3 584	100		

Capex Template 3 Taxonomy-aligned economic activities (numerator)

Row	Economic activities	Climate change mitigation + Climate change adaptation		Climate change mitigation		Climate change adaptation	
		CZK million	%	CZK million	%	CZK million	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0	0	0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	78	100	78	100		
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	78	100	78	100		

Capex Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic activities	Climate change mitigation + Climate change adaptation		Climate change mitigation		Climate change adaptation	
		CZK million	%	CZK million	%	CZK million	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	41	1	41	1		
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	70	2	70	2		
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	111	3	111	3		

Capex Template 5 Economic activities not eligible for taxonomy

Row	Economic activities	CZK million	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	3 395	95
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	3 395	95

Opex Template 1 Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades using the best available technologies	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as the production of hydrogen from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels..	NO

Opex Template 2 Taxonomy-aligned economic activities (denominator)

Row	Economic activities	Climate change mitigation + Climate change adaptation		Climate change mitigation		Climate change adaptation	
		CZK million	%	CZK million	%	CZK million	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0	0	0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	3	1	3	1		
8.	**Total applicable KPI**	210	100	210	100		

Opex Template 3 Taxonomy-aligned economic activities (numerator)

Row	Economic activities	Climate change mitigation + adaptation		Climate change mitigation		Climate change adaptation	
		CZK million	%	CZK million	%	CZK million	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0	0	0		
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI						
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	3	100	3	100		
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	3	100	3	100		

Opex Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic activities	Climate change mitigation + Climate change adaptation		Climate change mitigation		Climate change adaptation	
		CZK million	%	CZK million	%	CZK million	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0	1	0		
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI						
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	9	5	9	5		
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	10	5	10	5		

Opex Template 5 Economic activities not eligible for taxonomy

Row	Economic activities	CZK million	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
2.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
3.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
4.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0
5.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
6.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	197	94
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	197	94

2.2 E1 - Climate change

2.2.1 [SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

The MND Group has conducted a climate risk and resilience analysis. Two climate scenarios (RCP4.5-SSP245 and RCP8.5-SSP585) and three time-horizons were assessed: short-term (historical - current state), medium-term (2030) and long-term (2050).

The following sites and assets were included in the value chain:

Czech Republic: Ždánice, Žarošice, Uhřice, Dambořice, Borkovany, Lužice, Measuring station Brumovice, Dolní Bojanovice, Orlová, Tichá, Mušov, Poddvorov, Hodonín.

Ukraine: Černý Les, Girska, Tynivska, Beregivska, Grabivska, Vishnia, Oriv Windpark (Lviv region).

A climate risk and resilience analysis were conducted in relation to all key assets owned. Physical and transition risks were analysed. Some minor operational activities (such as the operation of an accredited geochemical laboratory and innovation) and parts of the value chain that were not considered material in terms of physical and transition risks were excluded from the analysis. The objective of the analysis was to determine the level of exposure of each of the Group's climate resilient assets and technologies to risks associated with climate change. The topic is discussed in detail inESRS 2 - General information, article 1.4 *[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities.*

The analysis evaluated financial impacts with respect to probability of an event occurring and the implementation of mitigation measures. Although some physical climate risks emerged as potential risks. during subsequent assessment under the double materiality assessment, no physical risk was identified as material. The Group's operations can therefore be considered resilient in this area. The materiality of physical risks will continue to be monitored, and their potential impacts reassessed. Should the materiality threshold be exceeded, appropriate investment measures will be taken to restore or enhance the Group's resilience.

The findings of both analyses also served as the basis for the double materiality assessment (Double Materiality Assessment – DMA).

The following risks were assessed as significant (material):

R1: Transition to a low-carbon economy creates risks for future demand of oil and gas, due to more restrictive regulation of existing products and services. This represents a regulatory risk related to the transition to renewable energy sources.

R2: Introduction of a carbon tax on methane emissions leading to increased operating costs. Extension of the EU emissions trading system to other sectors and/or increase in carbon credits prices. This represents a regulatory risk related to the transition to renewable energy sources.

As part of strengthening resilience, the Group's long-term objective is to keep risk-related matters at a minimum level, which also applies to climate risks. Risk management, starting with identification and quantification, is followed by an analysis and quantification of the exposure to a given risk. For environmental impacts, the Group seeks to minimise them (restoration of depleted areas and removal of environmental burdens), implementing sustainable development principles in its activities, thus contributing to the resilience of its strategy to climate change.

As part of strengthening the resilience of the strategy to identified impacts, the Group is actively working to reduce its negative environmental impact and is also focusing on adapting its strategy and business model to climate change in the short-, medium- and long-term through several key initiatives:

- The Group is investing in upgrading its mining facilities to reduce greenhouse gas emissions and increase energy efficiency. In some cases, the Group has decided to phase out older, inefficient mining equipment and replace it with more modern and environmentally friendly alternatives. However, from a climate risk perspective, no significant steps are required to adapt to changing climate conditions.
- The Group promotes responsible environmental management, which includes the restoration of depleted areas and the removal of environmental burdens. Upon completion of its extraction activities, the Group carries out thorough reclamation work, which involves restoring the original landscape and ensuring its ecological stability. These activities include the removal of contaminated materials, soil revitalisation, and the planting of vegetation that supports biodiversity and ecosystem restoration. The removal of environmental burdens is a key aspect of sustainable environmental management, as it minimises the negative impacts of extraction on the environment and the health of local communities.

Given the nature of the Group's business, which is heavily oriented towards commodities such as oil and gas, it would be difficult to flexibly switch to an alternative business model in the short-term horizon. Given the current geopolitical situation and the technological readiness of the existing economies, the Group has assessed the risk of transitioning to a low carbon economy in the short to medium-term as not material. The gradual transition to a low carbon and resilient economy may represent a major change and financial risk for the Group in the long-term. The primary determinant will be the evolving geopolitical situation and regulatory environment. Closely related to this are developments in energy markets and technological advances within the sector dependent on commodities traded by the Group.

Opportunities associated with transition and transformation are defined with a view of mitigating the impact of transition risks on the Group and form a part of the procedures to strengthen resilience. These opportunities include, for example, portfolio diversification (hydrogen, biogas), investment in renewable energy, and the implementation of new technologies to reduce greenhouse gas emissions, contributing to decarbonisation and improving the Group's reputation. Another key fact is the active communication of sustainability topics with stakeholders such as investors, communities or employees.

The Group also focuses on the development and operation of renewable energy infrastructure, which includes the construction of photovoltaic and wind power plants. MND Energie a.s. has introduced an innovative product called Solar Account, which allows households and businesses to sell surplus electricity generated from their photovoltaic systems back to the grid. This product promotes decentralisation of the energy sector by allowing smaller energy producers to contribute to the overall energy balance. The Solar Account provides financial benefits for photovoltaic system owners and increases the overall efficiency of renewable energy utilisation. In this way, the Group promotes wider adoption and integration of renewable energy sources into the energy mix.

The Group's investment decisions reflect the energy sector's shift towards low-carbon sources, which is reflected in an increase in the allocation of funds to renewable energy and other projects. These projects include investments in a wind park in Ukraine, carbon dioxide storage in decommissioned oil and gas reservoirs, operation of a commercial underground storage facility for the permanent storage of carbon dioxide captured from industrial production, construction and acquisition of photovoltaic power plants and project preparation for the implementation of large-scale battery storage facilities. In the context of carbon neutrality, the Group is engaged in cooperation with universities and business partners in projects related to hydrogen technology, transportation and underground storage of carbon. Finally, the Group is investing in training and retraining its employees to prepare them for new challenges and opportunities in renewable energy and low carbon technologies. The Group also works with universities and professional institutions to develop training programmes and internships for young talent.

In the area of material transition risks, the Group is actively cooperating with financial institutions and investors to ensure continued access to funding at an acceptable cost of capital. An example is the financing of renewable energy projects such as wind and solar farms. In this way, the Group secures the necessary financial resources to support its environmental initiatives. However, EU Taxonomy aims to move the investments into sustainable activities, which requires adapting the Group's business model to meet these requirements and ensure access to finance from investors and financial institutions.

With this comprehensive approach, the Group is demonstrating its ability to adapt to the climate change and contribute to a more sustainable future, even as it faces the challenges of transitioning to a more sustainable business model.

2.2.2 [E1-1] Transition plan for climate change mitigation

Currently, the Group does not have a Climate Change Mitigation Transition Plan. The Group plans to adopt the Plan, but without a more specific timeframe. The Climate Risk Analysis conducted in January 2025 will be taken into account in the preparation of the Plan (for the Climate Risk Analysis conclusions, see the section Environmental information, article 2.2.1 *[SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model*).

Most of the Group's revenue is derived from the exploration, production, distribution or refining of oil and gas fuels. The Group is therefore excluded from the EU benchmark values linked to the Paris Agreement under Delegated Regulation (EU) 2020/1818, Article 12(1)(d) to (g).

2.2.3 [E1-2] Policies related to climate change mitigation and adaptation

The Group has implemented the following directive in relation to the management of material impacts, risks and opportunities relating to the production of greenhouse gases associated with exploration and production:

- **Directive on Protection of Environment** - The relevant Group companies[8] regulate, among other things, air protection[9], including climate change mitigation, through internal directives. The directive specifically defines the obligations and responsibilities for the operation of facilities that handle controlled substances and fluorinated greenhouse gases. The directive is applied at the level of the actual operation, specifically the operational centres in the Czech Republic (it is not applicable to activities in Ukraine). The directive has been approved at the director level, and the heads of the respective organizational units are responsible for the implementation of the relevant sub-policies. The current version of the Directive is available to employees via a shared internal drive. In addition, selected companies[10] have implemented an Environmental Management System in accordance with the requirements of ISO 14001 certification.

For the remaining companies of the Group, no operational needs have been identified for the adoption of a specific directive regulating the production of greenhouse gases associated with exploration and production, and for this reason the companies have not adopted such a directive.

Neither the Group nor the relevant companies have policies that relate to the positive impacts or opportunities associated with the production of renewable energy sources (**RES**) and the implementation of innovative technologies. However, the Group implements measures that directly respond to these opportunities and have a positive effect, see article 2.2.4 *[E1-3] Actions and resources in relation to climate change* policies. The Group prioritises sustainability matters the impacts, risks, and opportunities of which it perceives as most material. Thus, for the time being, the Group does not address the impacts associated with supplier relationships (emissions generated as a result of the production of materials and machinery used). The policies also do not address the negative impacts and risks associated with commodity consumption and associated emissions, as the Group plans (following the Group's business model) to continue in its mining activities.

The Group does not have policies that explicitly address climate change adaptation, energy efficiency, renewable energy deployment or other climate change related topics. The Group prioritises sustainability matters the impacts, risks, and opportunities of which it perceives as most material. This attention may take the form of policy (see above) or action (see article 2.2.4 *[E1-3] Actions and resources in relation to climate change policies*).

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[8] MND a.s., MND Drilling & Services a.s., MND Gas Storage a.s., MND Energy Storage a.s.

[9] The Directive also addresses waste management and water management.

[10] MND a.s., MND Drilling & Services a.s., MND Gas Storage a.s.

2.2.4 [E1-3] Actions and resources in relation to climate change policies

Following the Directive on Protection of Environment, the Group continued to apply rules related to controlled substances and fluorinated greenhouse gases in the past year. Based on the register of the environmental aspects, the Group (specifically MND Energy Storage a.s.) has also identified measures to address climate change, specifically the measures to prevent uncontrolled leakage of natural gas and methane into the air, specifically the measures to prevent operational leakage of natural gas and methane into the air by replacing part of the technology using natural gas for operation, which subsequently escapes through the exhaust pipe, with compressed air. Compressed air replaces natural gas in the start-up sequence of gas engines that drive compressors for natural gas storage. The technology was commissioned in 2024. The annual avoided natural gas emissions are expected to be approximately 4 300 m^3 in 2025, equivalent to approximately 87 tCO2eq. The Group will continue to apply the rules and identify measures. The implementation of these activities does not require significant human resources but will entail significant financial resources (approximately CZK 2 million), especially in view of the expected amount of avoided emissions as a result of the implementation of this measure.

The Group does not have a policy focused on RES production or implementation of innovative technologies (as mentioned above, see article 2.2.3 [E1-2] Policies related to climate change mitigation and adaptation), however, in 2024 the Group implemented the following activities in this area that contribute to mitigating the climate change:

- **Construction of renewable energy sources (RES)** - Construction of photovoltaic (PV) and wind power plants (WPP) on the territory of the Czech Republic and Ukraine. Installed capacity is currently 10.8 MWp in the Czech Republic and 59 MWp in Ukraine. The development of wind power projects continues and is in the early stages of preparation. The scale of investment plans in PV and WPP depends on the projected return on investment and the availability of financial resources. Plans will also be further developed in conjunction with the forthcoming Climate Change Mitigation Transition Plan.
- **Carbon capture and storage (CCS)** - Planned measure, currently in the pre-project preparation phase and preparation of documentation for the subsidy title. The measure will thus contribute to the decarbonisation of the supply chain. The implementation period is estimated at 7-8 years. The current investment requirement is approximately CZK 4.6 billion. The implementation of the project plan would enable the storage of approximately 800 thousand tonnes of CO2e per year. The investment plan is strongly dependent on the success of obtaining subsidies. The plans will also be further developed in conjunction with the forthcoming Climate Change Mitigation Transition Plan**.**
- **Battery energy storage system (BESS)** - In year 2024, project preparation was underway for the construction of a large-scale battery storage system in the Czech Republic, with completion planned for late 2025/early 2026. In Germany, pre-project preparation was underway for projects of the same nature but on a larger scale, with the first project to be completed in 2026. The battery storage system will allow energy from RES to be stored and subsequently used in periods when conditions for energy generation are less favourable. The measure thus contributes to the decarbonisation of the supply chain. The measure will thus contribute to a more efficient use of RES and decarbonisation of business activities. Investments in BESS amounted to CZK 68.02 million in 2024. In the medium-term (until 2029), investments in the range of around CZK 2.5 billion are planned. Plans will be further developed in conjunction with the forthcoming Climate Change Mitigation Transition Plan.

The Group did not implement any actions to address other identified impacts, risks or opportunities in 2024. In implementing measures, the Group focuses on sustainability matters it considers most material, considering also the cost of the measures.

2.2.5 [E1-4] Targets related to climate change mitigation and adaptation

The Group does not have set climate change mitigation and adaptation targets.[11] The Group does not currently plan to set targets as it is seeking to find an optimal balance in relation to economic costs.

The Group does not specifically monitor the effectiveness of its policies and measures, except for those related to GHG production associated with exploration and production and commodity consumption. The monitoring of the effectiveness of policies and measures (for more information see articles 2.2.3 *[E1-2] Policies related to climate change mitigation and adaptation* and 2.2.4 *[E1-3] Actions and resources in relation to climate change policies*) is carried out through the following processes:

- Environmental aspects assessment - the identified impacts are assigned a remediation or prevention method (source: Management review[12] + Environmental Risk Register[13]).
- Review of the relevance of the HSEQ Policy - monitoring the achievement of sub-objectives (conducting inspections, updating management acts, etc.) (source: Management review).
- Control activities during the planning and execution of drilling operations - establishes processes from project planning to completion of work. The aim of the processes is to ensure that the site is handed over free from environmental defects (source: Directive on Protection of Environment).
- Environmental performance assessment - monitoring energy consumption, air pollution (source: Environmental Performance Assessment).
- Assessment of opportunities for energy reduction (source: Energy Audit).

The purpose of the above processes is to progressively improve the HSEQ level and culture of the Company. For the purposes of monitoring the effectiveness of the policies and measures, the Group has not set indicators or a baseline year against which to compare progress.

2.2.6 [E1-5] Energy consumption and mix

The energy consumption and energy mix are presented in the table below. Although energy production is not the Group's core business, the Group covers a significant part of its energy needs through its energy production. The energy produced comes from photovoltaic and G2P technologies. The collated data is based on direct measurements of individual companies[14] and energy suppliers, except for the energy consumption mix associated with activities in Ukraine. The energy mix of Ukraine was used to determine the estimate of the energy consumption mix, for more see sectionESRS 2 - General information*, Value chain estimation and sources of estimation and outcome uncertainty*. The data was not externally validated.

Table 1: Energy consumption and mix[15]

Energy consumption and mix	Unit	2024
1) Fuel consumption of coal and coal products	MWh	0
2) Fuel consumption of crude oil and petroleum products	MWh	15 251.5
3) Fuel consumption of natural gas	MWh	114 196.2

[11] These are material impacts, risks and opportunities related to (i) GHG production associated with exploration and production, (ii) RES production and implementation of innovative technologies, (iii) emissions generated from the production of materials and machinery used, (iv) commodity consumption and tied emissions.

[12] In some entities referred to as a Management Review Report.

[13] Only for MND Drilling & Services a.s., MND Energy Storage a.s. and MND Gas Storage a.s.).

[14] The same range of companies as in the case of the calculation of GHG emissions of Framework 1 and 2.

[15] Totals may vary due to rounding.

Energy consumption and mix	Unit	2024
4) Fuel consumption of other fossil sources (process, waste and other fuels used for energy purposes)	MWh	0
5) Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	6 750.8
6) Total fossil energy consumption *(calculated as the sum of items 1 to 5)*	MWh	136 198.5
Share of fossil fuels in total energy consumption	%	94.9
7) Consumption from nuclear sources	MWh	4 806.8
Share of consumption from nuclear sources in total energy consumption	%	3.3
8) Consumption of fuels from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	0
9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	2 542.0
10) The consumption of self-generated non-fuel renewable energy	MWh	8.5
11) Total renewable energy consumption *(calculated as the sum of items 8 to 10)*	MWh	2 550.5
Share of renewable sources in total energy consumption	%	1.8
Total energy consumption (MWh) *(calculated as the sum of items 6, 7 and 11)*	MWh	143 555.8
Energy production	**Unit**	**2024**
Energy production from non-renewable sources	MWh	3 624.0
Renewable energy production	MWh	8 066.6

The Group's activities fall within a section with a high impact on climate, NACE Section B - Mining and quarrying and NACE Section D - Production and distribution of electricity, gas, heat and air conditioning. The total consumption and energy intensity in these sectors is shown in the table below.

Table 2: Energy intensity

Energy intensity	2024
Total energy consumption of activities in high climate sectors per net revenue from activities in high climate sectors (MWh/million CZK)	5
Total energy consumption of activities in high climate sectors (MWh)	143 555.9

Items and notes in the financial statements that refer to the values used in the calculation of energy performance are identified below.

Table 3: Reconciliation of net income to items or information in the financial statements

Net revenue from activities in high climate impact sectors used to calculate energy intensity in millions of CZK	28 713
Net revenue (other) in millions of CZK	0
Total net revenue (consolidated financial statements) in millions of CZK	28 713

2.2.7 [E1-6] Gross Scope 1, 2, 3 and total GHG emissions

The Group's gross greenhouse gas emissions in the period under review amounted to 945.5 thousand tCO2eq (location -based). The vast majority of these emissions are associated with the use of final products (Scope 3). For a detailed breakdown of GHG emissions by framework and time horizon, see the table below.

Table 4: Group GHG emissions - Scope 1, 2 and 3[16]

	Retrospective	Milestones and target years		
	2024	2025	2030	2050
Scope 1 GHG emissions[17]				
Gross Scope 1 GHG emissions (thousands tCO2eq)	73.7	The group has not yet set targets (see information in E1-4)		
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)[18]	12.8	The group has not yet set targets (see information in E1-4)		
Scope 2 GHG emissions				
Gross location-based Scope 2 GHG emissions (thousands tCO2eq)	6.4	The group has not yet set targets (see information in E1-4)		
Gross market-based Scope 2 GHG emissions (thousands tCO2eq)	9.1	The group has not yet set targets (see information in E1-4)		
Gross market-based Scope 2 GHG emissions (including Certificate of guaranteed origin) (thousands tCO2eq)	8.9	The group has not yet set targets (see information in E1-4)		
Significant scope 3 GHG emissions[19]				
Total Gross indirect (Scope 3) GHG emissions (thousands tCO2eq)	865.2	The group has not yet set targets (see information in E1-4)		
1 Purchased goods and services	13.2	The group has not yet set targets (see information in E1-4)		
2 Capital goods	1.3	The group has not yet set targets (see information in E1-4)		
3 Fuels and energy-related activities	10.5	The group has not yet set targets (see information in E1-4)		
4 Upstream transportation and distribution	1.7	The group has not yet set targets (see information in E1-4)		
5 Waste generated in operations	15.0	The group has not yet set targets (see information in E1-4)		
9 Downstream transportation	0.6	The group has not yet set targets (see information in E1-4)		

[16] Totals may vary due to rounding.

[17] The Group does not produce emissions of biogenic origin. The Group does not record biogenic CO_2 emissions from the combustion or biodegradation of biomass.

[18] The calculation includes GHG emissions (CO_2, CH_4, N_2O, HFCs, PFCs, SF6, and NF3) from installations subject to the EU ETS. The period covered is the same as the period for which the Sustainability Statement is drawn up.

[19] The vast majority of Scope 3 greenhouse gas emissions come from the use of manufactured products - natural gas and oil. Primary data and supplier data were not used in the calculation of Scope 3 emissions. In the calculation of Scope 3 emissions, only the following GHG emission categories are reported in detail due to low reliability of external data or insignificance: 3.1 Purchased goods and services, 3.2 Capital goods, 3.4 Transport and distribution upstream of the value chain, 3.5 Waste generated from operational activities, 3.9 Transport downstream of the value chain, 3.10 Use of products sold, 3.11 Use of products sold, 3.15 Investments.

	Retrospective	Milestones and target years		
	2024	2025	2030	2050
10 Processing of sold products	38.2	The group has not yet set targets (see information in E1-4)		
11 Use of sold products	784.1	The group has not yet set targets (see information in E1-4)		
15 Investments	0.6	The group has not yet set targets (see information in E1-4)		
Total GHG emissions				
Total GHG emissions (location-based) (thousands tCO2eq)	945.5	The group has not yet set targets (see information in E1-4)		
Total GHG emissions (market-based) (thousands tCO2eq)	948.1	The group has not yet set targets (see information in E1-4)		
Total GHG emissions (market-based) (including Certificate of guaranteed origin) (thousands tCO2eq)	947.9	The group has not yet set targets (see information in E1-4)		

The reporting thresholds considered, the calculation methods for estimating GHG emissions and the tools used are set out in the Group's GHG Report. The Group monitors emissions of CO_2, CH_4 and N_2O and emissions of other GHGs are negligible. In calculating GHG emissions, the Group follows the GHG Protocol and ISO 14064-1 hierarchy of inputs and emission factors. The following sources were used to determine the emission factors: the UK DEFRA, EIB, UNFCC, the City of Prague Carbon Footprint Calculation and the Institute of Circular Economy, Orlen Unipetrol

The Group used the following contractual instruments in connection with the calculation of the scope 2 GHGs:

Table 5: Overview of contractual instruments

Name of the contractual instrument	Share of Scope 2 market-based (%)
Contractual instruments used for the sale and purchase of energy associated with attributes regarding energy production	**1.9**
Certificate of guaranteed origin for the supply of ecologically produced electricity (EU EECS GO)	1.9
Contractual instruments used for the sale and purchase of energy associated without attributes regarding energy production	**0**

Below are the total greenhouse gas emissions by country.

Table 6: Group GHG emissions by country[20]

Total GHG emissions by country in 2024 (thousands tCO2eq)	Czech Republic	Ukraine	Austria
Scope 1 gross GHG emissions	73.4	0.3	0
Scope 2 gross GHG emissions (location-based)	6.2	0.3	0
Scope 2 gross GHG emissions (market-based)	8.8	0.3	0
Scope 2 gross GHG emissions (market-based, including Certificate of guaranteed origin)	8.6	0.3	0
Scope 3 gross GHG emissions	725.1	139.9	0.4
Total GHG emissions (location-based)	**804.6**	**140.5**	**0.4**
Total GHG emissions (market-based)	**807.2**	**140.5**	**0.4**
Total GHG emissions (market-based, incl. Certificate of guaranteed origin)	**807.1**	**140.5**	**0.4**

[20] Totals may vary due to rounding.

The Group follows the definition of a value chain given in the value chain description (see sectionESRS 2 - General information, article 1.3.2*[SBM-1] Value chain*). The Group discloses sustainability information for the first year, and in subsequent sustainability statements the Group will indicate whether the reported data is comparable. The reporting of GHG emissions is identical to the date of the financial statements. Thus, there have been no significant events and circumstances in the interim period that have had an impact on the reported GHG emissions for the reporting period. The GHG intensity for the Group is presented below.

Table 7: GHG intensity per net revenue

GHG intensity per net revenue	2024
Total GHG emissions (location-based) per net revenue (tCO2eq / million CZK)	32.9
Total GHG emissions (market-based) per net revenue (tCO2eq / million CZK)	33.0
Total GHG emissions (market-based, including Certificate of guaranteed origin) per net revenue (tCO2eq / million CZK)	33.0

Items and notes in the financial statements that refer to the values used in the calculation of GHG intensity are identified below.

Table 8: Relationship between net income used and items/notes in the financial statements

Net revenue used to calculate GHG intensity	Item or note in the financial statements
Net revenue used to calculate GHG intensity in millions of CZK	28 713
Net revenue (other) in millions of CZK	0
Total net revenue (in financial statements) in millions of CZK	28 713

2.2.8 [E1-7] GHG removals and GHG mitigation projects financed through carbon credits

The Group was not involved in any projects related to the removal or storage of greenhouse gases in 2024. There were no activities of the Group's own or outside the value chain that were financed through the purchase of carbon credits. The Group has not set a net zero emissions target.

In the future, the Group is considering the acquisition of carbon capture and storage (CCS) technologies, see more in article 2.2.4 *[E1-3] Actions and resources in relation to climate change policies.*

2.2.9 [E1-8] Internal carbon pricing

The Group does not currently operate an internal carbon pricing system as defined in the ESRS. The introduction of internal carbon pricing is under consideration, however with no specific timing.

2.2.10 [E1-9] Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

The Group has prepared the Climate Risk Analysis.

As the E1-9 disclosure requirement is a *phase-in* requirement under the ESRS, the Group took the option to omit the prescribed disclosures when preparing the sustainability statement for the year 2024. The selected information will be disclosed in the next sustainability statement, i.e. the sustainability statement for the year 2025.

2.3 E2 - Pollution

The subtopic E2 - Substances of (very high) concern was identified as material for MND a.s., MND Drilling & Services a.s., MND Energy Storage a.s., MND Gas Storage a.s. and Horyzonty LLC based on the double materiality assessment. These companies will hereinafter be referred to as "**E2 Relevant Companies**" in accordance with the definition established in ESRS 2 - General information, article 1.4 *[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities.*

2.3.1 [E2-1] Pollution policies

E2 Relevant Companies handle substances of (very high) concern during their daily activities. Improper handling of these substances could lead to environmental pollution and damage to health. Therefore, individual E2 Relevant Companies regulate the management of chemicals (including substances of (very high) concern) through internal directives. The directives include the definition of roles and responsibilities of users of chemicals - storage/registration, transport and disposal. The directives also indicate procedures in the event of a spill or accident. Senior staff or staff designated by them are responsible for ensuring compliance with the directives. The adopted directives are in accordance with ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety.

An overview of the directives in the E2 Relevant Companies is provided inTable 1. Employees of the E2 Relevant Companies have access to the directives through a shared internal drive.

These directives are designed to comply with relevant legal regulations and minimise potential environmental and health impacts. The environmental policy of the E2 Relevant Companies also emphasises the safe management of chemicals. When working with chemical substances, employees must be familiar with the applicable health and safety rules.

There is no common policy implemented at Group level focused on reducing the impact associated with the use of substances of (very high) concern, including replacing and minimizing their use or phasing them out.

Table 1 : Overview of policies, registers and ISO standards in place by company

	MND Drilling & Services a.s.	**MND Energy Storage a.s.**	**MND Gas Storage a.s.**	**MND a.s.**	**Horyzonty LLC**
Management of chemicals	SM 06-5021/04 Management of chemical substances and chemical mixtures	Directive No. 405 /23 Management of chemical substances and mixtures	Directive No 425/24 Management of chemical substances and mixtures	Directive 020 Chemical substances and mixtures	No (only compliance with legal requirements ensured)
ISO 14001	Yes	Yes	Yes	Yes	No (only compliance with legal requirements ensured)
ISO 45001	Yes	Yes	Yes	Yes	No (only compliance with legal requirements ensured)

2.3.2 [E2-2] Actions and resources related to pollution

MND a.s. used a substance of very high concern - glutaraldehyde[21] - as a part of a pilot project carried out at a single extraction site. For technical reasons, this project, including the use of glutaraldehyde, was suspended in mid-2024. This led to a reduction in the potential negative impact associated with the use of substances of (very high) concern. As part of the internal assessment of the restart of this pilot project, MND a.s. plans to assess the possibility of replacing glutaraldehyde with another substance with lower risks. There are no significant financial or other resources associated with the suspension of use of this substance. Reducing the use of other substances of concern or substituting them would not be effective due to the low volumes, however, the E2 Relevant Companies monitor the quantities of these substances in their operations.

As part of its established preventive measures, MND a.s. prepared a Register of Safety Objectives and Programmes for 2024, which includes plans for specific pipeline replacements, repairs of containment sumps, and the decommissioning of old wells and equipment. The main benefit of these replacements and modifications is to reduce the risk of release of hazardous substances, including substances of concern. These precautionary measures are and will be implemented on an ongoing basis throughout the extraction activities. Anticipated investments in this area are planned within the standard capital and operating expenditures of E2 Relevant Companies. In relation to the Register of Safety Objectives and Programmes, planned investments in year 2025 will amount to around CZK 99 million.

2.3.3 [E2-3] Targets related to pollution

E2 Relevant Companies have not set any specific risk reduction targets for the use of substances of (very high) concern. The Group does not monitor the effectiveness of its measures and policies, except for monitoring the quantity of substances used. For the purposes of monitoring the effectiveness of policies and measures, the Group has not set indicators or a baseline year against which to compare progress.

2.3.4 [E2-5] Substances of concern and substances of very high concern

The Group decided to suspend the use of glutaraldehyde as of mid-2024 (see article 2.3.2 *[E2-2] Actions and resources related to pollution*), so currently it does not use any substances of very high concern (SVHCs). Substances of high concern (SHCs) continue to be used within the operations. These substances (e.g. cement, petroleum, natural gas condensate, methanol, motor oil, diethylene glycol) are used in drilling, mining and other support activities and, in case of their leaks into the environment, they could (depending on the type of substance leaked) cause damage to health, soil, water and air pollution. The Group continuously strives to eliminate the risks of leaks.

Individual E2 Relevant Companies also keep records of substances used in accordance with the European Pollutant Release and Transfer Register (E-PRTR).[22] The quantity of pollutants includes annual production or consumption in tonnes. The scope of the register includes all E2 Relevant Companies. Any reporting of exceedances of limit values is linked to the specific site at which the limit was exceeded.

[21] The substance glutaraldehyde was used in the Group's operations at a single mining site as part of a pilot project and exclusively in a closed process system. The closed system significantly reduces the risk of harm to the health of persons, with which the risk of this substance is closely associated.

[22] European Pollutant Release and Transfer Register (E-PRTR) | EUR-Lex

Table 2: Overview of substances of concern at the Group's operations in 2024[23]

	Unit	Used[24]	Sold[25]	Emitted[26]	In the form of a product
Total quantity of substances of concern	kg	66 215 775	65 383 417	5 653	65 383 417
Carcinogenicity category 1 and 2	kg	65 367 312	65 363 647	2 065	65 363 647
Germ mutagenicity category 1 and 2	kg	920 647	920 647	0	920 647
Reproductive toxicity category 1 and 2	kg	0	0	1 053	0
Disruption of the endocrine system for human health	kg	0	0	0	0
Disruption of the endocrine system for the environment	kg	0	0	0	0
Persistent, mobile and toxic or highly persistent and highly mobile properties	kg	0	0	0	0
Persistent, bioaccumulative and toxic or highly persistent and highly bioaccumulative properties	kg	0	0	0	0
Category 1 respiratory sensitisation	kg	0	0	0	0
Skin sensitisation category 1	kg	758 705	2 705	0	2 705
Chronic aquatic hazard category 1 to 4	kg	65 386 929	65 363 647	4 599	65 363 647
Danger to the ozone layer	kg	0	0	0	0
Specific target organ toxicity - repeated exposure, category 1 and 2	kg	42 725	17 065	5 653	17 065
Specific target organ toxicity - single exposure, categories 1 and 2	kg	29 480	0	0	0

Table 3: Overview of substances of very high concern at the Group's operations in 2024.

	Unit	Total used[27]
Total quantity of substances of very high concern	kg	125
Carcinogenicity category 1 and 2	kg	0
Germ cell mutagenicity category 1 and 2	kg	0
Reproductive toxicity category 1 and 2	kg	0
Disruption of the endocrine system for human health	kg	0
Disruption of the endocrine system for the environment	kg	0
Persistent, mobile and toxic or highly persistent and highly mobile properties	kg	0
Persistent, bioaccumulative and toxic or highly persistent and highly bioaccumulative properties	kg	0

[23] Any discrepancy between the quantities of substances listed in the "Used", "Sold", "Emitted", "In the form of product" columns is due to a change in the properties of the substances concerned during their use (i.e. the use of the substance of concern ceases to be in the group of substances considered to be substances of concern as defined by the ESRS).

[24] The total amount of substances of concern that are generated or used in production or that are procured.

[25] The total amount of substances of concern that were sold as products, product ingredients or released into the environment in the past.

[26] The total amount of substances of concern that leave the plant as emissions.

[27] The total amount of substances of concern that are generated or used in production or that are procured.

	Unit	Total used[27]
Category 1 respiratory sensitisation	kg	125
Skin sensitisation category 1	kg	125
Chronic aquatic hazard category 1 to 4	kg	125
Danger to the ozone layer	kg	0
Specific target organ toxicity - repeated exposure, category 1 and 2	kg	0
Specific target organ toxicity - single exposure, categories 1 and 2	kg	0

2.4 E3 - Water and marine resources

Reductions in water availability and quality and potential deterioration of hydrological conditions are significant due to drilling and exploration and production activities, particularly due to injection of water into wells. These impacts[28] were identified as relevant to MND a.s. (Czech Republic) and MND Drilling & Services a.s. (Czech Republic) based on the double materiality assessment. These companies will be referred to hereafter as "**E3 Relevant Companies**" in accordance with the definition established in ESRS 2 - General information, article 1.4 *[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities*.

2.4.1 [E3-1] Policies related to water resources

E3 Relevant Companies set the following directive in relation to the identified material impacts (i.e. reduction in water availability and quality and potential deterioration of hydrological conditions due to water withdrawal and consumption):

- **Directive on Protection of Environment** - the directive regulates the processes associated with the withdrawal of drinking water and the discharge of wastewater and describes the management of hazardous substances to prevent leakage into surface water or groundwater. Finally, it defines the obligations and activities related to flood protection. The directive was implemented by all E3 Relevant Companies. The directive also describes the source and use of water, its treatment and pollution reduction. The directive aims to reduce water consumption. As the Group does not operate in areas of high-water stress, the directive does not provide a specific commitment for this topic. The implementation of the directive is mainly the responsibility of the heads of the organizational units. The up-to-date version of the directive is available on the shared internal drives of E3 Relevant Companies.

The wording of the Directive on Protection of Environment is not identical in all E3 Relevant Companies. Minor differences are due to the specificities and activities of the company in question and are listed below:

- MND Drilling & Services a.s. (Czech Republic) - The directive regulates the withdrawal of drinking water and discharge to wastewater and lists the required permits and consents of the water management authority. It also describes the activities associated with the operation of a WWTP from a car wash.
- MND a.s. (Czech Republic) - similar to the MND Drilling & Services a.s. directive, it lists the permits and consents of the water management authority and rules for handling hazardous substances. The monitoring system tracks surface/groundwater samples and gas leaks from the subsurface through monitoring wells. The directive also establishes the obligation to control water quality and regulates wastewater management.

[28] For a more detailed description, see ESRS Part 2 - General Information, Article 1.4 [IRO-1] Description of the procedures for identifying and assessing significant impacts, risks and opportunities

2.4.2 [E3-2] Actions and resources related to water resources

In the past year, the companies continued to take action to reduce water withdrawal and consumption and improve water quality. Specifically, MND Drilling & Services a.s. reduces its water consumption by reusing some water for its activities in the Czech Republic[29]. The water used to create the drilling fluid, which is necessary during drilling to bring the rock to the surface, undergoes treatment so that it can be reused in the next drilling process. This is a long-term measure and MND Drilling & Services a.s. will continue to recycle water in future years. The company only monitors its total water consumption and does not have information on the water savings achieved solely due to this measure. The costs associated with the saving measure are part of normal operating expenses; the measure does not require significant operating or capital expenditures. The companies do not plan to reduce or increase these operating expenses in the future.

Due to the unavailability of a suitable technological solution, MND currently does not implement specific measures aimed at water availability and quality and the associated potential change in hydrological conditions.

2.4.3 [E3-3] Targets related to water resources

The E3 Relevant Companies did not set any targets in relation to the identified material impacts (i.e. reduction in water availability and quality and potential deterioration of hydrological conditions due to water withdrawal and consumption).

The effectiveness of the relevant directive and measures is monitored through water consumption trends, which is tracked by the E3 Relevant Companies based on invoices provided by suppliers. The E3 Relevant Companies have a long-term goal to reduce water consumption but have not set a baseline year or a value against which the progress would be measured.

2.4.4 [E3-4] Water consumption

In 2024, the Group consumed a total of 19 572 m^3 of water from the water supply system. Water consumption is within legal limits, so none of the Group companies are under increased regulatory scrutiny. The Group primarily uses water in exploration and production processes, particularly to inject water into wells. Water injection into wells is a practice associated with oil production; in Ukraine, water injection is not used as at these sites only natural gas is being extracted. When establishing the data, the Group relies mainly on direct measurements and data provided by water suppliers. Estimates are used to determine water consumption and withdrawal only in specific cases - operations of MND (Trading Division) and MND Energie a.s. (indirect calculation - estimate based on data from year 2023). The Group does not withdraw water from surface water or groundwater, for this reason the Group does not monitor the water quality in the catchment areas. Should water discharge be restricted by a local regulator, the Group has the ability to secure water withdrawals from other locations.

Table2 : Water consumption for the Group in 2024

Water consumption	Unit	2024
Total water consumption	m^3	19 572
Water consumption intensity ratio	m^3/ million EUR[30]	17.1
Total volume of reused and recycled water	m^3	1 018
Total volume of water stored at the beginning of the reporting period	m^3	0
Total volume of water stored at the end of the reporting period	m^3	0

[29] South Moravian and Zlín regions, i.e. areas with water risk

[30] Net income from own operating activities.

Water consumption	Unit	2024
Changes in water supplies	m^3	0
Water withdrawals - total	m^3	30 013
Water withdrawal - from surface water	m^3	0
Water withdrawal - from groundwater	m^3	36
Water withdrawal - from third party water (refers to municipal water suppliers and municipal wastewater treatment plants, public or private utilities and other organisations involved in water and wastewater use)	m^3	29 977

The group does not consume water in areas of high-water stress.[31]

2.5 E5 - Resource use and circular economy

Drilling activities, exploration and production activities lead to the depletion of non-renewable resources and the production of waste. In addition, drilling and extraction activities produce waste (sludge, reagents, etc.) which contributes to environmental pollution.

These impacts[32] were identified as relevant for the companies of the Group: MND Drilling & Services a.s., MND a.s. and Horyzonty LLC. These companies will be referred to hereafter as "**E5 Relevant Companies**" in accordance with the definition established in ESRS 2 - General information, article 1.4 *[IRO-1] Description of the processes to identify and assess material impacts, risks and* opportunities).

2.5.1 [E5-1] Policies related to resource use and circular economy

The E5 Relevant Companies do not have policies that would specifically govern resource inflows. The main resource inflow is from extraction itself, which is part of the business model of the Group. The level of extraction depends on extraction plans.

The E5 Relevant Companies adopted general directives governing waste management (HSE Directive 508 on Protection of Environment (MND a.s.), Directive on Protection of Environment in MND D&S (MND Drilling & Services a.s.), Environmental Policy Directive (Horyzonty LLC)). The company's environmental officer is responsible for the preparation and updating of these directives, while the heads of individual sites are responsible for their implementation.

In its directive, MND a.s. governs waste management, specifically waste prevention, collection, subsequent transport and evidence. The text of the directive is available to all employees at the shared drive.

The MND Drilling & Services a.s. directive governs waste management, especially the obligations related to waste disposal and take-back of products. The directive also specifically addresses the record-keeping of packaging waste placed on the market. The text of the directive is available to all employees at the shared drive.

At MND Drilling & Services a.s., the Environmental Protection Directive is supplemented by the Waste Management and Waste Registration Directive. Wastes generated in the Czech Republic such as drilling muds, waste from underground well repairs or hazardous waste from the activities of MND Drilling & Services a.s. These are first collected at the individual operations and then transported to the waste storage and treatment facility at the Environmental Centre in Lužice. Records are kept for each operation and for each type of waste separately. The

[31] A water stressed area is an area where there is a high demand for water due to human activities compared to the availability of water resources. See https://www.wri.org/applications/aqueduct/water-risk-atlas for more information.

[32] inESRS 2 - General information, article 1.4[IRO-1] Description of the processes to identify and assess material impacts, risks and opportunities

overall responsibility for keeping central records and reporting waste to the relevant administrative authorities lies with the environmental officer and the head of HSEQ. Waste records and reporting are kept through the ENVITA software. The text of the directive is accessible to all employees at the shared drive. MND a.s. and MND Drilling & Services a.s. manage waste in accordance Act No. 541/2020 Coll., on Waste, as amended (the "**Waste Act**"), ensuring efficient and responsible waste management in accordance with the legislative standards. The companies ensure that all processes comply with current legislation, thereby eliminating the risk of penalties for non-compliance. In addition to the Waste Act, the Companies also comply with other relevant legislation, in particular with obligations under the water act, act on environment, the environmental damage act and other legal regulations.

In the operations in Ukraine (Horyzonty LLC) the Ecological Policy Directive is applied. It, among other things, addresses resource inflows and waste management. To ensure environmental safety, the directive stipulates that the volume of waste reused - specifically fly ash, slag and rock - should be increased. Waste management should be carried out in an environmentally safe manner. However, the directive does not specify what type of wastes management is involved. The individual site managers are responsible for implementation of the directive.

2.5.2 [E5-2] Actions and resources related to resource use and circular economy

A significant type of waste generated by the activities of the E5 Relevant Companies is extraction waste, which may be contaminated with hazardous substances. Further, there is also waste that can be used for technical stabilisation of the landfill or reclamation. The structure and volume of waste generated also depends on the extracting activity itself. Companies do not have measures in place to reduce the volume of extraction waste. The volume of extraction waste depends on the extraction plans, the Group plans to continue in its extraction activities.

Neither the Group nor the E5 Relevant Companies have set measures related to resource inflows. The main resource inflows are commodities, the extraction of which is part of the business model of the Group.

2.5.3 [E5-3] Resource use and circular economy targets

Neither the Group nor the E5 Relevant Companies have set any targets for resource inflows and extraction waste production. The effectiveness of existing policies is currently only monitored through the maintenance of records of the volume of waste extracted. The Group has not yet set qualitative and quantitative parameters associated with assessing progress in these areas. Thus, the Group does not monitor progress compared to previous years.

2.5.4 [E5-4] Inflow of resources

Within the Group, the key inflow to operations is the extracted crude oil and natural gas that is being transported, stored and sold. The quantities of crude oil and natural gas extracted are shown in the table below. The figures presented are based on direct measurements taken by measuring instruments installed at the extraction facility.

Table 1: Quantities of extracted crude oil and natural gas

Inflow of resources	Unit	Value
Crude oil	m^3	74 935
Natural gas	m^3	146 072 725

2.5.5 [E5-5] Resource outflows

The raw materials that flow from the Group to the market are primarily crude oil and natural gas. A total of 74,935 m^3 of crude oil and 146 072 725 m^3 of natural gas passed through the Group. The vast majority (138 062 425 m^3) of the natural gas supplied to third parties for use, while the remaining portion was used for own consumption, including the operation of technological equipment.

See Table 2 below for greater detail on resource outflows.

Table 2: Waste

Waste	Unit	Value
Total amount of waste produced	t	10 734
Total HAZARDOUS waste diverted from disposal	t	3 870
Hazardous waste diverted from disposal as a result of preparation for re-use	t	3 829
Hazardous waste diverted from disposal due to recycling	t	0
Hazardous waste diverted from disposal due to other recovery operations	t	41
Total NON-HAZARDOUS waste diverted from disposal	t	1 502
Non-hazardous waste diverted from disposal as a result of preparation for re-use	t	22
Non-hazardous waste diverted from disposal due to recycling	t	1 434
Non-hazardous waste diverted from disposal due to other recovery operations	t	46
Total HAZARDOUS waste for waste treatment	t	1 754
Hazardous waste for incineration	t	0
Hazardous waste for landfill	t	19
Hazardous waste for other disposal operations	t	1 735
NON-HAZARDOUS waste for waste treatment	t	3 608
Non-hazardous waste for incineration	t	1
Non-hazardous waste for landfill	t	3 551
Non-hazardous waste destined for other disposal operations	t	56
NON-RECYCLED waste	t	9 300
NON-RECYCLED waste	%	86.6
Total amount of hazardous waste	t	5 624
Total amount of non-hazardous waste	t	5 110

The following waste streams are significant for the Group:

- Drilling waste - extraction residues generated during oil and gas exploration and production. The main types of drilling waste include drilling fluids and interphase mixtures, particles of crushed rock sand, mud and clay formed by the action of the rotary drill when penetrating the surface. If metal material stored in the subsurface (e.g. metal supports from the repair or decommissioning of a well), is disposed of as metal waste, it must be radiometrically tested for radioactivity (i.e. for radioactive residues) before it is sold. It is the responsibility of the site manager to ensure that the waste is radiometrically tested, and the radiometric test is carried out by a person authorised to do so. The site manager is also responsible for ensuring that metal waste is sorted when it is handed over.
- Construction waste - waste is also generated during the construction process, and to a lesser extent during operation, routine maintenance, filling changes or cleaning of machinery and equipment. Construction waste, machine parts, transformers or other electrical equipment are also mainly generated at the end of the life cycle of operational equipment.
- Hazardous Waste - The Group follows local legislative classifications for categorising hazardous waste. This waste is directed for disposal through incineration, landfill and other disposal operations.

The calculations, criteria and methodology for proper waste record keeping are based on legislative requirements arising from Act No. 541/2020 Coll., on waste, as amended. The Group obtains data on the quantity of waste from entities that are authorised to manage waste. Estimates were used to calculate waste quantities only in specific cases - for operations of MND (Trading Division) and MND Energie a.s. (indirect calculation - estimate based on data from year 2023).

3 Social information

3.1 S1 - Own workforce

3.1.1 [S1.SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

During the double materiality assessment, the Group identified five negative and two positive impacts in the areas of working conditions and equal opportunities and treatment for all. These impacts relate exclusively to the Group's own operations along the value chain. All employees in the Group were considered, regardless of geographical location, type of employment or division. A detailed list of material impacts, including the time horizon and information on their location in the value chain, is described in ESRS 2 - General information, article *1.3.4 [SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model*. The impacts identified are based on the Group's business model, i.e. the sector in which the Group operates. Based on the double materiality assessment, the Group will formalise working practices and processes to target the prevention and mitigation of negative impacts.

In accordance with the Labour Code, a work-related risk analysis has been developed across the Czech companies of the Group that identifies potential work-related health and safety risks for specific job categories. This classification is described in detail in internal directives and was developed in accordance with legislative requirements, including consultation with public health authorities.

Based on the Group's aforementioned work-related risk analysis, it was found that workers in the oil and gas extraction, drilling and servicing sectors, as well as in the operation and construction of renewable energy plants, are more susceptible to several identified negative impacts. The first is the reduced social protection due to excessive working hours, which is caused by the continuous operation of some sites and by remote workplaces or commuting abroad. Another negative impact assessed is the deterioration in the health and safety of the workforce resulting from the nature of the sites. The last negative impact identified is gender inequality, which is caused by the low percentage of women working in the oil and gas sector.

The majority of the Group's workforce are employees. These include operational and administrative staff. To a limited extent (not systematically, only where such a form of contract is appropriate and mutually beneficial), the Group companies use workers under agreement on performance of work and agreement on work activity. Agency workers are not used by Group companies, which minimises the risk of human rights violations. Contractors (self-employed persons), especially in the service operations, operate within the European Union, where the main potential negative impact is work-related safety and injury rates, while other risks of human rights violations are minimised by legislation. The security agencies do not show any risks of rights violations.

The Group operates mainly in the Czech Republic, where it is subject to a complex legal framework and the local legislation enforces strict standards for the protection of human and employee rights. The Group's activities comply with these national requirements and obligations, which minimise the risk of forced and child labour.

The double materiality assessment also identified positive impacts related to improving the well-being of the workforce itself in two different areas: work-life balance (system and policy offering benefits) and social dialogue. This overall impact, as well as the related activities, apply to the Group as a whole regardless of sector or country of operation.

All employees are transferred to a permanent contract after the end of their fixed-term contract within the first year, which provides high social protection. At the same time, the Group offers its employees a superior number of benefits that exceed the legal requirements in the respective countries. However, these vary depending on the type of company and the country in which it is located. There is also a regular social dialogue across the Group, which takes place both formally and informally through various communication channels. Within these channels, the

Group uses, for example, an intranet that is available to all employees[33] and also publishes an information magazine and reports that are also available to all employees. There are also meetings with labour unions, employee surveys and annual conferences. For companies like MND Drilling & Services a.s. communication is informal and takes place directly between employees and employers during working hours. No risks or opportunities associated with own workforce were identified as a result of the double materiality assessment.

In line with current and forthcoming sustainability legislation, the Group will strive to reduce its negative environmental impact over the long-term. Currently, the Group does not perceive any material impacts on its own workforce as a result of the transition to a low carbon economy.

3.1.2 [S1-1] Policies related to own workforce

The Czech Republic is a signatory to most of the major human rights treaties and reflects its commitments primarily in the Charter of Fundamental Rights and Freedoms, which is the cornerstone of the Czech constitutional framework and guarantees fundamental human rights and freedoms, including civil, political, economic, social and cultural rights. The Group's policies are not directly based on the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises. However, the Group complies with applicable laws and regulations and the protection of human rights is an integral part of all its activities.

Similarly, the Group seeks to ensure that its activities in Ukraine meet human rights standards that are consistent with Czech law. While there are some differences between the legislative frameworks of the two countries, the Group actively seeks to compare and harmonise practices to bring Ukrainian conditions as close as possible to those of the Czech Republic. In certain areas, such as leave and employee benefits, these differences are being equalised, which contributes to ensuring fair and equal working conditions for all employees. In this way, the Group promotes the protection of human rights and ensures that its activities in both countries are in line with international standards and obligations.

There are also a number of policies across the Group that strongly reflect protection of human rights and general attitudes towards their own workforce.

Code of Ethics of MND Group

The Code of Ethics of MND Group is described in detail in Governance information, article *4.1.1 [G1-1] Business conduct policies and corporate culture* and reflects the Group's general approach to respecting the human rights of its own workforce.

The Code of Ethics of MND Group explicitly prohibits discrimination, in particular discrimination based on gender, disability, family situation, sexual orientation, age, political opinion, race, religion or origin. It also explicitly prohibits any form of harassment in the workplace, forced or illegal labour, child employment, etc. The Code of Ethics of MND Group and other Group policies do not set out commitments related to, and are not explicitly aimed at, reinforcing positive actions towards certain groups of employees who may be more affected by negative impacts. This policy is implemented in the Group through employee training and its effectiveness is monitored through the Compliance System.

Occupational Health and Safety ("OHS")

The Group places great emphasis on ensuring occupational health and safety to minimise the associated negative impact on employees, which is embedded in its OHS system. Employees are required to behave in the manner that does not endanger their own or others' safety and health, to comply with established work procedures, regulations and employer's instructions, and to use designated work equipment and personal protective equipment. The OHS

[33] Except for companies in Ukraine.

policy also includes mandatory training of employees and subsequent verification of their knowledge, informing supervisors of defects and hazards found in the workplace and reporting workplace accidents. The OHS system is in accordance with ISO 45001 standards[34] and is part of an integrated HSE/HSEQ management system.

The statutory bodies of the relevant Group companies and the directors of the relevant divisions are the highest level in the organisation responsible for the implementation of and compliance with the HSE policy. They work with the management representative for HSE/HSEQ to formulate the relevant company's HSE policy and objectives, approve internal regulatory documents, mandate the implementation of HSE inspections at all Group companies' workplaces and provide resources to maintain and improve the HSE management system.

The Occupational Health and Safety Policy applies to all employees of the Group, as well as to all persons who are present at the Group's workplaces with the knowledge of the employer. This ensures that occupational health and safety is an integral part of all Group activities and that all employees are aware of their obligations and rights in this area.

Work Regulation

The Group places great emphasis on compliance with the working regulations, which are binding on all employees and employers. The Work Regulation is issued to improve work organisation, internal order and to strengthen work discipline. This regulation covers a wide range of duties and responsibilities for both employees and managers of the respective Group companies.

The Work Regulation and other related internal regulations cover various aspects of the employment relationship and their related implications, including working hours, work-life balance, occupational health and safety, and rules of conduct in the workplace.

The highest level in the organisation responsible for the implementation of the Work Regulation are the statutory bodies or directors of the individual companies in the Group. The heads of the various departments are responsible for issuing, implementing and updating the Work Regulations, as well as for familiarising employees with it.

The Work Regulation is not targeted at any particular group of employees but applies to all employees across all companies. This ensures that occupational health and safety is an integral part of all company activities and that all employees are aware of their obligations and rights in this area.

Privacy Policy

The data protection regulations set out the rules for the protection and processing of personal data, in particular of employees, as well as other persons (including, for example, customers of MND Energie a.s., as described in more detail in Social information, article 3.2 *S4 - Consumers and end-users)*, in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council (GDPR) and applicable generally binding regulations of the Czech Republic.

The regulation includes key principles relating to the processing of personal data that require personal data to be:

- processed in a fair, lawful and transparent manner;
- collected for specific, explicit and legitimate purposes;
- adequate, relevant and limited to the extent necessary;
- accurate and updated where necessary;
- stored for no longer than necessary;
- processed in a way that ensures appropriate security.

The Group shall organise training sessions at least once every 2 years and carry out regular reviews of these key principles.

[34] Applicable to MND a.s., MND Energy Storage a.s., MND Gas Storage a.s. and MND Drilling & Services a.s.

The regulation is binding for all employees of the Group who, in the course of their work, handle or otherwise come into contact with the personal data of other employees of the Group or other persons who provide their personal data to the Group. Responsibility for the document rests with the director of the relevant company.

Remuneration policies

The Group's remuneration policies are closely linked to the collective agreements of the relevant companies, but even where there is no collective agreement, these policies apply to all employees. These policies describe in detail the remuneration systems of the companies and in this way the Group addresses the potential impact associated with the pay gap between men and women in the same position and performing equivalent work.

Responsibility for the practical implementation of the remuneration policy lies with the HR departments of the respective companies, which also ensure compliance with the rules and procedures set out in the relevant policy or relevant collective agreement. The policies are approved by the statutory bodies or directors of the companies concerned, who are also responsible by virtue of their position for compliance. The remuneration policies apply to all employees across different job roles, which are categorised into several basic groups: worker positions, technical and administrative positions - ADMIN, THP specialists, lower management, middle management and TOP management. Each role has specific characteristics, responsibilities and requirements that affect their remuneration. In this way, the Group ensures that remuneration is fair and meets both legislative requirements and internal standards, contributing to overall employee satisfaction and motivation.

Collective agreements

The Group companies MND a.s., MND Drilling & Services a.s. and MND Energy Storage a.s. entered into collective agreements with employee representatives (the Works Council of the PHGN Labour Union) that ensure that the rights of their employees are respected. These agreements have a positive impact on employees in the area of the social dialogue and include ensuring the fair working conditions including remuneration, benefits beyond those required by law, occupational health and safety issues, promotion of labour union rights and social dialogue, and guaranteeing equal opportunities without discrimination. They also lay down the conditions for the creation, purpose and use of the Social Fund.

The Group does not have specific policies aimed at increasing gender balance considering the context of the oil and gas sector, nor at increasing the proportion of women in top management.

3.1.3 [S1-2] Processes for engaging with own workforce and workers' representatives about impacts

Cooperation with employees is one of the key aspects for the Group and is embedded in the Group's internal regulations and other management documents. Although practices vary across the Group, there is always an emphasis on open communication and active employee participation in decision-making processes. Within some companies, a labour union is present to represent the interests of employees in co-decisions on the issuance of work regulations, its amendments and related regulations, allowing employees to voice their opinions on their working conditions.

The Group uses various channels of communication with its employees to ensure an effective and transparent dialogue. The intranet is available to all employees.[35] At the same time, the Group publishes the MND Report magazine, which is published quarterly in print and electronically (on the intranet) so that it is easily accessible to all Group employees. In each of the Group's companies, face-to-face or online meetings with management on key issues relating to the working environment, working conditions and economic performance (at once a year), meetings with labour unions and employee surveys are held as required and in accordance with established corporate processes. For most employees of Group companies, there is an opportunity to submit a suggestion or

[35] except for companies in Ukraine.

prevention card if they identify a near-miss, unsafe condition or behaviour, or if they have a suggestion for improvement, the opportunity to communicate this via a feedback box or e-mail.

Employees are thus actively involved in decision-making and activities aimed at managing the impact on the workforce through various channels of collaboration. Internal communication and cooperation with labour unions is standard, as well as management visits to remote and external sites to obtain feedback, views and suggestions from employees. Information first reaches HR departments, who then share it with company management according to the severity and topic, while management take this information into account in their decisions.

At MND Drilling & Services a.s., communication with employees and satisfaction surveys are carried out more informally and continuously through dialogue with supervisors, because due to the nature of work in the field and at remote workplaces (with limited online capabilities), it is not possible to carry out the survey in any other way. In the companies in Ukraine, given the limited number of employees, communication and engagement with employees is done *on* an *ad hoc basis* as needed, focusing on issues related to human resources and the quality of employees' work equipment.

Responsibility for communication with employees is not centralised within the Group. Moreover, in companies with collective agreements in place, the labour unions also meet regularly with the management representatives of the individual companies, at least on a quarterly basis (or more frequently as required), to discuss the relevant matters, exchange opinions or obtain information driven in particular from the individual provisions of labour law. Other topics addressed by the labour unions include the company's economic performance, working conditions, occupational health and safety, wage developments and their individual components, labour movements, personnel matters, incentives and benefits, employee development and training systems, organisational changes, etc.

As part of monitoring the success of cooperation with its own workforce, Group companies organise (at least once a year) management-employee meetings organised by the relevant HR department to discuss key issues relating to the working environment and conditions. In addition, various employee surveys are conducted in Group companies regarding benefits, satisfaction, engagement, development and training activities. These interactions, carried out on an *ad hoc* basis, allow employees to express their views and provide feedback, which represents a valuable source of information for management of each company. In this way, management can effectively monitor the success of its communications and respond to employee needs.

In accordance with legislation, Group companies maintain proper records of persons with disabilities or reduced working capacity and take their needs into account in both communication and work processes.

3.1.4 [S1-3] Processes to remediate negative impacts and channels for own workforce to raise concerns

The Group identified a negative impact in health and safety due to the occurrence of work-related injuries during the reporting period. When work-related injuries occur, the Group complies with applicable legislation and the rules of the occupational health and safety system, which is implemented in accordance with ISO 45001 standards.[36] These procedures include, in particular, the recording of work-related injuries (accident logbook), their treatment and the provision of appropriate medical care. At the same time, these procedures include clarification of the causes and circumstances of the work-related injury and the adoption of corrective and preventive measures.

As some of the Group's activities require the Group's employees to work in remote locations or in continuous operations, there may be an imbalance between personal and professional life. To prevent this, the Group ensures that work schedules are set in accordance with the law, including breaks from work and that accurate and proper records of hours worked are kept.

[36] Applicable to MND a.s., MND Energy Storage a.s., MND Gas Storage a.s. and MND Drilling & Services a.s.

Given the low number of women in management and technical positions, the Group classified gender imbalance as an actual impact. The Group therefore strictly applies non-discrimination principles in its recruitment and employment policies, based on the principles of equal access.

The Group is committed to transparency and collaboration with its workforce and employee representatives, which is enshrined in the Code of Ethics of MND Group. The Group respects its employees and makes increased efforts to care for them, including the opportunity to report any concerns about conduct that may violate values, legislation or internal standards.

The Ethics Line is one of the channels through which employees can voice their concerns.[35] Internal whistleblower channels are described in more detail in Governance information, article 4.1 *G1 - Business conduct*. Employees are made aware of its availability. The Group has also in place the Compliance System and a procedure for investigating complaints received, including whistleblower protection in accordance with Act No. 171/2023, on the protection of whistleblowers, as amended, for companies to which it is relevant.[37] The Group familiarises its employees with the related processes via its intranet but does not actively assess their confidence in them.

Although there is no official tool for collecting suggestions and comments, employees have the possibility to contribute anonymously through the so-called Prevention Cards. These cards are available across the companies (except for MND Energie a.s.) and are used to evaluate various suggestions and observations. In this way, employees actively participate in identifying necessary and appropriate measures in response to specific negative impacts on their workforce.

All channels described above are established by the Group companies themselves, except for the channel of MND Energie a.s. established pursuant to Act No. 171/2023 Coll., on protection of whistleblowers, as amended, which is provided through a third party.

3.1.5 [S1-4] Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

OHS

To continuously reduce the negative impact on the health of employees, the Group has implemented comprehensive measures to ensure the health and safety of its employees in accordance with ISO 45001.[38] As part of the job evaluation process, job positions are classified into four risk groups, which enables their targeted management. Regular auditing of these standards ensures an appropriate level of health and safety in the workplace. All employees are made aware of the risks associated with their job positions upon starting their employment.

Annually, managers monitor these risks in individual occupations to ensure that established safety standards are being met. The Group has also established a system to protect the health of employees, which includes regular health and safety training and ensuring access to the necessary safety equipment.

In companies where there are several groups of employees at risk (within the meaning of Decree No. 423/2003 Coll.), regular risk assessment and monitoring of the health status of employees is carried out.[39] The effectiveness of individual measures and initiatives is also monitored and evaluated within the framework and in accordance with ISO 45001. Appropriate corrective and preventive measures are taken based on the procedures established to clarify the causes and circumstances of any accidents at work.

[37] These companies are MND a.s., MND Energie a.s., MND Drilling & Services a.s.

[38] Applicable to MND a.s., MND Energy Storage a.s., MND Gas Storage a.s. and MND Drilling & Services a.s.

[39] See further the article 3.1.1[S1.SBM-3]

Work-life balance and social protection

The Group actively focuses on ensuring a work-life balance for its employees and on strengthening social protection, particularly in the context of 12-hour work shifts and the potential impact on disrupting this balance among its employees. All companies within the Group comply with applicable local laws, European law and standards, as well as collective agreements, if any.

Measures implemented that have had a positive impact on the working and living conditions of employees include flexible working hours, extension of holiday entitlement to 5 weeks and entitlement to 4 days off work for health or family reasons. Excessive overtime work is restricted in office positions. Other benefits that promote a better work-life balance include quality medical care and insurance, a reduction in the length of the fixed working week to 37.5 hours (except companies in Ukraine), as well as support and allowances for leisure activities (sports, cultural). The Group also organises team-building events, some of which are designed for employees' family members. All employees in the Group are also provided with subsidised meals. The Group verifies the effectiveness of these measures through employee feedback.

In the case of twelve-hour work shifts, breaks are organised in accordance with the legal requirements of the countries in which the work is performed and the employees concerned enjoy the same above-standard benefits over and above these legal requirements, except for those which, due to the nature of the shift operation at the remote workplace, cannot realistically be used (e.g. employee events organised by the Group companies at their administrative headquarters).

Gender inequality and remuneration policy

The Group is actively focused on ensuring fair remuneration for equivalent work to minimise the negative impact relating to the pay gap for equivalent work. The unequal distribution of men and women in certain Group companies and in aggregate across the Group is primarily due to the type of industry and nature of operations in which certain Group companies operate. In general, there is a low representation of women in positions that are technical and/or physically demanding (mainly mining, drilling and related activities). In Group companies that do not engage in these activities, this trend is not prevalent. The Group does not have specific measures to increase the proportion of women, as this impact arises from the sector and the nature of the work carried out.

The Group provides all employees with a salary - a cash remuneration for their work, according to its complexity, responsibility and exertion, according to the difficulty of the working conditions, according to their performance and the results achieved. The Group already complies with the terms of the forthcoming fair pay legislation and all employees are entitled to the same wage or agreed remuneration for the same work or work of equal value. The Group's remuneration policy complies with the Labour Code and collective agreements and includes market surveys once a year to compare internal and external wages. In companies with continuous operations or in which working hours are unevenly distributed, related allowances are granted (for night work, for working on public holidays), some which are above the established legislative framework (for Saturday and Sunday work), and compliance with legislative and hygiene standards is a clear standard.

The Group has not identified any material risks or opportunities arising from impacts and dependencies with respect its own workforce. For this reason, no specific measures to mitigate risks or seize opportunities in this area are currently planned or implemented. Despite the Group's best efforts to avoid negative actual impacts on its own workforce, it cannot be guaranteed that none of these impacts will ever occur. The action steps mentioned above are covered within the Group's budget, and their implementation falls within the agenda of several types of employees (for example, managers who are responsible for HSE or HR staff who engage employees in discussions on impacts). Currently, the Group is not actively mitigating the potential impacts from the transition to a climate neutral economy.

The Group currently has no measures in place regarding the share of women in senior management. The other impacts, i.e. the potential for insufficiently monitored working hours and listening to employees through social dialogue, are mainly managed by the policies described above and no specific measures have been introduced in relation to them.

3.1.6 [S1-5] Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Group did not set any specific targets for the year 2024 relating to managing material negative impacts, promoting positive impacts and managing material risks and opportunities. These targets will be defined as part of the development of the comprehensive workflows and structure that are currently being developed.

At the same time, active monitoring of negative impact management is ensured, especially in occupational health and safety. The overall monitoring is in line with ISO 45001[40] and ISO 14001 standards, which the Group has implemented in most of its companies. For this reason, the companies carry out monthly monitoring and provide the necessary information to the management.

The Group does not have specific monitoring in place to track other impacts related to its own workforce.

3.1.7 [S1-6] Characteristics of the undertaking's employees

As of 31 December 2024, the Group had a total of 1 156 employees[41] . For the total number of employees, the "headcount" method was used, i.e. the number of employees regardless of their number of hours. For the other indicators and employee distribution, the "full-time equivalent (FTE)" method was used. The figures in the following tables represent actual figures as of 31 December 2024 and are not averages over the reporting period.

Table 1: Number of employees by gender in countries where the Group with at least 50 employees representing at least 10% of the total number of employees

Total number of employees as of 31 December 2024 - gender breakdown	Women	Men	Total
Czech Republic	312	767	1 079
Ukraine	16	61	77
Total	328	828	1 156

Table 2: Information on employees by type of contract, broken down by gender

Total number of employees in the country - gender breakdown as of 31 December 2024	Czech Republic			Ukraine		
	Women	Men	Total	Women	Men	Total
Number of employees	312	767	1 079	16	61	77
Number of permanent employees	264	684	948	15	50	65
Number of temporary employees	44	69	113	1	11	12
Number of non-guaranteed hours employees	4	14	18	0	0	0

Table 3: Employee turnover

Employee turnover	2024
Number of employees who left the Group	72
Employee turnover rate	7.1%

The following method was used to calculate the employee turnover rate:

$$\frac{\textit{Number of terminated employment relationships * 100}}{\textit{Average number of employees}^{42}}$$

[40] Applicable to MND a.s., MND Energy Storage a.s., MND Gas Storage a.s. and MND Drilling & Services a.s.

[41] The number of employees includes all active and inactive employees whose employment contract has not been terminated as at 31 December of the reporting year.

[42] Including persons with whom an agreement on performance of work or an agreement on work activity have been concluded.

3.1.8 [S1-8] Collective bargaining coverage and social dialogue

The collective bargaining agreements detailed in section S1-1 covered 69.03% of the Group's employees as of 31 December 2024.

For information on non-EEA employees, the phase-in option was used for 2024.

Table 4: Coverage of collective bargaining and social dialogue

	Coverage by collective agreements		Social dialogue
Coverage rate	Employees - EEA (for countries with more 50 employees representing more than 10% of the total number of employees)	Employees - outside the EEA (estimate for regions with more 50 employees representing more than 10% of all employees)	Workplace representation (EEA only) (for countries with more than 50 workers representing more than 10% of the total workforce)
0-19%	-		-
20-39%	-		-
40-59%	-		-
60-79%	Czech Republic		Czech Republic
80-100%	-		-

3.1.9 [S1-9] Diversity metrics

For reporting purposes, top management has been defined in accordance with the ESRS definition, with top management comprising one and two levels below the executive and supervisory bodies in the preparation of the gender information.

Table 5: Number of employees by age group

Number of employees - age distribution	2024
Number of employees under 30 years old	162
% of employees under 30 years old	14%
Number of employees 30-50 years old	643
% of employees 30-50 years old	56%
Number of employees over 50 years old	351
% of employees over 50 years old	30%

Table 6: Number and proportion of men and women in top management

Number of employees in top management	2024
Women	5
Men	24
Total	29
Share of employees in top management	**2024**
Women	17%
Men	83%

3.1.10 [S1-14] Health and safety metrics

Table 7: Occupational health and safety information, including management system coverage, number of fatalities and accidents at work

Employees	2024
% of own employees covered by OHS management system	100%
% of non-employees (contractors) covered by the OHS management system	0%
Number of fatalities as a result of work-related injuries and work-related ill health	0
Number of fatalities as a result of work-related injuries and work-related ill health of other workers at the company's workplaces	0
Number of cases of recordable work-related injuries	15
Rate of cases of recordable work-related injuries	8

3.1.11 [S1-16] Remuneration metrics (pay gap)

The Group's companies operate in the oil and gas sector, which requires highly specialised technical training, particularly in the fields of petroleum and chemical engineering, mechanical engineering, electrical engineering, geology and geophysics, which have long been significantly male dominated. This is reflected in the generally lower representation of women in positions requiring this type of qualification and consequently in their lower representation in senior roles. At the same time, the nature of activities in certain Group companies—particularly extraction and drilling operations—due to their physical demands and associated risks, results in open positions attracting interest primarily from male applicants.

Both factors contribute significantly to the lower representation of women in this sector (women account for approximately 28% of all Group employees) and affect the percentage difference in remuneration between male and female employees.

The percentage pay gap between male and female employees is 26.8%.

Calculation of the pay gap

$$\frac{\textit{(Average gross hourly pay level of male employees – average gross hourly pay level of female employees)}}{\textit{Average gross hourly pay level of male employees}} \times 100$$

All employees of the Group, including those with agreement on performance of work and agreement on work activity, were included in the calculation. All remuneration[43] (fixed and variable components of gross salary) for the reporting period was included in the calculation of average hourly wages.

[43] See ESRS definition.

3.1.12 [S1-17] Incidents, complaints and severe human rights impacts

Table 8: Incidents, complaints and serious human rights impacts

	2024
Total number of cases of discrimination, including harassment, reported during the reporting period	0
Number of complaints about social and human rights incidents	0
– Number of complaints submitted through channels for people in own workforce (including complaint mechanisms)	0
– Number of complaints submitted to the OECD National Contact Points for Multinational Companies	0
The total amount of fines, penalties and compensation for damages resulting from the incidents and complaints listed above	0 CZK
Number of serious human rights incidents involving own employees during the reporting period	0
Number of severe human rights incidents related to own employees in the reporting period (e.g. cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises)	0
Total amount of fines, penalties and compensation for the incidents described above	0 CZK

3.2 S4 - Consumers and end-users

3.2.1 [SBM-3] - Material impacts, risks and opportunities and their interaction with strategy and business model

The double materiality assessment, which took into account all end-users and consumers, identified one material negative impact related to the sub-topic of privacy under the sub-sub-topic "Impacts related to information for consumers and/or end-users". This impact is related to the processing of personal data of customers[44] MND Energie a.s. and is mainly based on the need to process personal data when entering into contractual relationships with customers (the link with the Group's strategy is described in ESRS 2 - General information, article 1.3.3 [SBM-2] Interests and views of stakeholders). There are no risks or opportunities associated with consumers and end-users arising from the Group's impacts.

MND Energie a.s.[45] processes the personal data of its customers and potential customers for the purpose of providing a specific product or service, identifying the customer in accordance with the Act on certain measures against the legalization of proceeds of crime and terrorist financing, fulfilling the obligations set out in specific legal regulations, sending commercial communications and other marketing communications, analysing behaviour and preferences (profiling), storing them in case of a potential dispute in the future and securing information systems and networks. Within MND Energie a.s., the risk of human error or cyber-attack, i.e. incidents that could lead to the leakage of customer data, cannot be excluded. The possibility of this negative impact is reflected in the approach to handling customer data through the processes described below.

The sub-sub-topic "Impacts related to information for consumers and/or end-users" applies to all customers of MND Energie a.s. Affected consumers and end-users in the context of the described negative impact include customers who provide MND Energie a.s. with their personal data. All consumer and business customers of natural persons may therefore be affected by this impact.

[44] For the definition of "customer" see sectionsESRS 2 - General information , Article 1.3.3 [SBM-2] Interests and views of stakeholders

[45] MND Energie a.s. is the only company in the Group that handles the personal data of end-users/consumers (i.e. its customers).

3.2.2 [S4-1] - Policies related to consumers and end-users

The right to privacy is recognised under the UN Guiding Principles as a fundamental human right. The Group is fully compliant with the applicable legislation regarding the processing of personal data, which is based on these principles. Personal data is collected and processed in accordance with Act No. 110/2019 Coll. on the processing of personal data, as amended, Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data ("**GDPR**"), and Act No. 480/2004 Coll. on certain information society services, as amended. The Group will also comply with any future regulations that may amend or replace these laws. Policies relating to consumers and end-users are not directly linked to relevant internationally recognised instruments. The Group has not assessed the consistency of its policies with these instruments. The Group is not aware of any cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises relating to consumers in its downstream value chain.

The policies that address the only identified significant negative impact, namely the sub-sub-topic "Impacts related to information for consumers and/or end-users" are listed below.

Group policies relating to consumers and end-users

The Privacy Policy and **Code of Ethics**, which also apply to all customers or business partners of Group companies, are described in detail in Social information, article 3.1.2 *[S1-1] Policies related to own workforce* and in Governance information, article 4.1.1 *[G1-1] Business conduct policies and corporate culture.* Privacy policies are developed at the individual company level.

Policies of MND Energie a.s. concerning consumers and end-users

As MND Energie a.s. is the only company in the Group that processes customer data,[46] it has additional internal regulations dealing with handling of data. The key policies of MND Energie a.s. are:

- **Principles for the Exercise of Data Subjects' Rights**, which sets out the framework for ensuring the rights of data subjects in accordance with the GDPR. The aim of this policy is to provide MND Energie a.s. employees with clear guidelines for the correct handling of customer requests relating to their personal data. The policy defines the rights of data subjects and describes the basic process for handling customer requests in relation to the handling of their personal data. The policy also emphasises the importance of staff training and regular monitoring of processes to ensure that personal data is protected, and that data subjects' rights are respected. Responsibility for this policy rests with the company's Chief Executive Officer.
- **Handling of Acquisition Data** - This corporate governance document serves as a guide for company leaders and executives who handle data of potential customers, including their personal data, i.e. acquisition data. It specifies the approach to the granted consent of data subjects with the processing of personal data and to the handling of personal data of persons/potential customers who have not given such consent. Responsibility for this policy rests with the company's commercial director.
- **Handling security incidents affecting personal data** - despite the policies and procedures in place to prevent security incidents involving personal data, an incident cannot be completely eliminated. The policy aims to ensure a consistent process for handling such potential incidents across the company. This policy contains a classification of incidents, impacts and risks and sets out the responsibilities and procedures for handling and recording such incidents. This policy is the ultimate responsibility of the departmental directors and has been approved by the company's Chief Executive Officer.
- **Code of Ethics "MND Ten Principles**" - MND Ten Principles is a brief code of ethics of MND Energie a.s., which focuses on the relationship between the company and its customers. The code sets out the principles

[46] For the definition of "customer data" see sectionsESRS 2 - General information , Article 1.3.3*[SBM-2]*

and rules that the company must follow in its relationship with its customers and the way it provides its services. The main objective of the MND Ten Principles is to ensure that customers have access to clear and transparent information on pricing structures and contract terms that are simple, understandable and free from hidden costs and/or other ambiguities. Responsibility for this policy lies with the company's Chief Executive Officer. This policy follows the Code of Conduct for Gas and Electricity Traders issued by the Energy Regulatory Authority in early 2017, which MND Energie a.s. has signed.

The implementation of the above policies is monitored through the monitoring of their breaches and their *ad hoc* correction.

3.2.3 [S4-2] - Processes for engaging with consumers and end-users about impacts

From the Group companies, only MND Energie a.s. actively communicates with consumers and end-users. Communication is direct, i.e. not through representatives or agents. The frequency of communication is further described in ESRS 2 - General information, article 1.3.3 *[SBM-2] Interests and views of stakeholders*. This communication occurs on an ongoing basis, both on a regular and *ad hoc* basis, throughout the duration of the contractual relationship with the customer. The suggestions of consumers and end customers are consistently analysed and implemented by MND Energie a.s., especially in the improvement of customer processes.

The company mainly uses its website for communication. Customers can find up-to-date information on the services offered, pricing and contractual conditions there, as well as the aforementioned policies that could have a direct impact on them. Direct contacts are available on the website, including special contacts such as the HR department and the ethics line. MND Energie a.s. has also established a Data Protection Officer position. From the perspective of MND Energie a.s., there are other communication channels that improve and strengthen communication and facilitate interaction with customers. The main channels of communication with customers include the customer hotline, e-mail, correspondence and customer centres in Prague and Hodonín.

The My MND portal is a key tool for existing customers of MND Energie a.s., facilitating communication with the company and providing an overview of important information and services. In addition, the portal allows customers to submit their requests and queries online, simplifying the entire communication process and ensuring that even potentially disadvantaged customers have easy access to the information and services they need.

The Chief Executive Officer has the ultimate responsibility for communication. Communication and customer satisfaction is closely monitored by the company in the framework of the so-called customer experience in two systems. MND Energie a.s. uses a paid questionnaire tool to assess customer satisfaction and a comprehensive customer support solution tool to service the call centre and assess customer satisfaction during telephone calls.

3.2.4 [S4-3] - Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

In addition to the above-mentioned forms of communication that MND Energie a.s. customers can use, contractual partners of other Group companies can express their concerns via the Ethics Line,[47] e-mail, telephone, intranet or web interface. For more details, see the section Governance information, article 4.1 *G1 - Business conduct*. The forms and methods of communication are evaluated as part of the customer satisfaction assessment of MND Energie a.s.

In addition to the above, MND Energie a.s. provides the opportunity to report possible infringements in accordance with the Act on Protection of Whistleblowers. The possibilities for consumers and end-users (i.e. external parties) to submit a notification are described in more detail in Governance information, article 4.1 *G1 - Business conduct.*

MND Energie a.s. offers several forms to facilitate communication and requests from its customers. These forms allow for the submission of complaints regarding services or products (online, by email or by post), ensuring that

[47] in addition to the company in Ukraine.

concerns are properly evaluated and addressed. They also provide the opportunity to exercise rights related to personal data, including the right of access, rectification, erasure and other rights under applicable law.

Customers can also lodge a complaint with the supervisory authority, which is the Office for Personal Data Protection.

In the context of the above-mentioned customer satisfaction surveys, any negative feedback is investigated at the level of the relevant company department depending on its content and incorporated in the context of customer process improvement. The responsibility for investigating and incorporating feedback lies with the relevant department.

3.2.5 [S4-4] - Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

In accordance with legal requirements, the Group investigates and evaluates to the fullest extent possible potential and actual incidents that could lead to unauthorised disclosure or acquisition of personal data or a material breach of the Policy or applicable data protection regulations. In the event of any incident involving the protection of personal data, disciplinary action is taken against the employee who has violated the procedures contained in the relevant internal data protection regulations. These procedures determine what action is subsequently taken in response to a particular incident. By instructing the employee in question, the Group minimises the possibility of a recurrence of the same behaviour.

Data protection is also part of the training programme that the Group organises for employees, which is described in more detail in Social information, article 3.1.2 *[S1-1] Policies related to own workforce*.

Regarding the security of customer data,[48] that is relevant for MND Energie a.s. The security is ensured in accordance with best practice and current security standards. All data and key parts of the information system are protected against unauthorised manipulation by multi-level physical security with controlled access by authorised persons. All data is regularly backed up so that partial and full recovery can be performed at any time, if necessary. The consistency and completeness of the backups are regularly checked. Backups are kept separate from production systems. Access to them is controlled in a similar way to physical access to information systems. Data and information systems with special sensitivity are preferably located in data centres with guaranteed operational and security parameters. The Group does not have specific action plans and resources in place to manage the impact on customers described above. Currently, the Group perceives that the management of this impact is integrated into the Group's day-to-day management.

The Group has not identified any significant risks or opportunities arising from impacts and related to its customers. For this reason, no specific measures to mitigate risks or seize opportunities in this area are currently planned or implemented. The Group has also not received any reports of serious incidents involving its customers or issues related to human rights.

The Group tracks the effectiveness of these measures through an indicator that it monitors on an ongoing basis. This indicator is described below in article 3.2.6 *[S4-5] - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities*. The Group manages this impact within the standard agenda of the relevant budget for the period. Also, responsibilities are identified in the above mentioned policies under this topic (article 3.2.2 [S4-1] - Policies related to consumers and end-users). In relation to the identified impact, the Group has no further actions or measures planned at this time that would require collaboration with other relevant parties or that would be required by the entire oil industry.

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[48] For the definition of "customer data" see sectionsESRS 2 - General information, article 1.3.3 [SBM-2] Interests and views of stakeholders.

3.2.6 [S4-5] - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Group did not set any specific targets for year 2024 in relation to managing significant negative impacts, promoting positive impacts and managing significant risks and opportunities in conjunction with consumers and end-users. These objectives will be defined as part of the development of the comprehensive workflows and structure which are currently being developed.

Given the nature of this impact, the Group set an indicator which it monitors on an ongoing basis. This is the number of security incidents reported to the Office for Personal Data Protection (or other similar supervisory authority). In this way, the Group monitors whether policies and measures related to the protection of consumer and end-user privacy are effective. If the number of incidents starts to increase, this would be a clear signal that the policies and measures are not sufficiently effective.

Table 1: Number of incidents reported to the Authority

Number of incidents reported to the Office for Personal Data Protection (or other supervisory authority)	2024
Total	0

4 Governance information

4.1 G1 - Business conduct

The role of the administrative, management and supervisory bodies, including the bodies' expertise on business conduct issues, are described in ESRS 2 - General information, Article 1.2.1 *[GOV-1, GOV-2, GOV-3] The role of administrative, management and supervisory* bodies*.*

4.1.1 [G1-1] Business conduct policies and corporate culture

The Group has the following policies on business conduct and corporate culture:

KKCG compliance system

The Group is part of the KKCG Group ("**KKCG**") and its compliance system (the "**Compliance System**"). The main purpose of the Compliance System is to ensure compliance with applicable laws and regulations and compliance with the KKCG Compliance Policy.

The Compliance System sets out the values and principles associated with corporate behaviour and forms the Group's internal regulatory framework. The Compliance System has been implemented in the Group companies (except for joint ventures and affiliated companies) and is binding for the employees of these companies. The Compliance System is accessible to employees on the intranet or shared storage of the Group companies.

In the area of business conduct, the Compliance System governs the anti-corruption practices, the measures against money laundering, the reporting of suspected unlawful conduct, the giving and receiving of gifts, the provision of contributions, and the cooperation with suppliers and vendors. The implementation of the policy is the responsibility of the statutory bodies of the companies within the Group.

The Compliance System specifically deals with the "Anti- Corruption and Anti-Bribery Policy". Given the fact that the Group conducts its business primarily within the European Union and/or in countries that have ratified the United Nations Convention against Corruption,[49] the contents of “Anti-Corruption and Anti-Bribery Policy” reflects this fact.

The Compliance System also specifically regulates the Whistleblowing Policy. Through this Policy, the Group encourages and enables all employees who believe that any unlawful conduct or violation of the Group's values is occurring in connection with the Group's business to immediately inform the responsible persons (e.g. their line manager, head of legal or compliance officer of the relevant Group company) or to use the relevant whistleblowing line or channel for reporting suspected possible violations (more on these lines/channels below).

Code of Ethics of MND Group

The Code of Ethics of MND Group sets out the fundamental values, principles, ethical rules and principles of conduct of the Group companies and their employees. The Code of Ethics of MND Group has been implemented in the Group companies (except for joint ventures and affiliated companies). The Code of Ethics based on the[50] Code of Ethics of MND Group ("**MND UA Code of Ethics**") has also been adopted by the subsidiary in Ukraine.[51] The Code of Ethics of MND Group is available on the website www.mnd.eu.

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[49] The group does not operate in the occupied territories of Ukraine.

[50] The basic principles are the same as in the Code of Ethics of the MND Group, but the document is enriched with content standard for the environment of companies operating in Ukraine

[51] Several subsidiaries operate in Ukraine. Code of Ethics of MND Group - 57 out of 77 employees operating in Ukraine are bound by the Code.

In the area of business conduct, the Code of Ethics of MND Group explicitly obliges compliance with the law and disapproves any form of corrupt behaviour. The Code of Ethics of MND Group also governs the anti-money laundering of proceeds and terrorist financing, giving and receiving donations, donation of contributions for charitable purposes, cooperation with suppliers and vendors, donation of contributions for political purposes, and relations with public authorities, the media and competitors.

The statutory bodies of the Group companies are responsible for the implementation of the policy.

The Group promotes its corporate culture mainly through employee training and updates to its policies. The majority[52] of the Group's employees are familiarised with the Compliance System and the Code of Ethics of MND Group (or its Ukrainian variation) through training upon onboarding and annually thereafter. In 2024, no training was provided to MND manual workers and one of the subsidiaries started training senior and middle management, in both cases with the intention to extend training to all employees. In Ukraine, there is no active familiarisation of employees with the Code of Ethics of MND Group so far. However, employees of companies based in Ukraine are familiarised with the MND UA Code of Ethics. The Group actively addresses individual cases where an employee did not receive the necessary training. The Group does not currently have a set mechanism for assessing the corporate culture; however, it supports the corporate culture by overseeing the completion of training related to the Compliance System.

The Group has processes in place to identify, report and investigate concerns, doubts and actions that are or may be in breach of the law or the Group's internal rules/policies (including possible cases of corruption and bribery). Internal whistleblowing channels are regulated in the Group companies by specific internal directives, which are linked to the implemented Compliance System. Companies based in Ukraine do not have a specific internal directive regulating internal whistleblower channels. However, the Compliance System also allows them to report their suspicions via email or telephone. The companies of the Group that are subject to Act no. 171/2023 Coll. on protection of whistleblower, as amended (the " **Act on Protection of Whistleblowers**"),[53] have also implemented an internal whistleblowing system in accordance with the Act on Protection of Whistleblowers.[54]

The above internal whistleblower channels and related processes (including procedures and responsibilities from receipt of the complaint to the adoption of the chosen action) are described in detail in the internal policies of the individual companies of the Group.[55] A complaint may be shared via the Ethics line (or other internal hotline), e-mail, mail, telephone, intranet web interface or in person.[56] The on-line form is available in multiple languages, including Ukrainian. The process of assessing complaints and notifications is strictly confidential, has a clearly defined procedure and is conducted by designated and duly qualified responsible persons (legal or compliance department). If necessary for the assessment of the complaint or notification, the responsible person will seek external advice from relevant consultants.

Where relevant,[57] channels and processes are established in accordance with the requirements of the Act on Protection of Whistleblowers. Group companies allow for the receipt of anonymous as well as non-anonymous complaints, both from employees and external parties.

[52] Approximately 75% of the Group's employees.

[53] These companies are MND a.s., MND Energie a.s., MND Drilling & Services a.s.

[54] The Group is also present in Germany (through its subsidiary MND BESS GmbH), where Directive (EU) 2019/1937 is implemented through national legislation. MND BESS GmbH is not subject to this legislation due to the fact that it did not employ any employees in 2024.

[55] These include the Compliance System, MND a.s.: the Directive on Investigating Complaints and Taking Action, MND Drilling & Services a.s.: the Directive on Whistleblower Protection in MND Drilling & Services a.s., MND Energie a.s.: the Directive on Whistleblower Protection - Whistleblowing.

[56] For more information see e.g. Ethics Line | MND.

[57] These companies are MND a.s., MND Energie a.s., MND Drilling & Services a.s.

The Group, through its internal guidelines and rules[58] , excludes the application of retaliatory and other measures against whistleblowers; this includes, among other things, the possibility to submit a complaint anonymously, the protection of the identity of the non-anonymous whistleblower, clearly defined procedures for investigating individual complaints, deadlines for handling complaints, expert assessment of the complaint, including the possibility of engaging an external consultant to ensure an independent assessment of the complaint. Retaliation is also excluded by the Act on Protection of Whistleblowers, with the relevant companies strictly adhering to the obligations and processes required by the Act on Protection of Whistleblowers. The Group provides the information required to make a complaint or report on its intranet and its websites.

Employees of companies based in the Czech Republic are familiarised with the relevant internal channels for whistleblowers (including corruption and bribery reporting) and relevant internal guidelines as part of their onboarding training. Employees of companies based in Ukraine are familiarised with the internal reporting channels established by the Compliance System through specialised training on the Compliance System. Responsible persons under the Act on Protection of Whistleblowers are appointed and trained in accordance with the legal requirements.

The statutory bodies of the individual companies within the Group are responsible for the implementation of the corporate culture policies. The legal and compliance departments of the companies are responsible for oversight and compliance with the policies within the Group, including oversight of internal whistleblower channels. These departments inform the Board of Directors and Directors of the respective companies, as appropriate, of the development of key measures related to the implementation of policies and related processes and, where applicable, in accordance with the law, of the results of the assessment of complaints or notifications.

The Group did not identify the functions that are most vulnerable to corruption and bribery.

Given the nature of this impact, the Group has set an indicator which it monitors on an ongoing basis. This is the number of final convictions and the amount of final fines imposed for violations of anti-bribery and corruption laws. In this way, the business monitors whether the relevant policies and processes set up are effective. If the number of convictions and fines were to increase, this would be a clear indication that the policies and processes are not sufficiently effective.

Table 1: Number of final convictions and amount of fines imposed

	2024
Number of final convictions for violations of anti-bribery and corruption laws	0
Amount of fines finally imposed for violations of anti-bribery and corruption laws	0

[58] These include the Compliance System, MND a.s.: the Directive on Investigating Complaints and Taking Action, MND Drilling & Services a.s.: the Directive on Whistleblower Protection in MND Drilling & Services a.s., MND Energie a.s.: the Directive on Whistleblower Protection - Whistleblowing.

IV. Consolidated financial statements of MND a.s. as at 31 December 2024

prepared in accordance with IFRS accounting standards as adopted by the European Union

Note
The consolidated financial statements have been prepared in the Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of the consolidated financial statements takes precedence over the English version.

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

Consolidated statement of comprehensive income	**Note**	**2024**	**2023**
Revenue	6	28 578	55 651
Other operating income	7	135	765
Total income		**28 713**	**56 416**
Materials and goods used	8	-21 116	-49 572
Services used	8	-3 304	-2 636
Personnel expenses	9	-1 192	-952
Depreciation, amortisation and impairment	10	-1 262	-1 001
Other operating expenses	11	-1 028	-1 064
Result from operating activities		**811**	**1 191**
Interest income	12	111	155
Other finance income	12	184	228
Finance costs	12	-484	-542
Result from financing activities		**-189**	**-159**
Share of profit (+) / loss (-) of equity-accounted investees, net of tax	17	21	95
Profit before tax		**643**	**1 127**
Income tax expense	13	-71	-321
Profit for the year		**572**	**806**

The notes form an integral part of these consolidated financial statements.

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

Consolidated statement of comprehensive income (continued)	**Note**	**2024**	**2023**
Items that are, or may later be, reclassified to profit or loss:			
Exchange differences arising from the translation of foreign units		-24	-55
Change in fair value of hedging instruments, net of tax	14	88	-950
Change in fair value of hedging instruments reclassified to profit or loss, net of tax		949	--
Share of other comprehensive income/loss of equity-accounted investees		-15	33
Other comprehensive income/loss, net of tax	14	**998**	**-972**
Total comprehensive income for the year		**1 570**	**-166**
Profit/loss attributable to:			
Owners of the company		557	802
Non-controlling interests		15	4
Total profit or loss for the year		**572**	**806**
Total comprehensive income/loss attributable to:			
Owners of the company		1 559	-159
Non-controlling interests		11	-7
Total comprehensive income/loss for the year		**1 570**	**-166**
Earnings per share:	23		
Basic earnings / loss (-) per share (in CZK thousands)		11	16
Diluted earnings / loss (-) per share (in CZK thousands)		11	16

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

Consolidated statement of financial position	Note	31 December 2024	31 December 2023
Assets			
Underground gas storages		4 181	1 935
Land		346	321
Buildings and structures		1 214	1 169
Oil and gas wells		1 487	1 682
Oil and gas property		72	92
Machinery and equipment		1 629	1 546
Other tangible fixed assets and assets under construction		642	490
Property, plant and equipment	15	*9 571*	*7 235*
Intangible assets	16	289	161
Equity-accounted investees	17	195	771
Non-current trade and other receivables	19	571	420
Non-current receivables from derivative financial instruments	28	181	434
Other non-current investments	18	600	46
Non-current financial assets		*1 547*	*1 671*
Deferred tax assets	13	115	373
Total non-current assets		**11 522**	**9 440**
Inventories	21	1 230	978
Current trade and other receivables	19	2 758	3 228
Income tax receivables		426	376
Current receivables from derivative financial instruments	28	883	897
Other current financial assets	20	3 240	4 262
Cash and cash equivalents	22	1 139	1 702
Total current assets		**9 676**	**11 443**
Total assets		**21 198**	**20 883**

The notes form an integral part of these consolidated financial statements.

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

Consolidated statement of financial position (continued)	Note	31 December 2024	31 December 2023
Liabilities and equity			
Equity			
Share capital	23	1 000	1 000
Capital contributions and other reserves		693	-309
Retained earnings and profit/loss for the current period		8 728	8 290
Equity attributable to the shareholder of the Company		*10 421*	*8 981*
Non-controlling interest	24	*236*	*225*
Total equity		**10 657**	**9 206**
Liabilities			
Loans and bonds issued – non-current portion	25	2 387	2 455
Non-current lease liabilities	26	701	292
Non-current trade and other payables	27	42	68
Non-current liabilities from derivative financial instruments	28	89	331
Non-current provisions	29	1 711	1 747
Deferred tax liability	27	340	401
Total non-current liabilities		**5 270**	**5 294**
Loans and bonds issued - current portion	25	1 193	152
Current lease liabilities	26	120	44
Current trade and other payables	27	3 249	3 624
Income tax liability		65	42
Current liabilities rom derivative financial instruments	28	540	2 430
Current provisions	29	104	91
Total current liabilities		**5 271**	**6 383**
Total liabilities		**10 541**	**11 677**
Total equity and liabilities		**21 198**	**20 883**

The notes form an integral part of these consolidated financial statements.

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

2024	Share capital	Other contributions and reserves	Translation reserve	Hedging reserve	Share of funds of equity-accounted investees	Retained earnings/ Profit (+)/loss (-) for the year	Equity	Non-controlling interests	Total equity
Balance at 1 January 2024	**1 000**	**826**	**-204**	**-946**	**15**	**8 290**	**8 981**	**225**	**9 206**
Profit or loss for 2024	--	--	--	--	--	557	**557**	15	**572**
Other comprehensive income	--	--	-19	1 036	-15	--	**1 002**	-4	**998**
Total comprehensive income	**--**	**--**	**-19**	**1 036**	**-15**	**557**	**1 559**	**11**	**1 570**
Dividends paid including withholding tax	**--**	**--**	**--**	**--**	**--**	-119	**-119**	**--**	**-119**
Total transactions with owners	**--**	**--**	**--**	**--**	**--**	**-119**	**-119**	**--**	**-119**
Balance at 31 December 2024	**1 000**	**826**	**-223**	**90**	**--**	**8 728**	**10 421**	**236**	**10 657**

2023	Share capital	Other contributions and reserves	Translation reserve	Hedging reserve	Share of funds of equity-accounted investees	Retained earnings/ Profit (+)/loss (-) for the year	Equity	Non-controlling interests	Total equity
Balance at 1 January 2023	**1 000**	**826**	**-159**	**4**	**-18**	**7 488**	**9 141**	**232**	**9 373**
Profit or loss for 2023	--	--	--	--	--	802	**802**	4	**806**
Other comprehensive income	--	--	-45	-950	33	--	**-962**	-11	**-972**
Total comprehensive income	**--**	**--**	**-45**	**-950**	**33**	**802**	**-160**	**-7**	**-166**
Balance at 31 December 2023	**1 000**	**826**	**-204**	**-946**	**15**	**8 290**	**8 981**	**225**	**9 207**

The notes form an integral part of these consolidated financial statements.

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2024	2023
Operating activities			
Net profit (+) / loss (-) for the year		572	806
Adjustments for:			
Share of profit (-) / loss (+) of equity-accounted investees		-21	-95
Interest expense (net of interest income)	12	146	40
Tax expense (+) / income (-)	13	71	321
Effect of currency translation (gains - / losses +)	12	-15	18
Depreciation of property, plant and equipment	10	923	773
Amortisation of intangible assets	10	34	26
Depreciation of right of use	10	127	55
Impairment of property, plant and equipment	10	-7	147
Income from current financial assets	12	-146	-227
Non-cash changes in financial derivatives	28	-531	-417
Non-cash changes in inventories		--	--
Gain (-) / loss (+) on sale of non-current assets	7	--	-1
Impairment of equity-accounted investees		185	--
Other non-cash transactions		-23	--
Cash flows from operating activities before changes in working capital and provisions		**1 315**	**1 446**
Increase (+) / decrease (-) in provisions		-130	-90
Increase (-) / decrease (+) in inventories		-234	1 567
Increase (-) / decrease (+) in receivables		436	1 286
Increase (+) / decrease (-) in current liabilities		-474	-638
Cash flows from operating activities		**913**	**3 571**
Interest paid		-184	-126
Income tax paid		-198	-900
Net cash flows from operating activities		**531**	**2 545**

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

Consolidated statement of cash flows (continued)	**Note**	**2024**	**2023**
Investing activities			
Proceeds from sale of non-current assets		--	10
Income from current financial assets	12	146	227
Interest received		111	137
Acquisition of investments net of cash acquired		-6	--
Contribution into joint venture / Acquisition of subsidiaries, net of cash acquired		--	-100
Acquisition of property, plant and equipment and intangible assets		-718	-721
Acquisition of equity-accounted investees		-348	--
Acquisition of other non-current financial assets		- 554	--
Decrease (+) / Increase (-) in other current financial assets, net		1 022	55
Cash flows from investing activities		**-347**	**-392**
Financing activities			
Proceeds from loans and borrowings	25	31	1 399
Repayments of loans and borrowings	25	-534	-3 674
Payments of lease liabilities	26	-124	-44
Dividends paid (majority owner)		-120	--
Cash flows from financing activities		**-747**	**-2 319**
Net decrease (-) / increase (+) in cash and cash equivalents		**-563**	**-166**
Effect of foreign currency translation of cash and cash equivalents		--	-2
Cash and cash equivalents at 1 January		**1 702**	**1 871**
Cash and cash equivalents at 31 December	22	**1 139**	**1 702**

The notes form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTENTS

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

1. General information about Group

1.1 Description

MND a.s. ("the Company") was established by its sole founder on 30 September 2008 under the original corporate name ORTOKLAS a.s. The Company was incorporated on 3 November 2008 and is recorded in the Commercial Register maintained by the Regional Court in Brno under file number B 6209. The Company's registered office is at Úprkova 807/6, Hodonín, post code 695 01, identification number 284 83 006.

1.2 Principal activities

The principal business activities of the MND a.s. Group are:

- energy supply to households and small businesses;
- trading in energy commodities;
- operation of underground gas storages and the provision of gas storage services;
- exploration and production of oil and natural gas;
- drilling contractor services, focusing on drilling of oil and gas exploration and production wells and hydro and geothermal wells and workover operations and plug and abandon operations on wells;
- investment in renewable energy sources and the development of new technologies.

1.3 Group companies

The following table presents subsidiaries that are part of the consolidated group of MND a.s. ("the Group") and the joint ventures and shows the parent company's ownership interests in these companies.

"The Group" or "the MND Group" shall hereinafter refer to this consolidated group and the joint ventures.

The consolidated financial statements include the financial statements of the companies listed below as at 31 December 2024 and for the accounting period then ended.

		Ownership interest of the Group		
Company name and registered office	**Country**	**at 31 December 2024**	**at 31 December 2023**	**Consolidation method**
Parent company:				
MND a.s.				
Group companies:				
FVE Mušov I s.r.o.	Czech Republic	100%	100%	Full
FVE Mušov II s.r.o.	Czech Republic	100%	100%	Full
FVE Orlová I s.r.o	Czech Republic	100%	100%	Full
FVE Orlová II s.r.o.	Czech Republic	100%	100%	Full
FVE Tichá s.r.o	Czech Republic	100%	100%	Full
G2P Borkovany s.r.o.	Czech Republic	100%	100%	Full
Geologichne Bureau "Lviv" LLC	Ukraine	80%	80%	Full
"Horyzonty" LLC	Ukraine	80%	80%	Full
Ignis Holding a.s. (1)	Czech Republic	100%	--	Full
KBOC Director s.r.o.	Czech Republic	100%	100%	Full
Tynivske LLC (2)	Ukraine	100%	--	Full
MND Austria a.s.	Czech Republic	100%	100%	Full
MND BESS GmbH (3)	Germany	100%	--	Full
MND BESS a.s. (4)	Czech Republic	100%	--	Full

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

		Ownership interest of the Group		
Company name and registered office	**Country**	**at 31 December 2024**	**at 31 December 2023**	**Consolidation method**
MND Drilling & Services a.s.	Czech Republic	100%	100%	Full
MND Energy Storage a.s.	Czech Republic	100%	100%	Full
MND Energie a.s.	Czech Republic	100%	100%	Full
MND Gas Storage a.s.(5)	Czech Republic	100%	50%	Full
MND GasInvestUA s.r.o.	Czech Republic	100%	100%	Full
MND UK North Sea Ltd (10)	United Kingdom	100%	--	Full
MND Ukraine a.s.	Czech Republic	80%	80%	Full
MND Wind s.r.o.	Czech Republic	100%	100%	Full
NANO Advanced s.r.o. (6)	Czech Republic	60%	--	Equity
NANO Advanced Electrolysis s.r.o. (7)	Czech Republic	60%	--	Equity
Oriv Holding a.s.	Czech Republic	100%	100%	Full
Oriv Windpark LLC (8)	Ukraine	49.99%	--	Equity
Precarpathian energy company LLC	Ukraine	80%	80%	Full
SG Storage 2 s.r.o. (9)	Czech Republic	100%	--	Full

(1) *On 1 July 2024, Ignis Holding a.s. was acquired.*
(2) *On 26 November 2024, Tynivske LLC was acquired. This purchase of a company is not a business combination and is not covered by IFRS 3.*
(3) *On 16 February 2024, MND BESS GmbH was acquired.*
(4) *On 17 January 2024, MND BESS a.s. was established.*
(5) *On 9 February 2024, the Group increased its shareholding in Moravia Gas Storage a.s. from 50% to 97.37% by subscribing for new shares. This resulted in the acquisition of control and the company has been fully consolidated since that date. Subsequently, on 25 June 2024, the Group acquired the remaining 2.63% interest, increasing its ownership to 100%. On 1 July 2024, the subsidiary was renamed MND Gas Storage a.s. This was a purchase of a company that does not constitute a business and is not subject to IFRS 3.*
(6) *On 4 June 2024, an interest in NANO Advanced s.r.o. was acquired.*
(7) *On 4 June 2024, an interest in NANO Advanced Electrolysis s.r.o. was acquired.*
(8) *On 21 June 2024, an interest in Oriv Windpark LLC was acquired.*
(9) *On 11 November 2024, SG Storage 2 s.r.o. was acquired. This purchase of a company is not a business combination and is not covered by IFRS 3.*
(10) *On 28 August 2024, Ignis Holding established MND UK North Sea Ltd.*

1.4 Statutory Body and Supervisory Board of the Company

Composition of the Board of Directors as at 31 December 2024:

Chairman of the Board:	Karel Komárek
Member of the Board of Directors:	Ing. Jiří Ječmen
Member of the Board of Directors:	Ing. Miroslav Jestřabík

Composition of the Supervisory Board as at 31 December 2024:

Chairman of the Supervisory Board:	Ing. Robert Kolář
Member of the Supervisory Board:	Ing. Pavel Šaroch
Member of the Supervisory Board:	JUDr. Josef Novotný

1.5 Sole shareholder of the Company as at 31 December 2024

MND Group AG	100%
Registered office:	Kapellgasse 21, 6004 Lucerne, Switzerland

The MND Group and its parent company MND Group AG are part of the consolidation group of KKCG GROUP AG based in Switzerland. The ultimate owner is VALEA FOUNDATION registered in Liechtenstein, whose designated beneficiary is Karel Komárek.

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

2. Basis of preparation of the consolidated financial statements

(a) Statement of compliance

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

(b) Basis of measurement

The consolidated financial statements have been prepared on a going concern basis, using the historical cost method, unless otherwise stated in the accounting policies.

(c) Functional and presentation currency

The functional currency of the Company and its subsidiaries based in the Czech Republic is the Czech crown (CZK), the functional currency of its subsidiaries based in Ukraine is the Ukrainian hryvnia (UAH). The functional currency of the subsidiaries based in Germany is the euro (EUR).

The presentation currency in the consolidated financial statements is the Czech koruna ("CZK"). All financial information presented in the consolidated financial statements has been rounded to the nearest million ("CZK million") unless otherwise stated.

(d) New standards effective from 1 January 2024

The preparation of these consolidated financial statements involved the use of the following new or amended standards and interpretations, whose initial application is required for annual periods beginning on 1 January 2024.

The new standards and the modifications that have been applied are listed in the table below. None of these amendments had a material impact on the Group's consolidated financial statements.

Standard/Amendment	Name	IASB effective date	EU effective date	Approved by the EU
Amendments to IAS 1	Classification of liabilities as current or non-current (issued 15 July 2020) Non-current liabilities with covenants (issued 31 October 2022)	01/01/2024	01/01/2024	Yes
Amendments to IFRS 16	Leases - Lease liability in a sale and leaseback (issued 22 September 2022)	01/01/2024	01/01/2024	Yes
Amendments to IAS 7 and IFRS 7	Statement of Cash Flows and Financial Instruments: Disclosure - Supplier Finance Arrangements (issued 25 May 2023)	01/01/2024	01/01/2024	Yes

(e) Standards, interpretations and amendments issued but not yet effective

The following new standards, amendments and interpretations have been endorsed by the International Accounting Standards Board ("IASB") but were not effective for the period ending 31 December 2024. The Group has not early adopted these standards, amendments and interpretations in preparing these consolidated financial statements and will apply them on the effective date set by the IASB, which is expected to coincide with the date of endorsement by the EU. The Group does not expect that the adoption of the above amendments to existing standards will have a material impact on the Group's consolidated financial statements in the future accounting periods.

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

Standard/Amendment	Name	IASB effective date	EU effective date	Approved by the EU
IFRS 18	Presentation and Disclosure in Financial Statements (issued 9 May 2024)	01/01/2027	Will be identical to the IASB	No*
IFRS 19	Subsidiaries without Public Accountability: Disclosure (issued 9 April 2024)	01/01/2027	Not yet approved	No
Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates - Lack of Convertibility (issued 15 August 2023)	01/01/2025	01/01/2025	Yes
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments	Amendments to the Classification and Measurement of Financial Instruments (issued 30 May 2024) Contracts Referencing Nature-dependent Electricity (issued 18 December 2024)	01/01/2026	Will be identical to the IASB	No*
Annual Improvements Volume 11	--	01/01/2026	Will be identical to the IASB	No*

* EFRAG expects the endorsement process to be finished before the IASB effective date with the EU effective date coinciding with the IASB effective date.

3. Use of significant accounting estimates and judgements

The preparation of the consolidated financial statements in conformity with IFRS requires the use of accounting estimates that affect the reported amounts of assets, liabilities, income and expenses. It also requires the Group management to make assumptions based on its own judgement in applying accounting policies. Consequently, the actual results often differ from these estimates.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are reported in the period in which the estimate is revised, if the revision impacts only this period, or in the revision period and future periods, if the revision impacts the current and future periods.

Judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

- Impairments. Impairment calculations require the use of various estimates and assumptions depending on the business activity of the Group. The most significant estimates influencing the impairment models are commodity prices, oil and gas reserves, future production profiles, gross margins, operating expenses and discount rates. Notes 15 and 16;
- Provision for decommissioning, renewals and restorations. The Group establishes a provision for the renewal and restoration of areas affected by oil and gas extraction and provision for decommissioning of assets. Most of these activities will be performed in the distant future whereas decommissioning technologies, costs and environmental and safety regulations are constantly changing. The most significant estimates entering the provision calculation model are stated above. The Group also includes costs and timing of the decommissioning activities, expected inflation and discount rates. Note 29.

(a) Significant accounting policies

The accounting policies have been applied consistently by Group entities to all periods presented in these consolidated financial statements, unless otherwise stated.

These financial statements do not include a description of all accounting policies applied. Significant accounting policies are described in the relevant sections of the notes. The financial statements are prepared with a user who has a basic understanding of economics in mind.

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

(b) Fair value measurement (Note 30)

A number of the Group's accounting policies and disclosures require the determination of the fair value of financial and non-financial assets and liabilities. Further information about the assumptions used in determining fair value is disclosed, where appropriate, in the notes that relate specifically to the asset or liability.

4. New acquisitions

As at 31 December 2024, the MND Group has acquired interests in the following subsidiaries:

Company name	Ownership share	Date of acquisition
MND BESS a.s.	100%	17 January 2024
MND BESS GmbH	100%	16 February 2024
Ignis Holding a.s.	100%	1 July 2024

On 17 January 2024 a new subsidiary MND BESS a.s. was established.
On 16 February 2024, MND BESS GmbH was acquired with a 100% stake.
On 1 July 2024, Ignis Holding a.s. was acquired.

As at the date of the individual acquisitions, the net assets of the above-mentioned companies were worth CZK 5 million. These assets consisted exclusively of cash and cash equivalents. The acquisitions did not include any liabilities or goodwill.

5. Operating segments

Segment information is presented based on the internal management reports and information provided to the chief operating decision makers, as required by IFRS 8.

Operating segments were determined based on main products and services that the Group provides. The following three segments are concerned:

- exploration and production of oil and gas,
- trading in gas and electricity and gas storage,
- drilling.

Other unallocated operations represent individually insignificant segments and joint expenses that are not attributable to any segment.

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

Segment information for the year ended 31 December 2024	Exploration and production of oil and gas	Trading in gas and electricity, gas storage	Drilling	Other unallocated operations	**Total**	Intersegment eliminations	**Total consolidation**
Continuing activities							
Total revenue (Note 6)	2 852	37 881	1 519	30	**42 282**	-13 704	**28 578**
of which: External revenue	*2 823*	*24 852*	*903*	--	***28 578***	--	***28 578***
Intersegment revenue	*29*	*13 029*	*616*	*30*	***13 704***	*-13 704*	**--**
Other income	23	54	94	1	**172**	-37	**135**
Materials, consumables and services	-781	-36 423	-787	-6	**-37 997**	13 577	**-24 420**
Other operating expenses, including personnel expenses	-1 218	-570	-535	-55	**-2 378**	158	**-2 220**
Depreciation and amortisation expense	-656	-336	-101	-7	**-1 100**	16	**-1 084**
Impairment charge (+) / reversal (-) of property, plant and equipment	-178	--	--	--	**-178**	--	**-178**
Result from operating activities	42	606	190	-37	**801**	10	**811**
Share of profit or loss of equity-accounted investees	--	--	--	21	**21**		**21**
Profit or loss from operating activities incl. share of profit or loss of equity-accounted investees	42	606	190	-16	**822**	10	**832**
Interest income	53	55	2	1	**111**	--	**111**
Interest expense	-88	-59	-11	-102	**-260**	3	**-257**
Other finance income (+) / expenses (-)	-59	53	19	-71	**-58**	15	**-43**
Profit or loss from financial activities	**-94**	**49**	**10**	**-172**	**-207**	**18**	**-189**
Acquisition of property, plant and equipment and intangible assets	**-643**	**-178**	**-112**	**-133**	**-1 066**	**--**	**-1 006**

As at 31 December 2024, the Group holds non-current assets with an amortised cost of CZK 1 041 million in Ukraine.

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Segment information for the year ended 31 December 2023	Exploration and production of oil and gas	Trading in gas and electricity, gas storage	Drilling	Other unallocated operations	**Total**	Intersegment eliminations	**Total consolidation**
Continuing activities							
Total revenue (Note 6)	3 132	63 497	1 321	26	**67 976**	-12 325	**55 651**
of which: External revenue	*3 096*	*52 005*	*550*	*--*	***55 651***	*--*	***55 651***
Intersegment revenue	*36*	*11 492*	*771*	*26*	***12 325***	*-12 325*	*--*
Other income	785	-166	68	26	**713**	52	**765**
Materials, consumables and services	-1 004	-62 532	-726	-61	**-64 323**	12 115	**-52 208**
Other operating expenses, including personnel expenses	-791	-915	-420	-20	**-2 146**	130	**-2 016**
Depreciation and amortisation expense	-630	-123	-101	-20	**-874**	20	**-854**
Impairment charge (+) / reversal (-) of property, plant and equipment	-157	--	10	--	**-147**	--	**-147**
Profit or loss from operating activities	**1 335**	**-239**	**152**	**-49**	**1 199**	**-8**	**1 191**
Share of profit or loss of equity-accounted investees	-74	169	--	--	95	--	**95**
Profit or loss from operating activities incl. share of profit or loss of equity-accounted investees	**1 261**	**-70**	**152**	**49**	**1 294**	**-8**	**1 286**
Interest income	66	86	3	--	**155**	--	**155**
Interest expense	-82	-15	-7	-93	**-197**	3	**-194**
Other finance income (+) / expenses (-)	-31	-48	-4	-37	**-120**	--	**-120**
Profit or loss from financial activities	**-47**	**23**	**-8**	**-130**	**-162**	**3**	**-159**
Acquisition of property, plant and equipment and intangible assets	**-476**	**-58**	**-139**	**-71**	**-744**	**23**	**-721**

As at 31 December 2023, the Group holds non-current assets with an amortised cost of CZK 682 million in Ukraine.

6. Revenue

The Group's revenue includes in particular revenue from trading in gas and electricity, revenue from the sale of gas and electricity to end customers, revenue from the sale of produced oil and gas, revenue from the sale of goods, and revenue from the provision of services, including drilling activities and gas storage.

The revenue is recognised at the moment the control over goods or services supplied is transferred to the customer in the amount of anticipated consideration that the Group expects it should receive for the goods or services. The Group companies apply a five-step model defined in IFRS 15 to determine the amount, time and method of revenue recognition. The amount of consideration that the Group expects to be entitled to is the transaction price. In determining the transaction price, the following factors are considered: the estimate of the variable portion of consideration (provided discounts, compensations, bonuses, sanctions and other similar items), the time value of money in case the contract contains a significant financing component, the fair value of potential non-monetary consideration, a portion of value that the customer will not pay (e.g. discount vouchers). The method and moment of revenue recognition depends on the method of control transfer: satisfaction of obligation at a point in time is reported at the moment the control over goods or services is transferred, satisfaction of obligation over time is recognised over the period during which the entity satisfies performance obligation. The Group measures revenue from satisfaction of obligation over time using the input method, i.e. the revenue is reported based on expenses incurred on satisfying the obligation in relation to the total expected expenses, with the exception of revenue from the sale of gas and electricity to end customers that is measured using the output method, as described below.

Contract costs

The Group provides sales agents with commissions as remuneration for activities that lead to obtaining new customers for the sale of gas and electricity. The costs of acquiring a contract are recognised if an entitlement to the commission arises at the moment the contract with the customer is actually obtained and the commission would not be paid had the contract not been obtained. Capitalised contract costs are subsequently recognised in profit or loss over the term of the contract or over 5 years for contracts for an indefinite period.

Sale of oil

The Group sells produced and purchased oil to its customers based on annual or long-term contracts on oil supplies. Customers obtain control over the product at a place agreed for product delivery. The Group classifies revenue as satisfaction of obligation over time that is recognised for a calendar month depending on the actual volume of supplies. Contracts do not contain a financing component, because the invoices are payable within 30 days.

Sale of electricity and gas to end customers

The sale of gas and electricity to end customers is carried out based on contracts on combined gas or electricity supply services which include the supply of the commodity itself together with distribution services. Distribution services are provided to the Group by local distribution companies. The access to these services and their prices is regulated. The prices for distribution services form part of the price for combined services provided to the customers. The Group recognises the full amount of revenue for services, including the portion of distribution services, because it provides these services for itself (i.e. the Group is the principal).

The services of gas and electricity supplies for households are usually invoiced once per year and for corporate customers once per month or quarter, based on the actual consumption ascertained at consumption reading. Customers pay advances at a fixed amount on a monthly basis. Uninvoiced supplies of gas and electricity are recognised as trade receivables. Advances received are recognised as contract liabilities.

When concluding a contract, the price for services can contain a variable consideration as a result of discounts provided to customers. Discounts are provided from list prices, and the customers are charged with the prices less discounts.

The Group classifies revenue as satisfaction of obligation over time. The Company recognises revenue using the output method based on the estimated energy supplies. Contracts do not contain a significant financing component because of the advances payment scheme and delivery performed within a short period of time.

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Revenue from drilling

Drilling services are usually carried out at daily rates. The price for work performed then results from the amount of work actually done and it is invoiced to customers on a monthly basis or drilling services are provided on "turn-key" basis and invoiced to customers after the well is completed and handed over. The price is determined at a fixed amount for drilling of a well. Revenue is then recognised using the input method. The customer obtains control over the work in progress immediately, because if the contract is terminated by the customer, the Group is entitled to the reimbursement of expenses incurred and an adequate margin. Contracts do not contain a significant financing component, because the services are provided within a short period of time and the invoices are payable within 30 days. The Group classifies revenue as satisfaction of obligation over time.

Revenue from gas storage

The Group provides services to its customers on the basis of annual or long-term contracts for the storage of natural gas. The services are invoiced to customers monthly in a fixed amount. The Group classifies revenues as satisfaction of obligation over time. The Group recognises revenue using the output method. Contracts do not contain a significant financing component, because invoices are payable within 30 days.

Revenue from trading in gas and electricity

Trading in gas and electricity is carried out based on framework contracts concluded under the EFET standard with other gas and electricity traders. Customers obtain control over the commodity at a delivery point which usually means a virtual point of the given gas or electricity grid. The Group classifies revenue as satisfaction of obligation over time that is recognised for a calendar month depending on the actual volume of supplies. Contracts do not contain a financing component, because the invoices are issued within a short period of time after the commodity is delivered and the invoices are payable within 30 days.

Revenue from ordinary transactions is recognised using agreed selling prices. Revenue from derivative commodity contracts that are settled by physical delivery is recognised at fair value of the given commodity at the beginning of the period of physical delivery.

The following tables show the breakdown of total revenue for each segment by main type of goods, products or services and by timing of revenue recognition:

2024 **Revenue by main type of goods, products or services**	Exploration and production of oil and gas	Trading in gas and electricity, gas storage	Drilling	**Revenue**
Revenue from trading in gas	--	15 422	--	**15 422**
Revenue from trading in electricity	--	1 250	--	**1 250**
Revenue from the sale of gas to end customers	--	3 351	--	**3 351**
Revenue from the sale of electricity to end customers	--	3 739	--	**3 739**
Revenue from the sale of produced gas	1 864	--	--	**1 864**
Revenue from the sale of produced oil	874	--	--	**874**
Revenue from drilling activities	--	--	824	**824**
Revenue from gas storage	--	1 026	--	**1 026**
Revenue from the sale of goods	27	--	--	**27**
Revenue from the provision of services	27	64	63	**154**
Revenue from the sale of products	31	--	16	**47**
Total revenue	**2 823**	**24 852**	**903**	**28 578**

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2023 **Revenue by main type of goods, products or services**	Exploration and production of oil and gas	Trading in gas and electricity, gas storage	Drilling	**Revenue**
Revenue from trading in gas	--	39 014	--	**39 014**
Revenue from trading in electricity	--	4 897	--	**4 897**
Revenues from the sale of gas to end customers	--	3 935	--	**3 935**
Revenue from the sale of electricity to end customers	--	3 690	--	**3 690**
Revenue from the sale of produced gas	2 203	--	--	**2 203**
Revenues from the sale of produced oil	833	--	--	**833**
Revenue from drilling activities	--	--	489	**489**
Revenue from gas storage	--	414	--	**414**
Revenue from the sale of goods	11	9	--	**20**
Revenue from the provision of services	38	46	55	**139**
Revenue from the sale of products	11	--	6	**17**
Total revenue	**3 096**	**52 005**	**550**	**55 651**

2024 **Timing of revenue recognition**	Exploration and production of oil and gas	Trading in gas and electricity, gas storage	Drilling	**Revenue**
Revenue recognised at a point of time	6	7	26	39
Revenue recognised over time	2 817	8 173	877	11 867
Subtotal	**2 823**	**8 180**	**903**	**11 906**
Revenue from commodity trading	--	16 672	--	16 672
Total revenue	**2 823**	**24 852**	**903**	**28 578**

2023 **Timing of revenue recognition**	Exploration and production of oil and gas	Trading in gas and electricity, gas storage	Drilling	**Revenue**
Revenue recognised at a point of time	5	--	26	31
Revenue recognised over time	3 091	8 094	524	11 709
Subtotal	**3 096**	**8 094**	**550**	**11 740**
Revenue from commodity trading	--	43 911	--	43 911
Total revenue	**3 096**	**52 005**	**550**	**55 651**

In 2024, the Group reported revenue of CZK 4 843 million (2023: CZK 17,218 million) for one customer. This revenue was allocated to the Trading in gas and electricity, gas storage segment.

The remaining performance obligations relate to the contracts whose initial expected duration of one year or less, or to the contracts concluded for an indefinite period with a notice period shorter than 1 year, therefore the Group does not disclose their value.

In 2024, CZK 675 million (2023: CZK 1,457 million) was recognised in revenue from the value of contractual liabilities as at 31 December 2024 (Note 28).

Revenues in the segment Exploration and production of oil and gas of CZK 2,311 million (2023: CZK 2,550 million) were realised in Czechia, the remaining sales were realised in Ukraine.

Sales in the segment Trading in gas and electricity, gas storage were realised in the countries of the European Union, Switzerland, and the United Kingdom.

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Revenue by geographical position of the point of sale	2024	2023
Czechia	9 620	13 382
Denmark	627	292
France	91	30
Italy	--	167
Luxembourg	1 313	3 113
Hungary	242	20
Germany	6 913	19 069
Austria	586	2 143
Slovakia	32	111
Spain	39	90
Switzerland	3 240	6 198
Ukraine	521	547
United Kingdom	5 255	10 489
Croatia	96	--
Other	3	--
Total revenue	**28 578**	**55 651**

7. Other operating income

Grants

A conditional government grant is recognised initially in the statement of financial position as deferred income when there is reasonable assurance that it will be received and the Group will comply with the conditions associated with the grant. Grants that compensate the Group for expenses incurred are recognised as income in the period they were incurred. Grants that compensate for the expenses incurred in connection with the acquisition of a non-current asset, are recognised in other operating income in the statement of comprehensive income over the useful life of the asset.

	2024	2023
Income from grants	6	634
Profit from the sale of non-current assets	--	1
Income from leases	3	--
Remaining operating income	126	130
Total other operating income	**135**	**765**

8. Consumption of materials, goods and services

	2024	2023
Cost of goods sold	11	13
Cost of sale of gas and electricity to end customers	4 104	6 307
Cost of trading in gas and electricity	16 602	42 834
Materials and energy used	399	418
Total materials and goods used	**21 116**	**49 572**
Services used relating to revenue	2 650	1 980
Lease expenses	111	78
Other services	498	472
Amortisation of contract costs	57	46
Changes in product and work in progress inventories	-12	60
Total services used	**3 304**	**2 636**
Total consumption of materials, goods and services	**24 420**	**52 208**

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Lease expenses in 2024 and 2023 comprise mainly short-term leases of CZK 105 million (2023: CZK 67 million), variable lease payments of CZK 1 million (2023: CZK 7 million) and low-value assets leases of CZK 5 million (2023: CZK 4 million).

Services used relating to revenues consist mainly of costs of purchased drilling work and distribution of electricity and gas.

Other services include costs for audit services of CZK 9 million (2023: CZK 9 million), other assurance services of CZK 4 million (2023: CZK 0 million) and other services of CZK 1 million (2023: CZK 0 million) provided to MND Group by PricewaterhouseCoopers Audit, s.r.o. in 2024.

9. Personnel expenses

	2024	2023
Payroll expenses	875	699
Social security and health insurance expenses	272	218
Other social expenses	45	35
Total personnel expenses	**1 192**	**952**

The average number of employees in 2024 was 1,138 (2023: 892).

10. Depreciation, amortisation and impairment

	2024	2023
Depreciation of property, plant and equipment (Note 5)	925	773
Impairment of property, plant and equipment (Note 5)	-7	147
Amortisation of intangible assets (Note 6)	34	26
Depreciation of right of use (Note 5)	125	55
Impairment of equity-accounted investees	185	--
Total depreciation, amortisation and impairment	**1 262**	**1 001**

The impairment of the equity-accounted investees is related to exploration activities in Austria. The impairment of property, plant and equipment in 2023 is mainly related to oil and gas assets held in Ukraine.

11. Other operating costs

Forward contracts for the purchase and sale of gas and electricity contracts for physical natural gas storage, contracts for gas flexibility service (virtual natural gas storage) and contracts for security of supply that can be settled net in cash or by another financial instrument and which do not serve for the purposes of the expected receipt or delivery of a commodity are considered financial instruments under IFRS 9 and they are measured at fair value through profit or loss and recognised as trading derivatives.

The Group enters into these commodity trading contracts for the purpose of generating a profit from short-term price fluctuations or traders' margin. The Group systematically settles similar contracts on a net basis. The net settlement is realised either through exchange-traded instruments or via bilateral agreements by entering into offsetting contracts or through the sale of a contract prior to settlement. These contracts typically require no initial net investment and are settled at future dates thereby meeting the definition of derivative contracts. Simultaneously, they can no longer qualify for exemption applied for physical purchase and sale of non-financial asset because they are exchange-traded or routinely net settled as described above.

Delivery of the commodity under commodity contracts is recognised either in inventory, or in revenues and cost of sales at fair value of the commodity, when the commodity is delivered.

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Changes in the fair value of commodity and currency derivative financial instruments are recognised in the profit or loss from operating activities.

	2024	2023
Repairs and maintenance	99	89
Travel expenses	40	28
Fees	201	195
Other taxes	6	2
Insurance premiums	36	30
Loss from the sale of materials	4	6
Loss from trading in commodity contracts	476	524
Credit loss allowance for financial assets	65	--
Receivables write-off	30	45
Other operating expenses	71	145
Other operating costs	**1 028**	**1 064**

The most significant part of the fees represents charges for produced oil and gas of CZK 153 million (2023: CZK 154 million) and fees for mining and exploration areas in the amount of CZK 41 million (2023: CZK 38 million).

	2024	2023
Profit from trading in commodity contracts	2 987	4 289
Loss from trading in commodity contracts	-3 463	-4 813
Net profit/loss (-) from trading in commodity contracts	**-476**	**-524**

12. Finance income and expenses

Finance income comprises interest income on funds invested, gains on the disposal of financial assets, changes in the fair value of financial assets at fair value through profit or loss, unless these are commodity derivative financial instruments and derivatives held-for-trading arising from forward contracts for the purchase or sale of gas and electricity, foreign exchange gains, and gains from hedging instruments recognised in profit or loss.

Finance expenses comprise interest expense on loans and borrowings, unwinding of discount on provisions, foreign exchange losses, changes in the fair value of financial assets at fair value through profit or loss, unless these are commodity derivative financial instruments and derivatives held-for-trading arising from forward contracts for the purchase or sale of gas and electricity, losses from the impairment of financial assets and losses from hedging instruments that are recognised in profit or loss.

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	2024	2023
Interest income	111	155
Total interest income	**111**	**155**
Income from current financial assets	146	227
Other finance income	23	1
Foreign exchange gain	15	--
Total finance income	**184**	**228**
Interest expense	-230	-172
Interest expense on leases	-27	-23
Other finance costs	-227	-329
Loss from foreign exchange transactions	--	-18
Total finance expenses	**-484**	**-542**
Net finance expenses	**-189**	**-159**

13. Taxation

Income tax is recognised in the consolidated statement of comprehensive income, except for deferred tax recognised directly in equity.

Current tax includes the tax estimate calculated from the taxable income for the year using tax rates valid at the reporting date, and any adjustment to tax payable in respect of previous years.

Income tax	**2024**	**2023**
Current tax expense		
Current year	166	273
Changes in estimates relating to the previous year	4	23
Total current tax expense	**170**	**296**
Deferred tax	-99	25
Total income tax (expense + / income -)	**71**	**321**

Reconciliation of effective tax rate	**2024**		**2023**	
Profit before tax	**643**		**1 207**	
Income tax using the applicable tax rate, including windfall tax	135	21.0%	229	19.0%*
Effect of different current and deferred tax rates; effect of changes in tax rate	-38	-5.9%	97	8.0%
Effect of tax non-deductible expenses	59	9.2%	12	1.0%
Effect of tax-exempt income	-83	-12.9%	-17	-1.4%
Donations for charitable purposes	--	0.0%	-2	-0.2%
Tax relating to prior periods (+ expense)	4	0.6%	--	0.0%
Effect of accumulated tax loss claimed in the current period	-18	-2.8%	--	0.0%
Effect of tax loss relating to prior periods	0	0.0%	-1	-0.1%
Effect of unrecognised deferred tax assets related to tax loss of current period	9	1.4%	--	0.0%
Other effects	3	0.4%	3	0.3%
Total income tax expense / Effective tax rate	**71**	**11.0%**	**321**	**26.7%**

* Tax rate valid in the Czech Republic until 31 December 2023

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Corporate income tax rates by the countries where the Group companies mainly operate:

	2024	2023
Czechia	21%	19%
Ukraine	18%	18%

Deferred tax

For consolidation purposes, deferred tax assets and liabilities that are recorded in respect of one tax authority are offset at the level of the individual group companies.

Based on the financial outlook, the Company expects to be able to utilise the deferred tax asset against future profits.

Deferred tax	**31 December 2024**	**31 December 2023**
Deferred tax receivable	115	373
Deferred tax liability	-340	-401
Net amount of deferred tax	**-225**	**-28**

For the calculation of deferred tax, the applicable tax rates of the countries in which the Group companies operate were used. Due to the change in the tax rate in the Czech Republic to 21% as at 1 January 2024, the 21% rate was used to calculate the deferred tax of the companies from the Czech Republic.

Change in deferred tax

2024	Balance as at 1 January 2024	Change in 2024			Balance as at 31 December 2024
	Deferred tax asset (+)/liability (-)	Recognised in profit or loss	Recognised in other comprehensive income	Other changes*	Deferred tax asset (+)/liability (-)
Deferred tax asset (+) /liability (-)	**-28**	**99**	**-295**	**-1**	**-225**
Property, plant and equipment	-493	101	--	-1	-393
Right-of-use assets	--	-96	--	-91	-187
Intangible assets	--	--	--	--	--
Non-current and current financial assets	1	--	--	--	1
Derivative financial instruments**	235	29	-295	-8	-39
Total inventories	16	-11	--	--	5
Total receivables	-45	24	--	--	-21
Lease liabilities	4	94	--	90	188
Total liabilities	13	--	--	2	15
Tax losses from previous years	--	-3	--	3	--
Provisions	241	-39	--	4	206

* The Other changes column represents changes in deferred tax associated with an increase in the interest in a company, which is not a business combination and is not subject to IFRS 3.

** Net deferred tax liability arising from derivative financial instruments of CZK 39 million arose primarily from the offsetting of a gross deferred tax liability related to receivables from derivative financial instruments of CZK 58 million with a deferred tax asset from liabilities from derivative financial instruments of CZK 19 million.

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2023	Balance as at 1 January 2023	Change in 2023			Balance as at 31 December 2023
	Deferred tax asset (+)/liability (-)	Recognised in profit or loss	Recognised in other comprehensive income	Effect of currency translation	Deferred tax asset (+)/liability (-)
Deferred tax asset (+)/liability (-)	**-276**	**-25**	**271**	**2**	**-28**
Property, plant and equipment	-528	33	--	2	-493
Intangible assets	1	-1	--	--	--
Non-current and current financial assets	1	--	--	--	1
Derivative financial instruments*	84	-120	271	--	235
Total inventories	-140	156	--	--	16
Total receivables	-51	6	--	--	-45
Lease liabilities	--	4	--	--	4
Total liabilities	32	-19	--	--	13
Provisions	325	-84	--	--	241

* Net deferred tax asset arising from derivative financial instruments of CZK 235 million is a result of offsetting of the gross deferred tax liability relating to receivables from derivative financial instruments in the amount of CZK 54 million and deferred tax asset arising from liabilities from derivative financial instruments in the amount of CZK 289 million.

Tax losses from previous years were fully utilised in 2024. The Group has no tax losses that can be utilised at 31 December 2024 and 2023.

On the basis of EU Council Directive 2022/2523 on ensuring a global minimum level of effective taxation for multinational groups of enterprises and large domestic groups, Act No. 416/2023 Coll., on Top-up taxes for large multinational groups and large domestic groups, was adopted. Top-up taxes aim to stop cross-country competition for different corporate tax rates by introducing a single minimum tax rate to ensure a level playing field for entities around the world and to allow countries to better protect their tax bases. Top-up taxes will be levied if the calculated effective tax rate in a given state is less than 15%. The payer of the top-up tax is a group company whose consolidated annual revenues reported in the consolidated financial statements of the ultimate parent entity amount to EUR 750 million in at least 2 of the 4 reporting periods immediately preceding the given tax period.

The company is liable for the top-up tax. Top-up tax has not been taken into account in the calculation of deferred tax. The Company has no tax liability for the year 2024 resulting from the top-up tax.

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14. Other comprehensive income

	2024	2023
Change in fair value of hedging instruments, before tax	112	-1 221
Change in fair value of hedging instruments - deferred tax	-24	271
Change in fair value of hedging instruments, after tax	**88**	**-950**
Change in fair value of hedging instruments transferred to profit/loss, before tax	1 219	--
Change in fair value of hedging instruments transferred to profit or loss - deferred tax	-270	--
Change in fair value of hedging instruments transferred to profit/loss after tax	**949**	**--**
Share of other comprehensive income of equity-accounted investees	**-15**	**33**
Translation of foreign operations into the Group's presentation currency	**-24**	**-55**
Total other comprehensive income	**998**	**-972**

2024	Currency translation reserve	Hedging reserve	Share in funds of equity-accounted investees	Other comprehensive income attributable to shareholders of the company	Other comprehensive income attributable to non-controlling interests	Total other comprehensive income
Exchange differences from translation into the presentation currency	-19	--	--	**-19**	-5	**-24**
Other comprehensive income from cash flow hedges	--	1 036	--	**1 036**	1	**1 037**
Share in other comprehensive income of equity-accounted investees	--	--	-15	**-15**	--	**-15**
Total other comprehensive income after tax	**-19**	**1 036**	**-15**	**1 002**	**-4**	**998**

2023	Currency translation reserve	Hedging reserve	Share in funds of equity-accounted investees	Other comprehensive income attributable to shareholders of the company	Other comprehensive income attributable to non-controlling interests	Total other comprehensive income
Exchange differences from translation into the presentation currency	-45	--	--	**-45**	-11	**-55**
Other comprehensive income from cash flow hedges	--	-950	--	**-950**	--	**-950**
Share in other comprehensive income of equity-accounted investees	--	--	33	**33**	--	**--**
Total other comprehensive income after tax	**-45**	**-950**	**33**	**-961**	**-11**	**-972**

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15. Property, plant and equipment

Property, plant and equipment consists of underground gas storages, buildings and structures, oil and gas wells, oil and gas property, production machinery, machinery and equipment, drilling rigs, information technology, motor vehicles, fixtures and fittings and other property, plant and equipment. Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Property, plant and equipment are depreciated on a straight-line basis. Land is not depreciated. Right of use assets are depreciated over the shorter of the useful life of the asset and the lease term, unless the title to the asset transfers to the lessee at the end of the lease term, in which case it is depreciated over the useful life.

The estimated useful lives for the individual categories of property, plant and equipment are as follows:

Buildings and halls	20-50 years
Administrative buildings	20-60 years
Structures	20-40 years old
Oil and gas wells	expected production period
Oil and gas property	expected production period
Machinery and equipment	3-20 years
Drilling rigs	20-40 years old
Information technology	3-8 years
Motor vehicles	4-10 years
Inventory	3-14 years
Other property, plant and equipment	3-20 years

The oil and gas wells and related property are being depreciated for its estimated production life which ranges from 3 to 25 years and is based on expected length of production of hydrocarbons.

The underground gas storages item comprises more asset categories with different depreciation periods ranging from 3 to 50 years and land and cushion gas that are not depreciated.

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

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2024	Underground gas storage owned	Right of use underground gas storage	Wells	Land	Right of use land	Buildings and structures	Right of use buildings and structures	Oil and gas property	Machinery and equipment	Right of use machinery and equipment	Tangible assets under construction	Other tangible assets	**Total**
Acquisition cost as at 1 January 2024	**3 678**	**--**	**5 394**	**218**	**181**	**1 823**	**280**	**301**	**3 871**	**24**	**476**	**17**	**16 263**
Accumulated depreciation and impairment as at 1 January 2024	**-1 743**	**--**	**-3 712**	**-23**	**-55**	**-889**	**-45**	**-209**	**-2 337**	**-12**	**--**	**-3**	**-9 028**
Net book value as at 1 January 2024	**1 935**	**--**	**1 682**	**195**	**126**	**934**	**235**	**92**	**1 534**	**12**	**476**	**14**	**7 235**
Additions	1 981	435	272	9	42	67	7	--	154	41	282	103	**3 393**
Disposals	-1	--	--	-1	--	--	--	--	-5	1	-15	-15	**-36**
Transfers	46	--	12	--	--	62	--	--	83	--	-203	--	**--**
Current year depreciation	-219	-58	-437	--	-29	-64	-32	-18	-187	-6	--	--	**-1 050**
Impairment of assets*)	--	--	4	--	--	2	--	--	1	--	--	--	**7**
Change in value	--	62	-38	--	4	--	4	--	--	1	--	--	**33**
Effect of currency translation	--	--	-8	--	--	-1	--	-2	--	--	--	--	**-11**
Net book value as at 31 December 2024	**3 742**	**439**	**1 487**	**203**	**143**	**1 000**	**214**	**72**	**1 580**	**49**	**540**	**102**	**9 571**
Acquisition cost as at 31 December 2024	**6 783**	**497**	**5 853**	**226**	**227**	**2 275**	**289**	**295**	**4 237**	**66**	**540**	**105**	**21 393**
Accumulated depreciation and impairment as at 31 December 2024	**-3 041**	**-58**	**-4 366**	**-23**	**-84**	**-1 275**	**-75**	**-223**	**-2 657**	**-17**	**--**	**-3**	**-11 822**

In 2024, the major additions to tangible assets include an underground gas storage together with the right of use underground gas storage.

In 2024, no borrowing costs were capitalised due to insignificance.

*) See Note 10 for more information on the impairment of non-current assets

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

2023	Underground gas storage	Wells	Land	Right of use land	Buildings and structures	Right of use buildings and structures	Oil and gas property	Machinery and equipment	Right of use machinery and equipment	Tangible assets under construction	Other tangible assets	**Total**
Acquisition cost as at 1 January 2023	**3 672**	**5 141**	**165**	**136**	**1 692**	**272**	**650**	**3 520**	**41**	**227**	**23**	**15 539**
Accumulated depreciation and impairment as at 1 January 2023	**-1 669**	**-3 480**	**-22**	**-31**	**-822**	**-23**	**-293**	**-2 024**	**-29**	**--**	**-3**	**-8 396**
Net book value as at 1 January 2023	**2 003**	**1 661**	**143**	**105**	**870**	**249**	**357**	**1 496**	**12**	**227**	**20**	**7 143**
Additions	27	109	1	45	74	8	--	133	3	300	10	710
Effect of asset acquisition (asset deal)	--	--	52	--	7	--	--	75	--	54	--	188
Disposals	--	-7	-1	--	-5	--	--	--	--	19	-4	2
Transfers	1	42	--	--	42	--	--	10	--	-82	-13	--
Current year depreciation	-96	-307	--	-25	-61	-25	-88	-181	-5	-40	--	-828
Impairment of assets*)	--	5	--	--	11	--	-166	2	--	--	1	-147
Change in value	--	196	--	1	--	3	--	--	2	--	--	202
Effect of currency translation	--	-17	--	--	-4	--	-11	-1	--	-2	--	-35
Net book value as at 31 December 2023	**1 935**	**1 682**	**195**	**126**	**934**	**235**	**92**	**1 534**	**12**	**476**	**14**	**7 235**
Acquisition cost as at 31 December 2023	**3 678**	**5 394**	**218**	**181**	**1 823**	**280**	**301**	**3 871**	**24**	**476**	**17**	**16 263**
Accumulated depreciation and impairment as at 31 December 2023	**-1 743**	**-3 712**	**-23**	**-55**	**-889**	**-45**	**-209**	**-2 337**	**-12**	**--**	**-3**	**-9 028**

In 2023, the major additions to tangible assets include capitalised oil and gas wells and wells in progress or not put in use, which are part of tangible assets under construction. The impairment of property, plant and equipment in 2023 was primarily related to oil and gas assets held in Ukraine.

In 2023, no borrowing costs were capitalised due to insignificance.

*) see Note 10 for more information on the impairment of non-current assets

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

16. Intangible assets

Apart from goodwill and other intangible assets with an indefinite useful life, intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date they are available for use.

The estimated useful lives for the current and comparative periods are as follows:

Software	2-7 years
Licences	2-20 years
Other intangible assets	3-10 years

Licences mainly comprise purchased exploration licences.

Software and other intangible assets that are acquired by the Group and have a finite (definite) useful lives are stated at cost less accumulated amortisation and any impairment losses.

2024	Licences	Software	Exploration assets	Intangible assets in progress	Other	Total
Acquisition cost as at 1 January 2024	**109**	**274**	**359**	**26**	**27**	**795**
Accumulated depreciation and impairment at 1 January 2024	**-31**	**-243**	**-359**	**--**	**-1**	**-634**
Net book value as at 1 January 2024	**78**	**31**	**--**	**26**	**26**	**161**
Additions	11	4	107	19	50	191
Transfers	6	19	--	-25	--	--
Disposals	--	--	--	--	-27	-27
Current year amortisation	-7	-27	--	--	--	-34
Effect of currency translation	-2	--	--	--	--	-2
Net book value as at 31 December 2024	**86**	**27**	**107**	**20**	**49**	**289**
Acquisition cost as at 31 December 2024	**123**	**322**	**459**	**20**	**50**	**974**
Accumulated depreciation and impairment as at 31 December 2024	**-37**	**-295**	**-352**	**--**	**-1**	**-685**

2023	Licences	Software	Exploration assets	Intangible assets in progress	Other	Total
Acquisition cost as at 1 January 2023	**120**	**254**	**359**	**21**	**25**	**779**
Accumulated depreciation and impairment as at 1 January 2023	**-31**	**-233**	**-359**	**--**	**-1**	**-624**
Net book value as at 1 January 2023	**89**	**21**	**--**	**21**	**24**	**155**
Additions	1	19	--	14	12	46
Transfers	--	9	--	-9	--	--
Disposals	--	--	--	--	-10	-10
Current year amortisation	-8	-18	--	--	--	-26
Effect of currency translation	-4	--	--	--	--	-4
Net book value as at 31 December 2023	**78**	**31**	**--**	**26**	**26**	**161**
Acquisition cost as at 31 December 2023	**109**	**274**	**359**	**26**	**27**	**795**
Accumulated depreciation and impairment as at 31 December 2023	**-31**	**-243**	**-359**	**--**	**-1**	**-634**

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

17. Equity-accounted investees

	Ownership share	31 December 2024	31 December 2023
MND Gas Storage a.s. (formerly Moravia Gas Storage a.s.)	50%	--	745
Nano Advanced s.r.o.	60%	57	--
Nano Advanced Electrolysis s.r.o.	60%	--	--
Oriv Windpark LLC	49.99%	87	--
Participation in the Anshof silent partnership	30%	51	26
Equity accounted investees		**195**	**771**

Investments in joint ventures are accounted for using the equity method. Equity-accounted investees are not publicly traded companies, therefore publicly quoted prices of their shares are not available.

In 2024 and 2023, the Group did not receive any dividends from the joint ventures.

The silent partnerships Anshof and AT-I do not have legal personality, they represent interests in the business activities of ADX VIE GmbH related to the Anshof oil and gas production licence and the ADX-AT-I exploration licence in Upper Austria. The Group's share of the loss of the Anshof silent partnership and the impairment of the asset in 2024 amounted to -185 million.

The Group's share of profit in Oriv Windpark LLC and the increase in the value of the asset in 2024 amounted to CZK 21 million.

On 9 February 2024, the Group increased its shareholding in Moravia Gas Storage a.s. from 50% to 97.37% by subscribing for new shares. This resulted in the acquisition of control and the company has been fully consolidated since that date. Subsequently, on 25 June 2024, the Group acquired the remaining 2.63% stake, increasing its ownership to 100%. On 1 July 2024, the subsidiary was renamed MND Gas Storage a.s. This was a purchase of a company that does not constitute a business combination and is not subject to IFRS 3.

On 4 June 2024, the Group acquired a 60% interest in NANO Advanced s.r.o. On 4 June 2024, it also acquired a 60% interest in NANO Advanced Electrolysis s.r.o. On 21 June 2024, the Group acquired a 49.99% interest in Oriv Windpark LLC.

Oriv Windpark LLC	**31 December 2024**
Non-current assets	1 231
Current assets	121
Non-current liabilities	-1 254
Current liabilities	-218
Net assets (100%)	*-120*
Group’s share (49.99%)	*-60*
Fair value adjustment	*147*
Carrying amount of interest in joint venture	**87**
Revenue	125
Depreciation	-33
Interest income	130
Interest expense	-150
Income tax (current and deferred)	--
Profit after tax (100%)	42
Group's share of the joint venture's profit or loss (50%)	**21**

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The Group had the following receivables, payables and recognised the following income and expenses in respect of equity-accounted investees:

	31 December 2024 / 2024	31 December 2023 / 2023
Current and non-current receivables	407	38
Current and non-current liabilities	40	1
Revenue, other operating income and other finance income	12	24
Materials and energy used, services, other operating costs and other finance costs	108	7

18. Other non-current investments

	31 December 2024	31 December 2023
Non-current restricted cash	1	4
Non-current debt securities - at amortised cost	599	42
Total other non-current investment	**600**	**46**

Non-current restricted cash represents funds held in a bank account to cover statutory provisions for renewal and restoration. Non-current restricted debt securities represent government bonds worth CZK 599 million to cover statutory provisions for renewal and restoration.

19. Trade and other receivables

Non-current trade and other receivables	31 December 2024	31 December 2023
Non-current loans	407	310
Non-current trade receivables	1	--
Non-current refundable deposits	22	--
Non-current receivables - financial	**430**	**310**
Non-current contract costs	110	98
Non-current trade advances	1	--
Non-current prepaid expenses	30	12
Non-current receivables - other	**141**	**110**
Total non-current trade and other receivables	**571**	**420**

The credit quality of non-current trade and other receivables is described in Note 30(b) Credit risk.

Current trade and other receivables	31 December 2024	31 December 2023
Current trade receivables	974	1 103
Current refundable deposits	440	531
Current loans	--	3
Other current receivables	16	735
Current receivables - financial	**1 430**	**2 372**
Current trade advances	1 167	669
Current prepaid expenses	61	56
Current receivables from other taxes	41	84
Current contract costs	59	47
Current receivables - other	**1 328**	**856**
Total current trade and other receivables	**2 758**	**3 228**

Current receivables overdue as at 31 December 2024 amounted to CZK 59 million (31 December 2023: CZK 41 million). The allowance for receivables as at 31 December 2024 amounted to CZK 190 million (31 December 2023: CZK 125 million).

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Other current receivables in 2024 include a receivable from a member of the settlement system in the amount of CZK 0 million (2023: CZK 676 million).

Financial assets with an increase in credit risk are included in Stage 3 and a 100% allowance is made.

The amount of the allowance is described in the table below and in Note 30(b) Credit risk.

As at 31 December 2024	Stage 1	Stage 2	Stage 3	Provision matrix	Impairment allowance	Net carrying amount
Current receivables - financial	**3**	**--**	**48**	**1 617**	**-238**	**1 430**
Current trade receivables	3	--	--	1 154	-183	974
Current loans to non-group companies	--	--	48	--	-48	--
Current refundable deposits	--	--	--	440	--	440
Other current receivables	--	--	--	23	-7	16
Non-current receivables - financial	**430**	**--**	**--**	**--**	**--**	**430**
Non-current loans to related parties	407	--	--	--	--	407
Non-current refundable deposits	22	--	--	--	--	22
Other non-current receivables	1	--	--	--	--	1
Total	**433**	**--**	**48**	**1 617**	**-238**	**1 860**

As at 31 December 2023	Stage 1	Stage 2	Stage 3	Provision matrix	Impairment allowance	Net carrying amount
Current receivables - financial	**47**	**--**	**36**	**2 450**	**-161**	**2 372**
Current trade receivables	7	--	--	1 214	-118	1 103
Current loans to related parties	3	--	--	--	--	3
Current loans to non-group companies	--	--	36	--	-36	--
Current refundable deposits	1	--	--	530	--	531
Other current receivables	36	--	--	706	-7	735
Non-current receivables - financial	**308**	**--**	**--**	**--**	**--**	**308**
Non-current loans	286	--	--	--	--	286
Non-current refundable deposits	21	--	--	--	--	21
Other non-current receivables	1	--	--	--	--	1
Total	**355**	**--**	**36**	**2 450**	**-161**	**2 680**

20. Other current financial assets

	31 December 2024	31 December 2023
Other current financial assets	3 240	4 262
Total other current financial assets	**3 240**	**4 262**

Other current financial assets comprise receivables relating to cash-pooling contracts with KKCG Structured Finance AG.

This item is not considered a cash equivalent and is presented as part of investing activities in the statement of cash flows.

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21. Inventories

Inventories required for providing operating services are measured at the lower of cost and net realisable value.

The cost of inventories comprises the purchase price and costs directly associated with the acquisition. Acquisition costs are reduced with rebates, trade discounts, and other similar items. Interest on loans received to acquire inventories (borrowing costs) is not capitalised.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

Inventories of gas in underground gas storages are measured at fair value less costs to sell. Changes in the fair value less cost to sell of these inventories are recognised in the profit or loss from operating activities as Gain/Loss from trading in commodity contracts.

Work in progress and own products are measured at own cost, which also includes the appropriate part of production overheads determined based on normal operating capacity. Selling costs are not capitalised.

	31 December 2024	**31 December 2023**
Material	314	334
Goods	869	606
Own products	39	24
Work in progress and semi-finished products	6	7
Advances for inventories	2	7
Total inventories	**1 230**	**978**

In 2024, material includes an allowance of CZK 14 million (2023: CZK 13 million).

Goods include gas for trading, measured at fair value of CZK 859 million (2023: CZK 597 million).

22. Cash and cash equivalents

	31 December 2024	**31 December 2023**
Cash at bank	1 139	1 228
Fixed-term deposits (less than 90 days)	--	474
Total cash and cash equivalents	**1 139**	**1 702**

Cash equivalents represent excess cash at accounts of clearing system members.

23. Equity

	31 December 2024	**31 December 2023**
Share capital	1 000	1 000

The parent company’s share capital consists of 50 000 ordinary certificated registered shares with a nominal value of CZK 20 000 per share. The share capital has been fully paid-up. All shares have the same rights and no restrictions.

As at 15 August 2018, the imposition of negative pledge on Company’s shares was entered in the Commercial Register.

Other capital contributions arose as a result of the shareholder’s monetary contributions of a shareholder in order to strengthen the Group's equity capital and a non-monetary contribution of an 80% share in MND Ukraine a.s. from the parent company MND Group AG.

The Group presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

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The payment of dividends to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which the dividend is approved by the Company's shareholders.

Earnings per share

Profit (+) / loss (-) attributable to ordinary shareholders	**2024**	**2023**
Net profit (+) / loss (-) attributable to ordinary shareholders	557	802
Net profit (+) / loss (-) attributable to ordinary shareholders	**557**	**802**

Weighted average number of ordinary shares	**Number of shares**	**Weight**	**2024**	**2023**
Issued ordinary shares at 1 January	50 000	1	50 000	50 000
Issued ordinary shares at 31 December	50 000	1	50 000	50 000
Weighted average number of ordinary shares at 31 December	50 000	1	50 000	50 000
Basic earnings (+) / loss (-) per share for the year (in CZK thousands)			**11**	**16**
Diluted earnings (+) / loss (-) per share for the year (in CZK thousand)			**11**	**16**

24. Non-controlling interests

At the date of a business combination, non-controlling interests are accounted for at their proportionate share of the acquiree’s identifiable net assets, which are generally measured at fair value.

In 2024, the Group had the following non-controlling interests:

Consolidated statement of financial position as at 31 December 2024	**MND Ukraine a.s. subgroup**
Non-current assets	1 147
Current assets	185
Non-current liabilities	-48
Current liabilities	-105
Net assets attributable to the group	1 179
Percentage of non-controlling interest	20.00%
Carrying amount of non-controlling interest	**236**
Consolidated statement of comprehensive income for 2024	
Revenue	520
Profit (+) /loss (-) for the period	77
Other comprehensive income	-23
Total comprehensive income	54
Percentage of non-controlling interest	20.00%
Profit or loss attributable to non-controlling interest	**15**
Other comprehensive income attributable to non-controlling interest	**-4**
Total comprehensive income or loss attributable to non-controlling interest	**11**

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

In 2023, the Group had the following non-controlling interests:

Consolidated statement of financial position as at 31 December 2023	MND Ukraine a.s. subgroup
Non-current assets	685
Current assets	533
Non-current liabilities	-43
Current liabilities	-50
Net assets attributable to the group	1 125
Percentage of non-controlling interest	20.00%
Carrying amount of non-controlling interest	**225**
Consolidated statement of comprehensive income for 2023	
Revenue	547
Profit (+) /loss (-) for the period	19
Other comprehensive income	-55
Total comprehensive income	-36
Percentage of non-controlling interest	20.00%
Profit or loss attributable to non-controlling interest	**4**
Other comprehensive income attributable to non-controlling interest	**-11**
Total comprehensive income or loss attributable to non-controlling interest	**-7**

25. Loans and bonds issued

The Group has the following non-derivative financial liabilities: trade and other payables, interest-bearing loans and borrowings, bonds issued and lease liabilities. These financial liabilities, other than financial liabilities at fair value through profit or loss, are recognised initially on the settlement date at fair value plus any directly attributable transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

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

Current and non-current loans are initially recognised at fair value and subsequently measured at amortised cost. A part of non-current loans due within one year of the end of the period are recognised as current loans.

This note provides an overview of the contractual terms and conditions governing interest-bearing loans and borrowings of the Group.

Non-current bank loans and bonds	31 December 2024	31 December 2023
Non-current bank loans	163	221
Non-current borrowings from companies outside the Group	27	41
Bonds issued - non-current portion	2 197	2 193
Total non-current loans and bonds	**2 387**	**2 455**

Current loans and bonds	31 December 2024	31 December 2023
Current bank loans	87	--
Current portion of non-current bank loans	1 080	76
Other current borrowings	19	17
Overdrafts	5	57
Bonds issued - current portion	2	2
Total current loans and bonds	**1 193**	**152**

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Non-current borrowings from companies outside the Group represent a long-term loan from a non-banking entity. The loan was taken out to finance the acquisition of a drilling rig.

Based on the terms and conditions of loans and bonds, the Group companies must maintain specific financial debt covenants. As at 31 December 2024 and 31 December 2023, the Group companies fulfilled these covenants.

Bank loans

Bank loans are due as follows:

	31 December 2024	31 December 2023
Due within 1 year	1 167	76
Due within 1-5 years	62	116
Due in more than 5 years	101	105
	1 330	**297**

Loans taken out by the Group are secured by land, buildings and equipment in the total amount of CZK 380 million (31 December 2023: CZK 390 million), inventories of CZK 254 million (31 December 2023: CZK 629 million), receivables of CZK 704 million (31 December 2023: CZK 917 million) and bank accounts of CZK 207 million (31 December 2023: CZK 393 million).

Loan interest rates are based on PRIBOR, EURIBOR, and a margin that ranges from 1.0% to 2.75% (2023: 1.30% - 2.30%).

As at 31 December 2024, the total amount of the Group's undrawn credit facilities is CZK 83 million (2023: CZK 0 million).

The transactional currencies of loans, bonds and borrowings as at 31 December 2024 are EUR and CZK. The balance of loans denominated in EUR is CZK 1,295 million (2023: CZK 413 million) and the balance denominated in CZK is CZK 2,286 million (2023: CZK 2 194 million).

Bonds issued

On 3 March 2022, the Group issued unsecured bearer bonds MND VAR/27 in book-entry form, which were admitted to trading on the regulated market of the Prague Stock Exchange under ISIN CZ0003538183. These bonds have floating interest rate of 3M PRIBOR + 2.8% p. a. and will mature on 3 March 2027. Bond coupons are paid out quarterly in arrears. The nominal value of one bond is CZK 3 million. The total nominal value of the issue is CZK 2 202 million. The emission of bonds was issued in the Czech Republic in compliance with Czech law. 450 bonds with a nominal value of CZK 1 350 million were subscribed in exchange for MND VAR/22 bonds, and 284 bonds with a nominal value of CZK 852 million was subscribed for cash. The funds raised were used to repay the remaining MND VAR/22 bonds maturing in November 2022.

Reconciliation of movements in non-current and current loans and bonds issued to cash flows:

	2024	2023
Balance at 1 January	**2 607**	**4 773**
Cash flows		
Drawdown of loans and borrowings	31	1 399
Repayment of loans and borrowings	-534	-3 674
Interest paid from previous years (-)	-6	-7
Non-cash changes		
Effect of asset acquisition (asset deal)	1 467	112
Unpaid interest for the current period	6	6
Foreign exchange differences recognised in profit or loss	4	-2
Other non-cash transactions	5	--
Balance at 31 December	**3 580**	**2 607**

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

26. Lease liabilities

Lease liabilities

	31 December 2024	31 December 2023
Lease liabilities - non-current	701	292
Lease liabilities - current	120	44
Total lease liabilities	**821**	**336**

Reconciliation of movements in lease liabilities to cash flows:

	2024	2023
Balance at 1 January	**336**	**317**
Cash flows		
Payment of lease liabilities	-124	-44
Non-cash changes		
Recognition of lease liabilities and lease modifications	609	63
Balance at 31 December	**821**	**336**

For detail of right of use assets see the asset table in Note 15.

27. Trade and other payables

Non-current trade and other payables	**31 December 2024**	**31 December 2023**
Other non-current liabilities	42	61
Non-current liabilities - financial	**42**	**61**
Non-current contract liabilities	--	7
Non-current liabilities - other	**--**	**7**
Total non-current trade and other payables	**42**	**68**

All other non-current liabilities are due between 1 and 5 years. In 2023, other non-current liabilities included liabilities arising from gas storage contracts amounting to CZK 53 million.

Current trade and other payables	**31 December 2024**	**31 December 2023**
Trade payables	1 997	1 662
Other current liabilities	209	246
Current payables - financial	**2 206**	**1 908**
Current contract liabilities	661	1 285
Other current payables to the state	191	213
Current payables to employees	188	206
Current deferred income	3	12
Current payables - other	**1 043**	**1 716**
Total current trade and other payables	**3 249**	**3 624**

Current overdue trade payables as at 31 December 2024 and 2023 amounted to CZK 0 million. Other current liabilities include liabilities arising from gas storage contracts amounting to CZK 127 million (2023: CZK 205 million). In 2024, other current liabilities include a liability to a settlement system member of CZK 57 million (2023: CZK 0 million).

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28. Derivative financial instruments

The Group uses derivative financial instruments mainly for trading in electricity, gas and emissions allowances and to hedge the currency, interest and commodity risks. When the hedge accounting requirements are fulfilled, derivatives are designated and recognised as “Hedging derivatives”.

Book value of receivables and payables from derivative financial instruments is as follows:

	31 December 2024			31 December 2023		
	Hedging derivatives	Trading derivatives	**Total**	Hedging derivatives	Trading derivatives	**Total**
Non-current receivables	63	118	**181**	3	431	**434**
Current receivables	156	727	**883**	24	873	**897**
Total receivables from derivative financial instruments	**219**	**845**	**1 064**	**27**	**1 304**	**1 331**
Non-current payables	-3	-86	**-89**	-285	-46	**-331**
Current payables	-63	-477	**-540**	-958	-1 472	**-2 430**
Total payables from derivative financial instruments	**-66**	**-563**	**-629**	**-1 243**	**-1 518**	**-2 761**

All financial derivatives are stated at fair value as at 31 December 2024 (or 31 December 2023) and are classified in Level 2 in the fair value hierarchy (Note 30, section (f)).

Hedging derivatives

All derivative transactions designated as hedging instruments are documented and the effectiveness of individual hedge relationships is evaluated on continuous basis. The Group decided to apply IFRS 9 on 1 January 2023 for the purposes of documentation and reporting of hedge accounting. In this context, the Group has verified that hedge accounting, which was active on 1 January 2023, is in accordance with the requirements of IFRS 9. The requirements of IFRS 9 are applied to all hedging relationships prospectively from 1 January 2023 onwards.

The Group applies hedge accounting if:

- the hedge is in line with the Group’s risk management strategy,
- the hedge relationship is formally documented at the inception of the hedge,
- an economic relationship is expected to exist between the hedging instrument and the hedged item throughout its duration,
- for cash flow hedges, a forecast transaction is highly probable and presents an exposure to variations in cash flows that could affect profit or loss.

The hedging documentation contains information about the following:

- hedging instruments,
- hedge effectiveness, and hedged items and risks that are being hedged,
- evaluation method of the effectiveness related to the hedging.

Changes in the fair value of the derivative hedging instrument or designated non-derivative financial liability designated as a cash flow hedge are recognised directly in the other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss for the period.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, then the associated gains and losses that were recognised in other comprehensive income are included in the initial cost or other carrying amount of the asset or liability.

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In other cases, the amount recognised in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss. Those items are reclassified and recognised in the statement of comprehensive income on the following lines:

- In the case of hedge of interest rate risk, in Financial costs
- In the case of hedge of future oil sales, in Revenue
- In the case of hedge of electricity purchases for end-customers, in Consumption of materials and goods

As part of the cash flow hedge of future gas purchases for end customers, the amount recognised in other comprehensive income is included in the initial measurement of purchased gas at the date of the commodity delivery or is recognised in the Consumption of materials and goods.

If cash flows relating to recognised foreign currency receivables are hedged by other hedging instruments (e.g. designating foreign currency payables as the hedging instruments), the accounting treatment is the same as the treatment for hedging with financial derivatives. Derivatives are initially recognised at fair value.

The hedge ratio is 1:1, i.e. the nominal value of the hedging derivative is the same as the nominal value of the hedged commodity purchases.

The Group applies the so-called "all-in-one" hedge, whereby the derivative is used to hedge the risk associated with the delivery of the commodity expected at the maturity date of the derivative. Therefore, the hedging instrument is matched to the hedged item and therefore the Group expects the hedge to be fully effective at all times.

The Group held the following hedging derivatives:

31 December 2024	**Year of maturity**	**Nominal value**	**Average hedged rate**	**Fair value**
Interest rate swaps	2025	40	1.13%	14
Commodity forward, gas	2025	1 126	45.22 EUR/MWh	97
Commodity forward, gas	2026	289	42.51 EUR/MWh	63
Commodity forward, electricity	2025	321	103.90 EUR/MWh	41
Commodity swaps, crude oil	2025	140	75.10 USD/bbl	4
Total receivables from hedging derivatives				**219**
Interest rate swaps	2034	2	2.92%	-2
Interest rate swaps	2027	67	3.18%	-2
Commodity forwards, electricity	2025	469	99.23 EUR/MWh	-46
Currency forward	2025	359	23.43 CZK/USD	-10
Commodity swap	2025	219	71.18 USD/bbl	-6
Total payables from hedging derivatives				**-66**
Total hedging financial derivatives				**153**

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31 December 2023	Year of maturity	Nominal value	Average hedged rate	Fair value
Interest rate swaps	2025	91	0.5%	2
Currency forwards	2024	226	22.74 CZK/USD	3
Commodity swaps, crude oil	2025	19	84.02 USD/bbl	3
Commodity swaps, crude oil	2024	207	84.02 USD/bbl	19
Total receivables from hedging derivatives				**27**
Commodity forwards, gas	2025	564	54.82 EUR/MWh	-148
Commodity forwards, electricity	2025	456	124.91 EUR/MWh	-137
Commodity forwards, gas	2024	1 322	47.94 EUR/MWh	-463
Commodity forwards, electricity	2024	1 293	140.70 EUR/MWh	-495
Total payables from hedging derivatives				**-1 243**
Total hedging financial derivatives				**-1 216**

*The nominal value of the commodity swaps and forwards represents hedged quantity of the commodity multiplied by the contract price. In the case of crude oil, the quantity is expressed in barrels, in the case of gas and electricity quantity is stated in MWh.

Both in 2024 and 2023, the revaluation of commodity hedging derivatives for each of the hedging relationships was recognised in other comprehensive income. In 2024, there were no reclassifications from the hedge reserve to the income statement, nor were there any reclassifications to the initial cost of inventory.

Hedge accounting criteria were fulfilled as at 31 December 2024 (31 December 2023 respectively) for all of the above-mentioned derivatives hedging interest rate, currency, and commodity risk. These derivatives were classified as "Hedging derivatives". Hedging relationships were effective in both periods and the Group did not identify any ineffective portion of changes in the fair value of hedging derivatives that would be recognised in profit or loss.

Trading derivatives

Besides the hedging derivatives, the Group held the derivatives for trading as they do not fulfil the hedge accounting criteria as at 31 December 2024 and 31 December 2023. These derivatives are classified as “Trading derivatives” and recognised in fair value.

The Group had the following trading financial derivatives:

2024	Maturity year	Fair value
Commodity forwards	2026	445
Commodity futures	2026	305
Currency forwards	2025	4
Interest rate swaps	2027	91
Total receivables from trading derivatives		**845**
Commodity forwards	2026	-483
Commodity futures	2025	-31
Currency forwards	2025	-49
Total payables from trading derivatives		**-563**
Total trading financial derivatives		**282**

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2023	**Maturity year**	**Fair value**
Commodity forwards	2026	925
Commodity futures	2024	122
Currency forwards	2025	69
Interest rate swaps	2027	188
Total receivables from trading derivatives		**1 304**
Commodity forwards	2024	-1 242
Commodity futures	2025	-256
Currency forwards	2024	-20
Total payables from trading derivatives		**-1 518**
Total trading financial derivatives		**-214**

The Group held trading derivatives in the form of currency forwards, currency swaps, interest rate swaps, and commodity forwards, futures, and swaps. Fair value was determined using a market comparison technique with inputs based on the same level of the fair value hierarchy.

29. Provisions

Provision for decommissioning, renewals, and restoration

The Group recognises a provision for renewal and restoration of land affected by oil and gas production as well as for the decommissioning of assets. The amount of the provision represents the best estimate of the expenditure required to settle the obligation at the end of the reporting period. The provision is adjusted to reflect the current estimate at the end of the period. These estimates of costs incurred on decommissioning of assets, renewal and restoration of land are based on current prices and expected inflation and are discounted using the market risk-free interest rate.

Actual costs incurred during the reporting period for decommissioning, renewal and restoration may differ from estimates due to changes in regulations or technologies, increases in labour costs, increases in prices of raw materials and equipment or the time required to complete decommissioning, renewal and restoration, or changes in the inflation rate or long-term real interest rates.

The initial discounted costs associated with the decommissioning of property, plant and equipment are recognised as part of property, plant and equipment and are depreciated over the estimated useful life of that asset.

The Group also recognises provisions for other liabilities of uncertain timing or value.

	Provision for decommissioning, renewals and restoration	Other provisions	Total
Balance as at 1 January 2024	**1 835**	**3**	**1 838**
Additions	18	1	19
Effect of new acquisitions	34	--	34
Utilisation	-101	-3	-104
Unwinding of discount	73	--	73
Change in value	-44	--	-44
Effect of currency translation	-1	--	-1
Balance as at 31 December 2024	**1 814**	**1**	**1 815**
Thereof:			
Non-current provisions	1 711	--	1 711
Current provisions	103	1	104

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For 2024, interest rates in the range of 3.53% - 3.76% p.a. were used. In calculating provisions, the expected inflation of 2.5% was taken into account. The Group expects that related costs will be incurred between 2025 and 2055.

	Provision for decommissioning, renewals and restoration	Other provisions	Total
Balance as at 1 January 2023	**1 623**	**24**	**1 647**
Additions	14	1	15
Utilization	-81	-22	-103
Unwinding of discount	70	--	70
Change in value	210	--	210
Effect of currency translation	-1	--	-1
Balance as at 31 December 2023	**1 835**	**3**	**1 838**
Thereof:			
Non-current provisions	1 747	--	1 747
Current provisions	88	3	91

For 2023, interest rates in the range of 4.04% - 4.11% p.a. were used. In calculating provisions, the expected inflation of 3% was taken into account. The Group expected the costs would be incurred between 2024 and 2054.

30. Risk management

(a) Financial risk management and financial instruments

This section describes in detail the financial and operational risks the Group is exposed to and its risk management methods. Risk management is one of the core components of MND Group corporate governance. The main focus is placed on quantifying risks the Group is exposed to in the market (the risk of changes in foreign exchange rates, interest rates and commodity prices) and the credit risk. The Group's risk management strategy concentrates on minimising potential negative impacts on the Group's financial results.

The principal role of the Group's risk management is to identify risks, determine a risk measurement method, quantify and analyse risk exposure, define a hedging strategy and the hedging implementation as such. The overall responsibility for setting up the Group's risk management system and supervising its operation rests with the Board of Directors. With regard to the diversity of operations and the corresponding risks, the management of each Group company is responsible for setting up and monitoring risk management policies.

Main financial instruments used by the Group include bank loans, bonds and derivatives. The principal task of these financial instruments is to acquire necessary funds to finance Group companies' operations and hedge risks arising from the Group operations.

The most significant financial risks the Group is exposed to are market risks (the risk of changes in commodity prices, currency risk, interest rate risk and credit risk, in case an important business partner or a customer does not fulfil its contractual obligations). These risk management processes are approved and monitored by the top management of individual Group companies.

Group companies entered into derivative transactions (currency forwards, currency swaps, interest rate swaps and commodity forwards, futures and swaps) with the aim to manage the risk of exchange rate, interest rate and commodity price fluctuations.

The Group is also exposed to interest rate risk that is reflected by the cash flow sensitivity and profit or loss on interest rates changes. Interest rate risk is mostly managed and hedged by using interest rate swaps.

The Group is also exposed to liquidity risk. Liquidity risk is managed within the Group based on data about necessity of free resources and it is monitored through risk management and in cooperation with the company´s finance department. Apart from the cash flow report that is additionally simulated for various scenarios the Group also uses a system to monitor receivables and payables, diversification of liquidity resources and daily monitoring.

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(b) Credit risk

Credit risk is a risk of financial loss to the Group if a customer or counterparty to a transaction fails to meet its contractual obligations, such as payment, acceptance of a commodity or service for a pre-arranged price, failure to deliver the agreed commodity or service.

The Group trades primarily with highly rated partners. The Group follows the principle that all customers that want to use credit facilities undergo procedures for credit risk assessment that is applied by using own scoring model. The Group continuously monitors the balance of receivables on an individual and aggregate level.

MND Group companies generate revenue from the sale of oil, gas and electricity, the trade in gas and electricity, the provision of services connected with operation of underground gas storages and the drilling activities. All business counterparties are subject to individual analysis of creditworthiness, and they are assigned a credit limit. Credit limits are approved by the risk management committee based on external rating, if available, or based on internal risk assessment guidelines. Risk exposure is monitored for each counterparty on a daily basis, taking into consideration potential future impact. In relevant cases, the Group also requires the counterparty to provide a bank guarantee or its parent company’s guarantee, an advance payment or credit support instrument with the aim to minimise the credit risk.

The total credit risk of the trading portfolio is monitored on an ongoing basis and calculated based on the expected loss, i.e., each counterparty is assigned internal credit rating with estimated probability of default. The expected loss is calculated by product of the default probability, the percentage of loss from a given exposure in the case of default and exposure to a counterparty at a given moment.

With respect to the credit risk arising from the Group’s financial assets, comprising cash and cash equivalents and financial derivatives, the credit risk arises from a failure of the counterparty to discharge their obligations, where the maximum credit risk amount corresponds with the carrying amount of these instruments. The risk is mitigated by cooperating with reputable local and international banks and by diversifying the portfolio.

For the calculation of credit exposure and the free trading limit, VaR at the 95% confidence level for holding period of 10 days is also taken into account in terms of credit risk calculation. The Risk Manager monitors credit exposure on a daily basis and, if necessary, makes remedial arrangements even in cooperation with the Risk Management Committee.

Credit risk by counterparty type

As at 31 December 2024	**Companies (non-financial institutions)**	**State, government**	**Financial institutions**	**Individuals**	**Total**
Assets					
Non-current receivables - financial	430	--	--	--	430
Non-current receivables from derivative instruments	70	--	111	--	181
Other non-current financial assets	--	600	--	--	600
Other current financial assets	2 898	--	342	--	3 240
Current receivables - financial	1 375	--	1	54	1 430
Current receivables from derivative instruments	321	--	562	--	883
Cash and cash equivalents	204	1	934	--	1 139
Total	**5 298**	**1**	**2 550**	**54**	**7 903**

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As at 31 December 2023	Companies (non-financial institutions)	State, government	Financial institutions	Individuals	Total
Assets					
Non-current receivables - financial	307	--	--	1	308
Non-current receivables from derivative instruments	303	--	131	--	434
Other non-current financial assets	--	42	4	--	46
Other current financial assets	4 262	--	--	--	4 262
Current receivables - financial	1 573	1	--	798	2 372
Current receivables from derivative instruments	768	--	129	--	897
Cash and cash equivalents	--	207	1 495	--	1 702
Total	**7 213**	**250**	**1 759**	**799**	**10 021**

Credit quality of financial assets at amortised cost

The Group classifies the financial assets into the credit quality classes. Class 1 consists of high-quality financial assets that do not have any indicators of impairment and fulfils the definition for "low credit risk". In this case, the Group does not recognise any allowance. Class 2 consists of all other financial assets. In Class 2, an allowance of CZK 238 million was recognised in 2024 (2023: CZK 161 million). A detailed breakdown of the allowance for doubtful debts is provided in Note 19.

The movement in the impairment allowances is shown in the following table:

	Stage 1	Stage 2	Stage 3	Provision matrix	Total
Balance as at 1 January 2024	**--**	**--**	**-36**	**-125**	**-161**
Opening balance adjustment	--	--	-11	--	**-11**
Additions – increase of allowance	--	--	--	-163	**-163**
Reversals – amount unused	--	--	--	68	**68**
Write-offs – receivables written off during the year as uncollectible	--	--	--	30	**30**
Effect of currency translation	--	--	-1	--	**-1**
Balance as at 31 December 2024	**--**	**--**	**-48**	**-190**	**-238**

	Stage 1	Stage 2	Stage 3	Provision matrix	Total
Balance as at 1 January 2023	**--**	**--**	**-34**	**-47**	**-81**
Additions – increase of allowance	--	--	--	-107	**-107**
Reversals – amount unused			--	1	**1**
Write-offs – receivables written off during the year as uncollectible	--	--	--	29	**29**
Effect of currency translation	--	--	-1	-1	**-2**
Effect of investments disposals	--	--	-1	--	**-1**
Balance as at 31 December 2023	**--**	**--**	**-36**	**-125**	**-161**

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Impairment matrix for current financial receivables as at 31 December 2024:

	Gross carrying amount	Expected credit loss rate	Expected credit loss allowance	Net carrying amount
Due	**1 366**	**0.00%**	**--**	**1 366**
Current trade receivables	912	0.00%	--	912
Current refundable deposits	440	0.00%	--	440
Other current receivables	14	0.00%	--	14
Past due < 90 days	**36**	**16.67%**	**-6**	**30**
Current trade receivables	35	17.14%	-6	29
Other current receivables	1	0.00%	--	1
Past due 91-180 days	**47**	**72.34%**	**-34**	**13**
Current trade receivables	46	73.91%	-34	12
Other current receivables	1	0.00%	--	1
Past due 181-365 days	**57**	**75.44%**	**-43**	**14**
Current trade receivables	55	74.55%	-41	14
Other current receivables	2	100.00%	-2	--
Past due >365 days	**111**	**96.40%**	**-107**	**4**
Current trade receivables	106	96.23%	-102	4
Other current receivables	5	100.00%	-5	--
Total	**1 617**	**11.75%**	**-190**	**1 427**

Impairment matrix for current financial receivables as at 31 December 2023:

	Gross carrying amount	Expected credit loss rate	Expected credit loss allowance	Net carrying amount
Due	**2 283**	**0.00%**	**--**	**2 283**
Current trade receivables	1 055	0.00%	--	1 055
Current refundable deposits	530	0.00%	--	530
Other current receivables	698	0.00%	--	698
Past due <90 days	**31**	**9.68%**	**-3**	**28**
Current trade receivables	30	10.00%	-3	27
Other current receivables	1	0.00%	--	1
Past due 91-180 days	**17**	**64.71%**	**-11**	**6**
Current trade receivables	16	62.50%	-10	6
Other current receivables	1	100.00%	-1	--
Past due 181-365 days	**31**	**77.42%**	**-24**	**7**
Current trade receivables	30	76.67%	-23	7
Other current receivables	1	100.00%	-1	--
Past due >365 days	**88**	**98.86%**	**-87**	**1**
Current trade receivables	83	98.80%	-82	1
Other current receivables	5	100.00%	-5	--
Total	**2 450**	**5.10%**	**-125**	**2 325**

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Credit risk by countries (by the counterparty's registered office)

Non-current and current receivables - financial, non-current and current receivables from derivative instruments, non-current restricted cash, other current financial assets, cash and cash equivalents	**31 December 2024**	**31 December 2023**
Czech Republic	3 047	3 854
Switzerland	2 960	3 923
United Kingdom	709	1 027
Ukraine	520	795
Germany	138	260
Liechtenstein	81	--
Hungary	39	13
Austria	37	65
Slovakia	21	9
France	10	62
Denmark	8	2
Luxembourg	3	4
Latvia	2	--
Italy	--	7
Other countries	--	--
Total	**7 575**	**10 021**

Offsetting of receivables and liabilities from trading in gas and electricity

Offsetting in the balance sheet

The Company trades gas and electricity under EFET framework contracts. These contracts allow offsetting receivables and liabilities during their payment and also offsetting at early termination of a contract. Trade receivables and payables from these contracts were recognised in the balance sheet on a net basis after offsetting.

Potential offsetting

Receivables and liabilities from derivative transactions include the remeasurement of commodity contracts that are considered financial instruments. With respect to these contracts there is a possibility of offsetting at early termination of a contract where the receivables and liabilities with the originally different maturity can be offset. This potential offsetting was not recognised in the balance sheet and is recorded in the column "Potential offsetting".

As at 31 December 2024	**Gross amount before offsetting**	**Offsetting on the balance sheet**	**Net amount on the balance sheet**	**Potential offsetting**	**Amount after potential offsetting**
Assets					
Non-current receivables from derivative instruments	1 250	-1 069	181	-17	**164**
Current receivables from derivative instruments	9 451	-8 568	883	-157	**726**
Current receivables	2 453	-1 062	1 391	--	**1 391**
Total	**13 154**	**-10 699**	**2 455**	**-174**	**2 281**
Liabilities					
Non-current liabilities from derivative instruments	1 158	-1 069	89	-43	
Current liabilities from derivative instruments	9 108	-8 568	540	-131	**409**
Current liabilities	2 007	-1 062	945	--	**945**
Total	**12 273**	**-10 699**	**1 574**	**-174**	**1 400**

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As at 31 December 2023	Gross amount before offsetting	Offsetting on the balance sheet	Net amount on the balance sheet	Potential offsetting	Amount after potential offsetting
Assets					
Non-current receivables from derivative instruments	2 309	-1 875	434	-3	**431**
Current receivables from derivative instruments	26 342	-25 445	897	-74	**823**
Current receivables	6 084	-3 652	2 432	--	**2 432**
Total	**34 735**	**-30 972**	**3 763**	**-77**	**3 686**
Liabilities					
Non-current liabilities from derivative instruments	2 206	-1 875	331	-5	**326**
Current liabilities from derivative instruments	27 875	-25 445	2 430	-72	**2 358**
Current liabilities	4 943	-3 652	1 291	--	**1 291**
Total	**35 024**	**-30 972**	**4 052**	**-77**	**3 975**

(c) Market risk

Market risk is the risk of changes in the value of assets, liabilities and cash flows denominated in foreign currencies due to changes in foreign exchange rates, interest rates and commodity prices. The Group has implemented policies and methodologies for monitoring and hedging these risks to which it is exposed.

i. Currency risk

The MND Group is exposed to currency risk as a result of its foreign currency transactions. These risks arise from purchases and sales in other than functional currency of companies in the Group (CZK, EUR, and UAH).

Group companies monitor currency risks on an ongoing basis and assess possible impact of changes in foreign exchange rates on Group transactions. A significant part of foreign currency exposure is hedged naturally, i.e. revenue and expenses are denominated in the same foreign currency, or by using currency forwards or swaps.

Group companies are exposed to currency risk from the sale of oil in USD, from the sale of gas, electricity, and other energy commodities in EUR. Group companies are exposed to currency risk from received non-current loans denominated in EUR that are not hedged against currency risk since the Group companies expect that the loans will be repaid from revenues in EUR from drilling services and from cross-currency swap.

ii. Commodity risk

For the purposes of commodity risk management, the Group monitors separately commodity trading, which is carried out within MND a.s., and activities related to energy supplies to end customers, which are carried out by the entity MND Energie a.s.

Commodity trading

As a part of trading activities, the price risk is monitored on a daily basis by observing market prices, mark-to-market and value-at-risk (VaR) of the open positions and is subject to approved limits for individual risk indicators. The exposure to market risk, within the limits approved by the board of directors and the Risk Management Committee, depends on the market conditions and expectations. All risk limits are monitored and reviewed on a regular basis.

VaR is the primary metric used to assess the risk of the Group's open trading positions. It is calculated using the Monte Carlo simulation method at a 99% confidence level with a two-day holding period. Furthermore, the total utilization of risk capital must not exceed the total risk capital for speculative trading, which was CZK 296 million in 2024. We calculate the risk on all individual commodities within speculative trading using VaR metrics, both at the level of individual trader positions and in aggregate. The VaR at the end of the year was CZK 5 million. The average

VaR in 2024 was CZK 19 million. These calculations do not include the risk arising from energy supply activities to end customers (see description below).

Supply of energy to end customers

As part of its activities, the Group provides natural gas and electricity supply services to end customers. For the purposes of managing the risks arising from this activity, the Group has a long-term commodity purchasing strategy based on which the Group makes purchases in the form of forwards and futures on wholesale markets. An important part of this strategy is the regular performance of predictions and analyses of end customer portfolio consumption.

The Group's purchasing strategy reflects the structure of its customer portfolio:

- for customers with open ended contracts with the possibility of changing the contractual price, the Group purchases continuously. For a given year, the Group purchases in a period of several years in advance up to the day before;
- for customers with fixed price lists, the Group purchases the expected consumption of the commodity for the entire period of the price fixation, at or near the time when customer contracts are concluded;
- for more dynamic acquisition price lists with flexible prices (i.e. the contract price may change), the Group purchases the expected consumption of the commodity for a period of several months in advance.

Since January 2023, the Group has been applying hedge accounting for forward purchases of gas and electricity with physical delivery in 2025-2026, which are concluded for the purpose of hedging supplies to end customers and that meet the requirements for hedge accounting according to IFRS 9. The accounting effects of the application of hedge accounting are described in more detail in Note 28.

Oil and gas production

Changes in commodity prices represent significant risk for MND Group. In 2024, lower oil prices of USD 1 per barrel would cause a decrease in profit before tax of approximately CZK 11 million, assuming no hedging. Similarly, the impact of the appreciation of the CZK against the US dollar by CZK 1 would result in a decrease in profit before tax by CZK 37 million, assuming no hedging. Conversely, an increase in oil prices or a depreciation of the CZK against the US dollar would have a positive impact on the operating result in the same amount. In 2024, lower prices of natural gas from own production by EUR 1/MWh would reduce profit before tax by approximately CZK 38 million without hedging. An appreciation of the CZK against the euro by CZK 1 would result in a decrease in profit before tax of CZK 74 million, assuming no hedging. Conversely, an increase in natural gas prices or a depreciation of the CZK against the euro would have a positive impact on the operating profit in the same amount.

Currency risk analysis

As at 31 December 2024 and 31 December 2023, the Group was exposed to foreign exchange risk arising from the denomination of financial assets and liabilities in a currency other than the functional currency in which they are measured. Foreign currency denominated intercompany receivables and payables are included in sensitivity analysis for foreign exchange risk. These balances are eliminated in consolidated balance sheet but their effect on profit or loss of their currency revaluation is not fully eliminated. Therefore, the total amounts of exposure to foreign exchange risk do not equal to respective items reported on consolidated statement of financial position.

Receivables and payables denominated in a currency other than the Group's functional currency are presented in the table below:

As at 31 December 2024	**EUR**	**USD**	**CZK**	**Other**	**Total**
Non-current receivables - financial	400	--	--	--	400
Non-current receivables from derivative instruments	181	--	--	--	181
Non-current financial assets	--	--	--	--	--
Other current financial assets	363	--	--	--	363
Current receivables - financial	462	14	--	--	476
Current receivables from derivative instruments	879	4	--	--	883
Cash and cash equivalents	653	16	--	1	670
Total assets	**2 938**	**34**	**--**	**1**	**2 973**
Non-current loans and interest-bearing borrowings	-190	--	--	--	-190
Non-current liabilities from derivative instruments	-89	--	--	--	-89
Other non-current liabilities	--	--	--	--	--
Current loans and interest-bearing borrowings	-1 104	--	--	--	-1 104
Current payables - financial	-381	-4	--	--	-385
Current liabilities from derivative instruments	-524	-16	--	--	-540
Total liabilities	**-2 288**	**-20**	**--**	**--**	**-2 308**
Total	**650**	**14**	**--**	**1**	**665**

As at 31 December 2023	**EUR**	**USD**	**CZK**	**Other**	**Total**
Non-current receivables - financial	299	--	--	--	299
Non-current receivables from derivative instruments	432	2	--	--	434
Non-current financial assets	--	--	--	--	--
Other current financial assets	1 487	--	--	--	1 487
Current receivables - financial	1 091	7	--	--	1 098
Current receivables from derivative instruments	875	22	--	--	897
Cash and cash equivalents	438	3	--	1	442
Total assets	**4 622**	**34**	**--**	**1**	**4 657**
Non-current loans and interest-bearing borrowings	-262	--	--	--	-262
Non-current liabilities from derivative instruments	-331	--	--	--	-331
Other non-current liabilities	--	--	--	--	--
Current loans and interest-bearing borrowings	-152	--	--	--	-152
Current payables - financial	-1 007	-9	-2	-2	-1 020
Current liabilities from derivative instruments	-2 430	--	--	--	-2 430
Total liabilities	**-4 182**	**-9**	**-2**	**-2**	**-4 195**
Total	**440**	**25**	**-2**	**-1**	**462**

Currency risk sensitivity analysis

As at 31 December 2024, the potential appreciation (depreciation) of EUR or USD against CZK could impact the measurement of financial instruments denominated in the foreign currency and gas inventories denominated in EUR and impact profit or loss by an amount disclosed in the following table. This analysis assumes that all other variables remain constant.

	Profit or loss	
Effect reported in millions of CZK	10% appreciation + profit/ - loss	10% depreciation + profit/ - loss
2024		
EUR	151	-151
USD	1	-1

Effect reported in millions of CZK	Profit or loss 10% appreciation + profit/ - loss	10% depreciation + profit/ - loss
2023		
EUR	104	-104
USD	3	-3

iii. Interest rate risk

The Group is exposed to the risk of interest rate fluctuations primarily as a result of bank loans with floating interest rate. The Group continuously monitors the development in financial markets and based on the current situation decides whether loans will be drawn with either floating or fixed interest rate. The risk of increase in interest rates is monitored on an ongoing basis and if necessary, the application of standard tools for risk elimination (interest rate swap) is considered.

Non-current bonds of MND a.s. and non-current loans of MND Drilling & Services a.s. were issued and concluded with a floating interest rate, but the interest rate risk of these loans and bonds was hedged by interest rate swaps.

Interest rate swaps are concluded with the hedge ratio set at 1:1 so that all derivative conditions correspond with the hedged risk of cash flow changes due to floating interest rates. Potential hedge ineffectiveness can also be caused only by swap illiquidity or the counterparty's credit risk.

The Group conducted an interest rate risk sensitivity analysis using a standardised interest rate shock, which means that an immediate increase/decrease in interest rates of 1 percentage point (ceteris paribus) is applied to the portfolio's interest rate positions. A rate increase of 1 percentage point would mean a decrease in profit by CZK 1 million (2023: CZK 1 million) and a rate cut of 1 percentage point would mean an increase in profit by CZK 1 million (2023: CZK 1 million) in the period of the next twelve months.

(d) Liquidity risk

Liquidity risk represents the possibility that the Group might not be able to fulfil its payment obligations primarily relating to amounts payable to the providers of bank loans and borrowings.

The Group monitors the risk of having insufficient funds on an ongoing basis by managing liquidity and monitoring the maturity of debts and investments, other assets and the expected cash flows from its operations.

The Group holds sufficient disposable liquid resources, i.e., cash, cash equivalents and current financial assets in currencies in which future cash needs are expected. To maintain liquidity, the Group uses bank loans and borrowings.

The Group uses proprietary IT tools for liquidity management, valuation of financial instruments and for trading and risk management purposes.

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

The following table shows the Group's financial assets and liabilities by maturity:

As at 31 December 2024	Carrying amount	Contractual cash flows	1 year or less	1 - 5 years	More than 5 years	Undefined maturity/on demand
Assets						
Non-current financial assets	600	600	--	599	--	1
Non-current receivables - financial	430	555	--	555	--	--
Non-current receivables from derivative instruments *	181	385	--	385	--	--
Other current financial assets	3 240	3 240	3 240	--	--	--
Current receivables - financial	1 430	1 430	1 430	--	--	--
Current receivables from derivative instruments *	883	1 756	1 756	--	--	--
Total	**6 764**	**7 966**	**6 426**	**1 539**	**--**	**1**
Cash and cash equivalents	**1 139**	**1 139**	**--**	**--**	**--**	**1 139**
Liabilities						
Non-current loans and interest-bearing borrowings	-3 580	-3 769	-1 279	-2 389	-101	--
Non-current lease liabilities	-701	-820	--	-595	-225	--
Non-current liabilities - financial	-42	-42	--	-42	--	--
Non-current liabilities from derivative instruments *	-89	-187	--	-101	-86	--
Current lease liabilities	-120	-152	-152	--	--	--
Current liabilities - financial	-2 206	-2 206	-2 206	--	--	--
Current liabilities from derivative instruments *	-540	-2 615	-2 615	--	--	--
Total	**-7 278**	**-9 791**	**-6 252**	**-3 127**	**-412**	**--**
Net balance - liquidity risk (financial assets and liabilities)	**625**	**-686**	**174**	**-1 588**	**-412**	**1 140**
Non-bank guarantees	--	--	--	--	--	--
Net balance - liquidity risk (including off-balance sheet)	**625**	**-686**	**174**	**-1 588**	**-412**	**1 140**

* Contractual cash flows from derivative instruments represent payments made or received by the Group. The Group simultaneously receives or provides consideration for these transactions.

The following table details the maturity breakdown of derivative instruments up to 1 year at 31 December 2024:

Due	< 3 months	3-6 months	6-9 months	9-12 months	Total
Income from derivative instruments	909	279	224	344	1 756
Expenditure on derivative instruments	-1 006	-570	-517	-522	-2 615
Net cash flow from derivative instruments	**-97**	**-291**	**-293**	**-178**	**-859**

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

as at 31 December 2023	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years	Undefined maturity / on demand
Assets						
Non-current financial assets	46	47	--	43	--	4
Non-current receivables - financial	308	335	--	330	5	--
Non-current receivables from derivative instruments *	434	679	--	679	--	--
Other current financial assets	4 262	4 262	4 262	--	--	--
Current receivables - financial	2 372	2 372	2 372	--	--	--
Current receivables from derivative instruments *	897	1 771	1 771	--	--	--
Total	**8 319**	**9 466**	**8 405**	**1 052**	**5**	**4**
Cash and cash equivalents	**1 702**	**1 702**	**--**	**--**	**--**	**1 702**
Liabilities						
Non-current loans and interest-bearing borrowings	-2 607	-2 874	-238	-2 531	-105	--
Non-current lease liabilities	-292	-398	--	-178	-220	--
Non-current liabilities - financial	-61	-61	--	-61	--	--
Non-current liabilities from derivative instruments *	-331	-695	--	-695	--	--
Current lease liabilities	-44	-67	-67	--	--	--
Current liabilities - financial	-1 908	-1 908	-1 908	--	--	--
Current liabilities from derivative instruments *	-2 430	-4 801	-4 801	--	--	--
Total	**-7 673**	**-10 804**	**-7 014**	**-3 465**	**-325**	**--**
Net balance - liquidity risk (financial assets and liabilities)	**2 348**	**364**	**1 391**	**-2 413**	**-320**	**1 706**
Non-bank guarantees	--	--	--	--	--	--
Net balance - liquidity risk (including off-balance sheet)	**2 348**	**364**	**1 391**	**-2 413**	**-320**	**1 706**

* Contractual cash flows from derivative instruments represent payments made or received by the Group. The Group simultaneously receives or provides consideration for these transactions.

The following table details the maturity breakdown of derivative instruments up to 1 year at 31 December 2023:

Due	< 3 months	3-6 months	6-9 months	9-12 months	Total
Income from derivative instruments	1 148	206	206	211	1 771
Expenditure on derivative instruments	-1 798	-998	-1 077	-928	-4 801
Net cash flow from derivative instruments	**-650**	**-792**	**-871**	**-717**	**-3 030**

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

(e) Capital management

The Group's aim is to keep a strong capital base so as to maintain creditor and market confidence and sustain future development of own business.

Group companies are responsible for managing its capital structures and flexible in responding to potential condition changes in financial markets. With the aim to maintain and protect the strong capital basis, group companies may adjust dividend amount or other shareholders' contributions. The Group aims to maintain an optimal ratio of net debt (loans and bonds less current loans for the financing of gas inventory, and cash and cash equivalents) to equity and the level of assets and liabilities utilising the high rating of the Group to obtain low-cost external funds.

	31 December 2024	**31 December 2023**
Bank loans and bonds issued	3 580	2 607
Less cash and cash equivalents and other current financial assets	-4 379	-5 964
Net debt (+)/surplus (-)	**-799**	**-3 357**
Total equity	**10 657**	**9 206**
Net debt to equity ratio	**-0.075**	**-0.365**

(f) Fair value

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value:

	Carrying amount at 31 December 2024		**Fair value at 31 December 2024**		
	Trading derivatives	Hedging derivatives	Level 1	Level 2	Level 3
Financial assets measured at fair value					
Commodity forwards	445	201	--	646	--
Commodity swap	--	4	--	4	--
Commodity futures	305	--	--	305	--
Currency forward	4	--	--	4	--
Interest rate swap	91	14	--	105	--
Financial liabilities measured at fair value					
Commodity forwards	-483	-46	--	-529	--
Commodity futures	-31	--	--	-31	--
Currency forward	-49	-10	--	-59	--
Interest rate swap	--	-4	--	-4	--
Commodity swap	--	-6	--	-6	--

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

	Carrying amount at 31 December 2023		Fair value at 31 December 2023		
	Trading derivatives	Hedging derivatives	Level 1	Level 2	Level 3
Financial assets measured at fair value					
Commodity forwards	925	--	--	925	--
Commodity swap	--	22	--	22	--
Commodity futures	122	--	--	122	--
Currency forward	69	3	--	72	--
Interest rate swap	188	2	--	190	--
Financial liabilities measured at fair value					
Commodity forwards	-1 242	-1 243	--	-2 485	--
Commodity futures	-256	--	--	-256	--
Currency forward	-20	--	--	-20	--

Inventory of gas for trading was measured at fair value of CZK 859 million as at 31 December 2024 under Level 2 (31 December 2023: CZK 597 million).

The fair values of financial derivatives fulfil the criteria of level 2 in compliance with the IFRS 13 hierarchy (the fair values are derived from market quotations of forward exchange rates, commodity prices and yield curves, however the financial derivatives are not directly traded in active financial markets)

In 2024 and 2023, there were no transfers between individual levels of the fair value hierarchy.

31. Related parties

Payroll expenses, bonuses and other personnel expenses incurred in respect of key employees of the Group are disclosed in the following table:

	2024		2023	
	Board of directors and supervisory board	Executive Management	Board of directors and supervisory board	Executive Management
Payroll expenses	--	33	--	22
Social security and health insurance expenses	6	6	2	5
Remuneration of the board members	41	--	10	--
Total	**47**	**39**	**12**	**27**

The MND Group is part of the consolidation group of KKCG AG based in Switzerland. All transactions with related parties are carried out under standard market terms.

Related party balances as at 31 December 2024 and 31 December 2023:

	31 December 2024	31 December 2023
Non-current trade and other receivables	2	2
Current trade and other receivables	6	45
Current loans provided	--	3
Other current financial assets	3 240	4 262
Total receivables	**3 248**	**4 312**
Current trade and other payables	54	42
Total liabilities	**54**	**42**

Other current financial assets include a receivable of CZK 3,234 million (2023: CZK 4,205 million) from KKCG Structured Finance AG under cash pooling contracts (see Note 20). Receivables, payables, income and expenses from the joint ventures are disclosed in Note 17.

Consolidated financial statements for the year ended 31 December 2024 (in millions of CZK)

Related party transactions for the period ended 31 December 2024 and 31 December 2023:

	2024	2023
Revenue and other operating income	24	90
Interest income	19	18
Other finance income	146	227
Total revenue	**189**	**335**
Consumption of materials and goods	1	--
Services used	436	382
Other operating costs	--	6
Total costs	**437**	**388**

Expenses charged by related parties include in particular the lease of drilling rigs (MND Drilling Germany GmbH), services provided in connection with drilling operations (MND Germany GmbH) and marketing services (Mindsquared a.s.).

Revenue recognised in respect of related parties include in particular the sale of gas and electricity (Sazka a.s.) and financial income from cash pooling contracts (KKCG Structured Finance AG).

32. Items not recognised in the statement of financial position

The Group records issued non-bank guarantees for liabilities of related companies in the amount of CZK 246 million (2023: CZK 242 million). Of this amount, CZK 123 million (2023: CZK 121 million) were issued in favour of the State of Hesse in Germany in connection with the provision of natural gas storage services by MND Energy Storage Germany GmbH in Germany. This liability is fully offset by a financial guarantee issued by MND Group AG in favour of the Group.

The Group records bank guarantees received in the amount of CZK 35 million (2023: CZK 1 million) for liabilities of the Group's customers.

33. Significant subsequent events

There have been no events after the balance sheet date that would have a significant impact on the consolidated financial statements as at 31 December 2024.

Date:	Signature of the statutory body:	
16 May 2025	Ing. Miroslav Jestřabík Member of the Board of Directors	Ing. Jiří Ječmen Member of the Board of Directors

V. Separate financial statements of MND a.s. as at 31 December 2024

prepared in accordance with IFRS accounting standards as adopted by the European Union

Note

The financial statements have been prepared in the Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of the financial statements takes precedence over the English version.

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

STATEMENT OF COMPREHENSIVE INCOME	Note	2024	2023
Revenue	4	24 914	54 376
Other operating income	5	45	671
Total income		**24 959**	**55 047**
Materials and goods used	6	-22 668	-51 606
Services used	6	-584	-885
Personnel expenses	7	-456	-426
Depreciation, amortisation and impairment	8	-604	-512
Other operating expenses	9	-709	-463
Result from operating activities		**-62**	**1 155**
Interest income	10	67	88
Other finance income	10	692	98
Finance costs	10	-477	-442
Result from financing activities		**282**	**-256**
Profit before tax		**220**	**899**
Income tax	11	21	-251
Profit for the year		**241**	**648**
Items that are, or may later be, reclassified to profit or loss:			
Change in fair value of hedging instruments, net of tax		-9	20
Change in fair value of hedging instruments reclassified to profit or loss, net of tax		-20	--
Other comprehensive income/loss for the year, net of tax	12	**-29**	**20**
Total comprehensive income for the year		**212**	**668**
Earnings per share:	21		
Basic earnings / loss (-) per share (in CZK thousands)		4.82	12.96
Diluted earnings / loss (-) per share (in CZK thousands)		4.82	12.96

The notes form an integral part of these separate financial statements.

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

SEPARATE STATEMENT OF FINANCIAL POSITION	Note	31 December 2024	31 December 2023
Assets			
Land		245	228
Buildings and structures		716	744
Oil and gas wells		1 047	1 375
Machinery and equipment		469	410
Other tangible fixed assets and assets under construction		318	304
Property, plant and equipment	*13*	*2 795*	*3 061*
Intangible assets	14	23	26
Investments in subsidiaries	15	5 214	4 518
Investments in joint ventures and associates	15	--	451
Non-current trade and other receivables	17	429	329
Non-current receivables from derivative financial instruments	25	187	716
Other non-current investments	16	600	46
Non-current financial assets		*6 430*	*6 060*
Deferred tax asset	11	151	117
Total non-current assets		**9 399**	**9 264**
Inventories	19	1 014	848
Current trade and other receivables	17	1 468	2 525
Income tax receivables		243	299
Current receivables from derivative financial instruments	25	904	1 935
Other current financial assets	18	886	1 506
Cash and cash equivalents	20	675	666
Total current assets		**5 190**	**7 779**
Total assets		**14 589**	**17 043**

The notes form an integral part of these separate financial statements.

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

Separate statement of financial position (continued)	Note	31 December 2024	31 December 2023
Liabilities and equity			
Equity			
Share capital	21	1 000	1 000
Capital contributions and other reserves		1 411	1 440
Retained earnings and profit/loss for the current period		5 913	5 792
Equity attributable to the shareholders of the Company		*8 324*	*8 232*
Total equity		**8 324**	**8 232**
Liabilities			
Loans and bonds issued - non-current portion	22	2 197	2 193
Non-current lease liabilities	23	340	304
Non-current trade and other payables	24	105	122
Non-current liabilities from derivative financial instruments	25	117	271
Non-current provisions	26	1 620	1 702
Total non-current liabilities		**4 379**	**4 592**
Loans and bonds issued - current portion	22	2	2
Current lease liabilities	23	51	38
Current trade and other payables	24	1 112	1 551
Current liabilities from derivative financial instruments	25	620	2 540
Current provisions	26	101	88
Total current liabilities		**1 886**	**4 219**
Total liabilities		**6 265**	**8 811**
Total equity and liabilities		**14 589**	**17 043**

The notes form an integral part of these separate financial statements.

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

Separate statement of changes in equity

2024	Share capital	Other contributions and reserves	Hedging reserve	Retained earnings	Profit (+) /loss (-) for the year	Total equity
Balance at 1 January 2024	**1 000**	**1 420**	**20**	**5 144**	**648**	**8 232**
Profit or loss for 2024	--	--	--	--	241	241
Other comprehensive income/loss	--	--	-29	--	--	-29
Total comprehensive income/loss	**--**	**--**	**-29**	**--**	**241**	**212**
Transactions with owners of the Company, reported directly in equity:						
Reallocation of profit for 2023	--	--	--	528	-528	--
Dividends paid	--	--	--	--	-120	-120
Total transactions with owners of the Company, reported directly in equity	--	--	--	528	-648	-120
Balance at 31 December 2024	**1 000**	**1 420**	**-9**	**5 672**	**241**	**8 324**

2023	Share capital	Other contributions and reserves	Hedging reserve	Retained earnings	Profit/loss (-) for the year	Total equity
Balance at 1 January 2023	**1 000**	**1 420**	**--**	**3 362**	**1 782**	**7 564**
Profit or loss for 2023	--	--	--	--	648	648
Other comprehensive income/loss	--	--	20	--	--	20
Total comprehensive income/loss	**--**	**--**	**20**	**--**	**648**	**668**
Transactions with owners of the Company, reported directly in equity:						
Reallocation of profit for 2022	--	--	--	1 782	-1 782	--
Total transactions with owners of the Company, reported directly in equity:	--	--	--	--	--	--
Balance at 31 December 2023	**1 000**	**1 420**	**20**	**5 144**	**648**	**8 232**

The notes form an integral part of these separate financial statements.

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

Separate statement of cash flows	**Note**	**2024**	**2023**
Operating activities			
Net profit (+) / loss (-) for the year		241	648
Adjustments for:			
Interest expense (net of interest income)	10	117	97
Tax expense (+) / income (-)	11	-21	251
Effect of currency translation (gains - / losses +)	10	-38	22
Depreciation of property, plant and equipment	8	543	467
Amortisation of intangible assets	8	11	5
Depreciation of right of use	8	58	50
Impairment of property, plant and equipment	8	-7	-10
Income from dividends and current financial assets	10	-654	-98
Non-cash changes in financial derivatives	25	-543	-976
Non-cash changes in inventories		--	3
Impairment of financial investments	10	185	--
Gain (-) / loss (+) on sale of non-current assets	5	-4	-2
Cash flows from operating activities before changes in working capital and provisions		**-112**	**457**
Increase (+) / decrease (-) in provisions		-139	-68
Increase (-) / decrease (+) in inventories		-166	1 421
Increase (-) / decrease (+) in receivables		1 060	707
Increase (+) / decrease (-) in current liabilities		-418	-268
Cash flows from operating activities		**225**	**2 249**
Interest paid		-114	-118
Income tax paid		-61	-572
Net cash flows from operating activities		**50**	**1 559**

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

Statement of cash flows (continued)	**Note**	**2024**	**2023**
Investing activities			
Proceeds from sale of non-current assets	5	4	2
Profit shares received (dividends) and payments from Other capital funds received	10, 15	594	--
Income from current financial assets	10	60	98
Interest received	10	67	88
Acquisition of property, plant and equipment and intangible assets		-240	-346
Acquisition of non-current financial assets, net of cash acquired		-430	-542
Decrease (+) / increase (-) in current financial assets, net		66	1 173
Cash flows from investing activities		**121**	**473**
Financial activities			
Proceeds from loans and borrowings	22	4	1 209
Loan and loan repayments	22	--	-3 606
Payments of lease liabilities	23	-46	-37
Dividends paid		-120	--
Cash flows from financing activities		**-162**	**-2 434**
Net decrease (-) / increase (+) in cash and cash equivalents		9	-402
Cash and cash equivalents at 1 January	20	**666**	**1 068**
Cash and cash equivalents at 31 December	20	**675**	**666**

The notes form an integral part of these separate financial statements.

Notes to the separate financial statements - Table of contents

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

1. General information about the Company

1.1 Description

MND a.s. ("the Company") was established by its sole founder on 30 September 2008 under the original corporate name ORTOKLAS a.s. The Company was incorporated on 3 November 2008 and is recorded in the Commercial Register maintained by the Regional Court in Brno under file number B 6209. The Company's registered office is at Úprkova 807/6, Hodonín, post code 695 01, identification number 284 83 006.

1.2 Principal activities

The principal business activities of the MND Group are:

- trading in energy commodities;
- exploration and production of oil and natural gas;
- investment in renewable energy sources and the development of new technologies.

1.3 Statutory Body and Supervisory Board of the Company

Composition of the Board of Directors as at 31 December 2024:

Chairman of the Board:	Karel Komárek
Member of the Board of Directors:	Ing. Jiří Ječmen
Member of the Board of Directors:	Ing. Miroslav Jestřabík

Composition of the Supervisory Board as at 31 December 2024:

Chairman of the Supervisory Board:	Ing. Robert Kolář
Member of the Supervisory Board:	Ing. Pavel Šaroch
Member of the Supervisory Board:	JUDr. Josef Novotný

1.4 Sole shareholder of the Company as at 31 December 2024

MND Group AG	100%
Registered office:	Kapellgasse 21, 6004 Lucerne, Switzerland

MND a.s. together with its parent company MND Group AG are part of the consolidation group of KKCG Group AG based in Switzerland. The ultimate owner is VALEA FOUNDATION registered in Liechtenstein, whose designated beneficiary is Karel Komárek.

2. Basis for preparation of financial statements

(a) Statement of compliance

These financial statements have been prepared in accordance with accounting standards IFRS (International Financial Reporting Standards) as adopted by the European Union ("IFRS").

(b) Basis of measurement

The separate financial statements have been prepared on a going concern basis using the historical cost method, unless otherwise stated in the accounting policies.

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

(c) Functional and presentation currency

The functional currency of the Company is the Czech Crown (CZK).

These financial statements are presented in Czech crowns (CZK). All financial information reported in the financial statements is rounded to the nearest millions ("CZK million"), except when otherwise indicated.

(d) New standards effective from 1 January 2024

The preparation of these separate financial statements involved the use of the following new or amended standards and interpretations, whose initial application is required for annual periods beginning on 1 January 2024.

The new standards and the modifications that have been applied are listed in the table below. None of these amendments had a material impact on the Company's financial statements.

Standard/Amendment	Name	IASB effective date	EU effective date	Approved by the EU
Amendment to IAS 1	Classification of liabilities as current or non-current (issued 15 July 2020) Non-current liabilities with covenants (issued 31 October 2022)	01/01/2024	01/01/2024	Yes
Amendment to IFRS 16	Leases - Lease liability in a sale and leaseback (issued 22 September 2022)	01/01/2024	01/01/2024	Yes
Amendments to IAS 7 and IFRS 7	Statement of Cash Flows and Financial Instruments: Disclosure - Supplier Finance Arrangements (issued 25 May 2023)	01/01/2024	01/01/2024	Yes

(e) Standards, interpretations and amendments issued by the European Union but not yet effective

The following new standards, amendments and interpretations have been endorsed by the International Accounting Standards Board (IASB) but were not effective for the period ended December 31, 2024. The Company has not early adopted these standards, amendments and interpretations in preparing these financial statements and will apply them on the effective date set by the IASB, which is expected to coincide with the date of endorsement by the EU. The Company does not expect that the adoption of the above amendments to existing standards will have a material impact on the Company's financial statements.

Standard/Amendment	Name	IASB effective date	EU effective date	Approved by the EU
IFRS 18	Presentation and Disclosure in Financial Statements (issued 9 May 2024)	01/01/2027	Will be identical to the IASB	No*
IFRS 19	Subsidiaries without public accountability: disclosure (released 9 April 2024)	01/01/2027	Not yet approved	No
Amendments to IAS 21	Effects of Changes in Foreign Currency Exchange Rates - Lack of Convertibility (released 15 August 2023)	01/01/2025	01/01/2025	Yes
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments	Amendments to the Classification and Measurement of Financial Instruments (issued 30 May 2024) Renewable electricity contracts (issued 18 December 2024)	01/01/2026	Will be identical to the IASB	No*
Annual Improvements Volume 11	--	01/01/2026	Will be identical to the IASB	No*

* EFRAG expects the endorsement process to be finished before the IASB effective date with the EU effective date coinciding with the IASB effective date.

3. Use of significant accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS requires the use of accounting estimates that affect the reported amounts of assets, liabilities, income and expenses. It also requires the Company management to make assumptions based on its own judgement in applying accounting policies. Consequently, the actual results often differ from these estimates.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are reported in the period in which the estimate is revised, if the revision impacts only this period, or in the revision period and future periods, if the revision impacts the current and future periods.

Judgements that have the most significant effect on the amounts recognised in the separate financial statements and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

- Impairments. Impairment calculations require the use of various estimates and assumptions depending on the business activity of the Company. The most significant estimates influencing the impairment models are commodity prices, oil and gas reserves, future production profiles, gross margins, operating expenses and discount rates (Notes 13 and 14);
- Provision for decommissioning, renewals and restorations. The Company establishes a provision for the renewal and restoration of areas affected by oil and gas extraction and provision for decommissioning of assets. Most of these activities will be performed in the distant future whereas decommissioning technologies, costs and environmental and safety regulations are constantly changing. The most significant estimates entering the provision calculation model are stated above. The Company also includes costs and timing of the decommissioning activities, expected inflation and discount rates (Note 26).

(a) Significant accounting policies

The accounting policies have been applied consistently to all periods presented in these financial statements unless otherwise stated.

These financial statements do not include a description of all accounting policies used. Significant accounting policies are described in the relevant sections of the notes. The financial statements are prepared with a user who has a basic understanding of economics in mind.

(b) Fair value measurement (Note 27)

A number of the Company's accounting policies and disclosures require the determination of the fair value of financial and non-financial assets and liabilities. Further information about the assumptions used in determining fair value is disclosed, where appropriate, in the notes that relate specifically to the asset or liability.

4. Revenue

The Company’s revenue includes in particular revenue from trading in gas and electricity, revenue from the sale of gas and electricity to end customers, revenue from the sale of produced oil and gas, revenue from the sale of goods, and revenue from the provision of services.

The revenue is recognised at the moment the control over goods or services supplied is transferred to the customer in the amount of anticipated consideration that the Company expects it should receive for the goods or services. The Company applies a five-step model defined in IFRS 15 to determine the amount, time and method of revenue recognition. The amount of consideration that the Company expects to be entitled to is the transaction price. In determining the transaction price, the following factors are considered: the estimate of the variable portion of consideration (provided discounts, compensations, bonuses, sanctions and other similar items), the time value of money in case the contract contains a significant financing component, the fair value of potential non-monetary consideration, a portion of value that the customer will not pay (e.g. discount vouchers). The method and moment of revenue recognition depends on the method of control transfer: satisfaction of obligation at a point in time is reported at the moment the control over goods or services is transferred, satisfaction of obligation over time is recognised over the period during which the entity satisfies performance obligation. The Company measures revenue from satisfaction of obligation over time using the input method, i.e. the revenue is reported based on expenses incurred on satisfying the obligation in relation to the total expected expenses, with the exception of revenue from the sale of gas and electricity to end customers that is measured using the output method, as described below.

Contract costs

The Company provides sales agents with commissions as remuneration for activities that lead to obtaining new customers for the sale of gas and electricity. The costs of acquiring a contract are recognised if an entitlement to the commission arises at the moment the contract with the customer is actually obtained and the commission would not be paid had the contract not been obtained. Capitalised contract costs are subsequently recognised in profit or loss over the term of the contract or over 5 years for contracts for an indefinite period.

Sale of oil

The Company sells produced and purchased oil to its customers based on annual or long-term contracts on oil supplies. Customers obtain control over the product at a place agreed for product delivery. The Company classifies revenue as satisfaction of obligation over time that is recognised for a calendar month depending on the actual volume of supplies. Contracts do not contain a financing component, because the invoices are payable within 30 days.

Sale of electricity and gas to end customers

The sale of gas and electricity to end customers is carried out based on contracts on combined gas or electricity supply services which include the supply of the commodity itself together with distribution services. Distribution services are provided to the Company by local distribution companies. The access to these services and their prices is regulated. The prices for distribution services form part of the price for combined services provided to the customers. The Company recognises the full amount of revenue for services, including the portion of distribution services, because it provides these services for itself (i.e. the Company is the principal).

The services of gas and electricity supplies for corporate customers are usually invoiced once per month or quarter, based on the actual consumption ascertained at consumption reading. Customers pay advances at a fixed amount on a monthly basis. Uninvoiced supplies of gas and electricity are recognised as contract assets. Advances received are recognised as contract liabilities.

When concluding a contract, the price for services can contain a variable consideration as a result of discounts provided to customers. Discounts are provided from list prices, and the customers are charged with the prices less discounts.

The Company classifies revenue as satisfaction of obligation over time. The Company recognises revenue using the output method based on the estimated energy supplies. Contracts do not contain a significant financing component because of the advances payment scheme and delivery performed within a short period of time.

Revenues from trading in gas and electricity

Trading in gas and electricity is carried out based on framework contracts concluded under the EFET standard with other gas and electricity traders. Customers obtain control over the commodity at a delivery point which usually means a virtual point of the given gas or electricity grid. The Company classifies revenue as satisfaction of obligation over time that is recognised for a calendar month depending on the actual volume of supplies. Contracts do not contain a financing component, because the invoices are issued within a short period of time after the commodity is delivered and the invoices are payable within 30 days.

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

Revenue from ordinary transactions is recognised using agreed selling prices. Revenue from derivative commodity contracts that are settled by physical delivery is recognised at fair value of the given commodity at the beginning of the period of physical delivery.

The following tables show the breakdown of total revenue for each segment by major type of goods, products or services and by revenue recognition by timing:

2024 **Revenue by main type of goods, products or services**	**Exploration and production of oil and gas**	**Trading in gas and electricity, gas storage**	**Revenue**
Revenue from trading in gas	**--**	19 937	**19 937**
Revenue from trading in electricity	--	2 519	**2 519**
Revenue from the sale of gas to end customers	**--**	1	**1**
Revenue from the sale of electricity to end customers	--	39	**39**
Revenue from the sale of produced oil	874	--	**874**
Revenue from the sale of produced gas	1 359	--	**1 359**
Revenue from the provision of services	82	86	**168**
Revenue from the sale of goods	16	--	**16**
Revenue from the sale of products	1	--	**1**
Total revenue	**2 332**	**22 582**	**24 914**

2023 **Revenue by main type of goods, products or services**	**Exploration and production of oil and gas**	**Trading in gas and electricity, gas storage**	**Revenue**
Revenue from trading in gas	--	44 790	**44 790**
Revenue from trading in electricity	--	6 536	**6 536**
Revenue from the sale of gas to end customers	--	48	**48**
Revenue from the sale of electricity to end customers	--	211	**211**
Revenue from the sale of produced oil	833	--	**833**
Revenue from the sale of produced gas	1 663	--	**1 663**
Revenue from the provision of services	79	197	**276**
Revenue from the sale of goods	11	8	**19**
Total revenue	**2 586**	**51 790**	**54 376**

Revenue based on geographical position of a point of sale	**2024**	**2023**
Czech Republic	7 667	16 734
Germany	6 516	15 371
Netherlands	--	5
Luxembourg	1 313	3 113
Switzerland	3 105	6 163
Denmark	625	288
Austria	586	2 143
Slovakia	--	84
Ukraine	9	6
United Kingdom	5 030	10 469
Other	63	--
Total revenue	**24 914**	**54 376**

All revenue was recognised over time in accordance with the timing of performance obligations.

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

In 2024, the Company reported revenue of CZK 4,843 million (2023: CZK 17,218 million) for one customer. This revenue was allocated to the Trading in gas and electricity, gas storage segment.

The remaining performance obligations relate to the contracts whose initial expected duration is one year or less, or to the contracts concluded for an indefinite period with a notice period shorter than 1 year, therefore the Company does not disclose their value.

In 2024, CZK 12 million was recognised (2023: CZK 17 million) in revenue from the value of contract liabilities as at 31 December 2023 (Note 24).

5. Other operating income

	2024	2023
Income from grants	4	15
Gain on sale of non-current assets	4	2
Income from leases	22	21
Gain from trading in commodity contracts	--	543
Remaining operating income	15	90
Total other operating income	**45**	**671**

6. Consumption of materials, goods and services

	2024	2023
Cost of goods sold	6	12
Cost of sale of gas and electricity to end customers	28	202
Cost of trading in gas and electricity	22 428	51 163
Materials and energy used	206	229
Total materials and goods used	**22 668**	**51 606**
Services used relating to revenue	443	677
Lease expenses	4	15
Other services	149	190
Change in product and work in progress inventories	-12	3
Total services used	**584**	**885**
Total consumption of materials, goods and services	**23 252**	**52 491**

Services used relating to revenue include primarily the costs of drilling work, abandonment of wells and land restoration.

Other services include cost of services provided by a statutory auditor; this information is disclosed in the consolidated financial statements.

7. Personnel expenses

	2024	2023
Payroll expenses	338	314
Social security and health insurance expenses	98	95
Other social expenses	20	17
Total personnel expenses	**456**	**426**

The average number of employees in 2024 was 325 (2023: 310 employees).

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

8. Depreciation, amortisation and impairment

	2024	2023
Depreciation of property, plant and equipment (Note 13)	544	467
Reversals of (-) / Impairment (+) of property, plant and equipment (Note 13)	-7	-10
Amortisation of intangible assets (Note 14)	10	5
Depreciation of right of use (Note 13)	57	50
Total depreciation, amortisation and impairment	**604**	**512**

9. Other operating costs

The Company enters into commodity trading contracts for the purpose of generating a profit from short-term price fluctuations or traders' margin. The Company systematically settles similar contracts on a net basis. The net settlement is realised either through exchange-traded instruments or via bilateral agreements by entering into offsetting contracts or through the sale of a contract prior to settlement. These contracts typically require no initial net investment and are settled at future dates thereby meeting the definition of derivative contracts. Simultaneously, they can no longer qualify for exemption applied for physical purchase and sale of non-financial asset because they are exchange-traded or routinely net settled as described above.

Delivery of the commodity under commodity contracts is recognised either in inventory, or in revenue and cost of sales at fair value of the commodity, when the commodity is delivered.

Changes in the fair value of commodity and currency derivative financial instruments are recognised in the profit or loss from operating activities.

	2024	2023
Repairs and maintenance	187	208
Travel expenses	5	4
Fees	129	98
Other taxes	2	1
Insurance premiums	9	8
Release of allowances for receivables	--	-1
Loss from trading in commodity contracts	350	--
Other overhead operating expenses	27	145
Total other operating costs	**709**	**463**

The most significant part of the fees represents charges for produced oil and gas of CZK 86 million (2023: CZK 57 million) and fees for mining and exploration areas in the amount of CZK 41 million (2023: CZK 38 million).

	2024	2023
Profit from trading in commodity contracts	3 122	4 382
Loss from trading in commodity contracts	-3 472	-3 839
Net Profit/Loss (-) from trading in commodity contracts	**-350**	**543**

10. Finance income and expenses

Finance income comprises interest income on funds invested, gains on the disposal of financial assets, changes in the fair value of financial assets at fair value through profit or loss, unless these are commodity derivative financial instruments and derivatives held-for-trading arising from forward contracts for the purchase or sale of gas and electricity, foreign exchange gains, and gains from hedging instruments recognised in profit or loss.

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

Finance expenses comprise interest expense on loans and borrowings, unwinding of discount on provisions, foreign exchange losses, changes in the fair value of financial assets at fair value through profit or loss, unless these are commodity derivative financial instruments and derivatives held-for-trading arising from forward contracts for the purchase or sale of gas and electricity, losses from the impairment of financial assets and losses from hedging instruments that are recognised in profit or loss.

	2024	2023
Interest income	67	88
Total interest income	**67**	**88**
Dividend income	594	--
Income from current financial assets	60	98
Gain from foreign exchange transactions	38	--
Total finance income	**692**	**98**
Interest expense	-158	-160
Interest expense on leases	-26	-24
Other finance costs	-108	-162
Impairment of financial investments	-185	-74
Loss from foreign exchange transactions	--	-22
Total finance costs	**-477**	**-442**
Net finance income/expense	**282**	**-256**

11. Taxation

Income tax expense is recognised in the statement of comprehensive income, apart from deferred tax recognised directly in equity.

Current tax includes the tax estimate calculated from the taxable income for the year using tax rates valid at the reporting date, and any adjustment to tax payable in respect of previous years.

Income tax

	2024	2023
Current tax expense		
Current year	--	167
Changes in estimates relating to the previous year	4	25
Total current tax expense	**4**	**192**
Deferred tax	-25	59
Total income tax (expense + / income -)	**-21**	**251**

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

Reconciliation of effective tax rate

	2024		2023	
Profit or loss before tax	**220**		**899**	
Income tax using the applicable tax rate	46	21.0%	171	19.0%*
Effect of different current and deferred tax rates; effect of changes in tax rate and windfall profits tax	25	11.36%	57	6.3%
Effect of tax non-deductible expenses	44	20.0%	16	1.8%
Effect of tax-exempt income	-133	-60.5%	-17	-1.9%
Donations for charitable purposes	--	0.0%	-2	-0.22%
Tax relating to prior periods	-4	-1.8%	25	2.8%
Other effects	1	0.5%	1	0.11%
Total income tax / Effective tax rate	**-21**	**-9.5%**	**251**	**27.9%**

* Tax rate applicable in the Czech Republic until 31 December 2023

Deferred tax

The deferred tax has been calculated using a tax rate of 21% (the tax rate for 2024 onwards).

The deferred tax for 2023 has been calculated using the expected average tax rate over the period of application of the temporary differences, taking into account the basic corporate tax rate of 21% and a 60% tax rate on windfall profits. For 2024 and subsequent years, a tax rate of 21% is used as no tax liability is expected to arise in respect of windfall profits tax.

The tax on windfall profits is determined in accordance with the relevant provisions of Act No. 586/1992 Coll., on Income Taxes, as amended. The tax amounts to 60% of the tax base, which is the difference between the compared tax base and the average of the adjusted comparative tax bases. The compared tax base is the tax base before the application of items reducing the tax base and deductible items or tax loss for individual periods of effectiveness of tax on windfall profits. The adjusted comparative tax base is the tax base before the application of items reducing the tax base and deductible items or the tax loss for the entire periods in 2018–2021 increased by an absolute value of 20%.

Based on the financial outlook, the Company expects that it will be able to utilise the deferred tax asset against future profits.

Change in deferred tax

2024	Balance as at 1 January 2024	Change 2024		Balance as at 31 December 2024
	Deferred tax asset (+) / liability (-)	Recognised in profit or loss	Recognised in other comprehensive income	Deferred tax asset (+) / liability (-)
Deferred tax asset (+) /liability (-)	**117**	**26**	**8**	**151**
Property, plant and equipment	-123	-28	--	-151
Derivative financial instruments	-19	14	8	3
Inventories	16	-14	--	2
Total liabilities	9	87	--	96
Provisions	234	-33	--	201

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

2023	Balance as at 1 January 2023	Change 2023		Balance as at 31 December 2023
	Deferred tax asset (+) / liability (-)	Recognised in profit or loss	Recognised in other comprehensive income	Deferred tax asset (+) / liability (-)
Deferred tax asset (+)/liability (-)	**181**	**-59**	**-5**	**117**
Property, plant and equipment	-159	36	--	-123
Derivative financial instruments	142	-156	-5	-19
Inventories	-141	157	--	16
Total liabilities	20	-11	--	9
Provisions	319	-85	--	234

On the basis of EU Council Directive 2022/2523 on ensuring a global minimum level of effective taxation for multinational groups of enterprises and large domestic groups, Act No. 416/2023 Coll., on top-up taxes for large multinational groups and large domestic groups, was adopted. Top-up taxes aim to stop cross-country competition for different corporate tax rates by introducing a single minimum tax rate to ensure a level playing field for entities around the world and to allow countries to better protect their tax bases. Top-up taxes will be levied if the calculated effective tax rate in a given state is less than 15%. The payer of the top-up tax is a group company whose consolidated annual revenues reported in the consolidated financial statements of the ultimate parent entity amount to EUR 750 million in at least 2 of the 4 reporting periods immediately preceding the given tax period.

The company expects not to become a top-up taxpayer in the immediately following period. Top-up tax was not taken into account in the calculation of deferred tax.

12. Other comprehensive income

	2024	2023
Change in fair value of hedging instruments, before tax	-12	25
Change in fair value of hedging instruments - deferred tax	3	-5
Change in fair value of hedging instruments, after tax	**-9**	**20**
Change in fair value of hedging instruments transferred to profit/loss, before tax	-25	--
Change in fair value of hedging instruments transferred to profit/loss - deferred tax	5	--
Change in fair value of hedging instruments transferred to profit/loss after tax	-20	--
Total other comprehensive income	**-29**	**20**

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

13. Property, plant and equipment

Property, plant and equipment consists of buildings and structures, oil and gas wells, production machinery, machinery and equipment, information technology, motor vehicles, fixtures and fittings and other property, plant and equipment. Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Property, plant and equipment are depreciated on a straight-line basis. Land is not depreciated. Right of use assets are depreciated over the shorter of the useful life of the asset and the lease term, unless the title to the asset transfers at the end of the lease term, in which case depreciation is over the useful life.

The estimated useful lives for the individual categories of property, plant and equipment are as follows:

Buildings and halls	20-50 years
Structures	20-30 years
Oil and gas wells	expected production period
Machinery and equipment	3-15 years
Information technology	3-6 years
Motor vehicles	4-10 years
Inventory	3-14 years
Other property, plant and equipment	4-12 years

The oil and gas wells and related property are being depreciated for its estimated production life which ranges from 3 to 25 years and is based on expected length of production of hydrocarbons.

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

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

2024	Wells	Land	Right of use land	Buildings and structures	Right of use buildings and structures	Machinery and equipment	Right of use machinery and equipment	Tangible assets under construction	Other tangible assets	**Total**
Acquisition cost as at 1 January 2024	**5 242**	**127**	**177**	**1 246**	**283**	**1 336**	**2**	**290**	**17**	**8 720**
Accumulated depreciation and impairment as at 1 January 2024	**-3 867**	**-23**	**-53**	**-743**	**-42**	**-926**	**-2**	**--**	**-3**	**-5 659**
Net book value as at 1 January 2024	**1 375**	**104**	**124**	**503**	**241**	**410**	**--**	**290**	**14**	**3 061**
Additions	116	3	41	0	12	48	38	106	12	**376**
Disposals	--	-1	--	-1	-1	-4	--	-9	--	**-16**
Transfers	--	--	--	27	--	67	--	-94	--	**--**
Current year depreciation	-411	--	-26	-41	-29	-91	-2	--	-1	**-601**
Reversal of asset impairment*)	4	--	--	1	--	2	--	--	--	**7**
Change in value	-37	--	--	--	4	--	1	--	--	**-32**
Net book value as at 31 December 2024	**1 047**	**106**	**139**	**489**	**227**	**432**	**37**	**293**	25	**2 795**
Acquisition cost as at 31 December 2024	**5 321**	**129**	**218**	**1 272**	**298**	**1 447**	**41**	**293**	**29**	**9 048**
Accumulated depreciation and impairment as at 31 December 2024	**-4 274**	**-23**	**-79**	**-783**	**-71**	**-1 015**	**-4**	**--**	**-4**	**-6 253**

In 2024, no borrowing costs were capitalised due to insignificance.

* See Note 8 for more information on the impairment of non-current assets.

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

2023	Wells	Land	Right of use land	Buildings and structures	Right of use buildings and structures	Machinery, tools and equipment	Right of use machinery, tools and equipment	Tangible assets under construction	Other tangible assets	**Total**
Acquisition cost as at 1 January 2023	**4 973**	**127**	**131**	**1 207**	**269**	**1 253**	**2**	**132**	**24**	**8 118**
Accumulated depreciation and impairment as at 1 January 2023	**-3 576**	**-23**	**-28**	**-702**	**-18**	**-840**	**-1**	**--**	**-4**	**-5 192**
Net book value as at 1 January 2023	**1 397**	**104**	**103**	**505**	**251**	**413**	**1**	**132**	**20**	**2 926**
Additions	73	1	45	11	17	80	--	203	10	**440**
Disposals	--	-1	--	--	-3	--	--	13	-4	**5**
Transfers	--	--	--	28	--	3	--	-18	-13	**--**
Current year depreciation	-296	--	-25	-43	-24	-88	-1	-40	--	**-517**
Reversal of asset impairment*)	5	--	--	2	--	2	--	--	1	**10**
Change in value	196	--	1	--	--	--	--	--	--	**197**
Net book value as at 31 December 2023	**1 375**	**104**	**124**	**503**	**241**	**410**	--	**290**	14	**3 061**
Acquisition cost as at 31 December 2023	**5 242**	**127**	**177**	**1 246**	**283**	**1 336**	**2**	**290**	**17**	**8 720**
Accumulated depreciation and impairment as at 31 December 2023	**-3 867**	**-23**	**-53**	**-743**	**-42**	**-926**	**-2**	**--**	**-3**	**-5 659**

In 2023, no borrowing costs were capitalised due to insignificance.

* See Note 8 for more information on the impairment of non-current assets.

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

14. Intangible assets

Amortisation of intangible assets, other than goodwill and other intangible assets with indefinite useful lives, is amortised on a straight-line basis over their estimated useful lives from the date the asset is brought into use.

The estimated useful lives for the current and comparative periods are as follows:

Software	3-6 years
Licences	2-6 years
Other intangible assets	3-6 years

Licences mainly represent purchased exploration licenses.

Software and other intangible assets that are acquired by the Company and have finite (definite) useful lives are measured at cost less accumulated amortisation and any impairment loss.

2024	Licences	Software	Intangible assets in progress	Total
Acquisition cost as at 1 January 2024	**3**	**137**	**20**	**160**
Accumulated depreciation and impairment as at 1 January 2024	**-3**	**-131**	**--**	**-134**
Net book value as at 1 January 2024	**--**	**6**	**20**	**26**
Additions	--	2	5	**7**
Transfers	--	19	-19	**--**
Current year amortisation	--	-10	--	**-10**
Net book value as at 31 December 2024	**--**	**17**	**6**	**23**
Acquisition cost as at 31 December 2024	**3**	**158**	**6**	**167**
Accumulated depreciation and impairment as at 31 December 2024	**-3**	**-141**	**--**	**-144**

2023	Licences	Software	Intangible assets in progress	Total
Acquisition cost as at 1 January 2023	**3**	**132**	**15**	**150**
Accumulated depreciation and impairment as at 1 January 2023	**-3**	**-126**	**--**	**-129**
Net book value as at 1 January 2023	**--**	**6**	**15**	**21**
Additions	--	2	8	**10**
Transfers	--	3	-3	**--**
Current year amortisation	--	-5	--	**-5**
Net book value as at 31 December 2023	**--**	**6**	**20**	**26**
Acquisition cost as at 31 December 2023	**3**	**137**	**20**	**160**
Accumulated depreciation and impairment as at 31 December 2023	**-3**	**-131**	**--**	**-134**

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

15. Investments in subsidiaries and joint ventures

31 December 2024	Ownership interest	Number of shares	Nominal value of shares	Carrying amount at 31 December 2024
MND Drilling & Services a.s.	100%	74	211	1 421
MND Energy Storage a.s.	100%	2 438 001	1 004	1 927
MND Energie a.s.	100%	50 000	1 000	52
MND Ukraine a.s.	80%	20	2	455
MND Austria a.s.	100%	2	2	151
MND Wind s.r.o.	100%	--	--	3
MND GasInvestUA s.r.o.	100%	--	--	--
Oriv Holding a.s.	100%	2	2	75
FVE Tichá s.r.o.	100%	--	--	40
FVE Mušov I s.r.o.	100%	--	--	--
FVE Mušov II s.r.o.	100%	--	--	10
FVE Orlová I s.r.o.	100%	--	--	94
FVE Orlová II s.r.o.	100%	--	--	1
G2P Borkovany s.r.o.	100%	--	--	102
KBOC Director s.r.o.	100%	--	--	--
IGNIS HOLDING a.s.	100%	2	2	2
Nano Advanced Electrolysis s.r.o.	60%	--	--	--
Nano Advanced s.r.o.	60%	--	--	59
MND BESS GmbH	100%	0	1	4
MND BESS a.s.	100%	2	2	326
MND Gas Storage a.s. (formerly Moravia Gas Storage a.s.)	100%	300	68	492
Total investments in subsidiaries and joint ventures				**5 214**

On 17 January 2024, MND BESS a.s. was established.
On 16 February 2024, the Company acquired MND BESS GmbH.
On June 4, 2024, the Company acquired shares in Nano Advanced s.r.o. and Nano Advanced Electrolysis s.r.o.
IGNIS HOLDING a.s. was acquired on 1 July 2024.
The Company increased its share in MND Gas Storage a.s. (formerly Moravia Gas Storage a.s.) from 50% to 100%.

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31 December 2023	Ownership share	Number of shares	Nominal value of shares	Carrying amount at 31 December 2023
MND Drilling & Services a.s.	100%	74	211	1 421
MND Energy Storage a.s.	100%	2 438 001	1 749	1 943
MND Energie a.s.	100%	97 500	1 950	148
MND Ukraine a.s.	80%	20	2	455
MND Austria a.s.	100%	2	2	336
MND Wind s.r.o.	100%	--	--	3
MND GasInvestUA s.r.o.	100%	--	--	--
Moravia Gas Storage a.s.	50%	50	1	451
Oriv Holding a.s.	100%	2	2	6
FVE Tichá s.r.o.	100%	--	--	40
FVE Mušov I s.r.o.	100%	--	--	--
FVE Mušov II s.r.o.	100%	--	--	1
FVE Orlová I s.r.o.	100%	--	--	94
FVE Orlová II s.r.o.	100%	--	--	1
G2P Borkovany s.r.o.	100%	--	--	70
KBOC Director s.r.o.	100%	--	--	--
Total investments in subsidiaries and joint ventures				**4 969**

On March 1, 2023, the Company acquired MND Wind s.r.o., FVE Mušov II s.r.o., and G2P Borkovany s.r.o.
On March 22, 2023, the company FVE Mušov I s.r.o. was founded.
On 11 April 2023, MND GasInvestUA s.r.o. was founded.
On 2 June 2023, MND Austria a.s. was founded.
On 18 July 2023, the Company purchased shares in the companies FVE Orlová I s.r.o. and FVE Orlová II. s.r.o. The transfer of shares was completed on August 14, 2023.
On August 29, 2023, KBOC Director s.r.o. was founded.
In October 2023, the Company paid CZK 36 million for subscription of new shares of Moravia Gas Storage a.s. By the balance sheet date, the increase of share capital had not been entered in the company's commercial register.
During the accounting period, the Company increased the value of its investments through contributions to other capital funds of Oriv Holding a.s. of CZK 1 million, MND Austria a.s. of CZK 407 million, G2P Borkovany s.r.o. of CZK 70 million and MND Wind of CZK 3 million.
As at 31 December 2023, the Company made an impairment charge of CZK 74 million to the shares in MND Austria a.s.

16. Other non-current investments

	31 December 2024	31 December 2023
Non-current restricted cash	1	4
Non-current debt securities - at amortised cost	599	42
Total other non-current investments	**600**	**46**

Non-current restricted cash represents funds at a bank account to cover statutory provisions for renewal and restoration. For Credit quality see Note 27(b) Credit risk. Non-current restricted debt securities represent government bonds worth CZK 599 million (31 December 2023: CZK 42 million) to cover statutory provisions for renewal and restoration.

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17. Trade and other receivables

Non-current trade and other receivables	31 December 2024	31 December 2023
Non-current loans	327	308
Non-current trade receivables	1	1
Non-current refundable deposits	97	15
Non-current receivables - financial	**425**	**324**
Non-current trade advances	1	2
Non-current prepaid expenses	3	3
Non-current receivables - other	**4**	**5**
Total non-current trade and other receivables	**429**	**329**

For credit quality of non-current trade and other receivables see Note 27(b) Credit risk.

Current trade and other receivables	31 December 2024	31 December 2023
Current trade receivables	944	1 046
Current refundable deposits	439	662
Current contract assets	4	--
Other current receivables	10	688
Current receivables - financial	**1 397**	**2 396**
Current trade advances	14	13
Current prepaid expenses	33	47
Current receivables from other taxes	24	69
Current receivables - other	**71**	**129**
Total current trade and other receivables	**1 468**	**2 525**

As at 31 December 2024, net overdue current receivables totalled CZK 1 million (31 December 2023: CZK 2 million). As at 31 December 2024, an allowance for receivables totalled CZK 13 million (31 December 2023: 13 million). For credit quality and the amount of the allowance see Note 27(b) Credit risk.

in 2024, other current receivables include a receivable from a clearing system member totalling CZK 0 million (2023: CZK 676 million).

Financial assets for which credit risk has significantly increased are included in Stage 3 and are fully impaired with a 100% allowance.

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The amount of the allowance is described in the table below and in Note 28(b) Credit risk.

As at 31 December 2024	Stage 1	Stage 2	Stage 3	Provision matrix	Impairment allowance	Net carrying amount
Current receivables - financial	**629**	--	--	**781**	**-13**	**1 397**
Current trade receivables	625	--	--	332	-13	944
Current contract assets	4	--	--	--	--	4
Current refundable deposits	--	--	--	439	--	439
Other current receivables	--	--	--	10	--	10
Non-current receivables - financial	**409**	--	--	15	--	**424**
Non-current loans	327	--	--	--	--	327
Non-current refundable deposits	82	--	--	15	--	97
Total	**1 038**	**--**	**--**	**796**	**-13**	**1 821**

As at 31 December 2023	Stage 1	Stage 2	Stage 3	Provision matrix	Impairment allowance	Net carrying amount
Current receivables - financial	**981**	--	--	**1 428**	**-13**	**2 396**
Current trade receivables	848	--	--	211	-13	1 046
Current refundable deposits	133	--	--	529	--	662
Other current receivables	--	--	--	688	--	688
Non-current receivables - financial	**323**	--	--	--	--	**323**
Non-current loans	308	--	--	--	--	308
Non-current refundable deposits	15	--	--	--	--	15
Total	**1 304**	**--**	**--**	**1 428**	**-13**	**2 719**

18. Other current financial assets

	31 December 2024	31 December 2023
Other current financial assets	886	1 506
Total other current financial assets	**886**	**1 506**

Other current financial assets comprise receivables relating to cash-pooling contracts with KKCG Structured Finance AG.

This item is not considered a cash equivalent and is presented as part of investing activities in the statement of cash flows. For credit quality see Note 27(b) Credit risk.

19. Inventories

Inventories required for providing operating services are measured at the lower of cost and net realisable value.

The cost of inventories comprises the purchase price and costs directly associated with the acquisition. Acquisition costs are reduced with rebates, trade discounts and other similar items. Interest on loans received to acquire inventories (borrowing costs) is not capitalised.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

Inventories of gas in underground gas storages are measured at fair value less costs to sell. Changes in the fair value less cost to sell of these inventories are recognised in the profit or loss from operating activities as Gain/Loss from trading in commodity contracts.

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Work in progress and own products are measured at own cost, which also includes the appropriate part of production overheads determined based on normal operating capacity. Selling costs are not capitalised.

	31 December 2024	31 December 2023
Material	112	132
Goods	869	686
Own products (oil)	32	21
Work in progress and semi-finished products	1	2
Advances for inventories	--	7
Total inventories	**1 014**	**848**

In 2024, material includes an allowance for material of CZK 13 million (31 December 2023: CZK 12 million).

Goods include gas for trading at a fair value of CZK 859 million (31 December 2023: CZK 676 million).

20. Cash and cash equivalents

	31 December 2024	31 December 2023
Cash at bank	375	459
Cash equivalents	300	207
Total cash and cash equivalents	**675**	**666**

Cash equivalents represent excess cash held in accounts with clearing system members. For credit quality see Note 27(b) Credit risk.

21. Equity

	31 December 2024	31 December 2023
Share capital	1 000	1 000

The share capital consists of 50 000 ordinary certificated registered shares with a nominal value of CZK 20 000 per share. The share capital has been fully paid-up. All shares have the same rights and no restrictions.

As at 15 August 2018, the imposition of a negative pledge on Company's shares was entered in the Commercial Register.

Other capital contributions arose as a result of the shareholder's monetary contributions to strengthen the Company's equity and the remeasurement of investments in subsidiaries and the joint venture using the equity method as at 1 January 2017 based on Czech Accounting Standards (at 31 December 2024: CZK 613 million) and a non-monetary contribution of an 80% share in MND Ukraine a.s. from the parent company MND Group AG.

The Company presents basic earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

The payment of dividends to the Company's shareholders is recognised in the Company's financial statements as a liability in the period in which the payment of dividends is approved by the Company's shareholders.

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Earnings / loss (-) per share

Profit (+) / loss (-) attributable to ordinary shareholders	2024	2023
Net profit (+) / loss (-) attributable to ordinary shareholders	241	648
Net profit (+) / loss (-) attributable to ordinary shareholders	**241**	**648**

Weighted average number of ordinary shares	Number of shares	Weight	2024	2023
Issued ordinary shares at 1 January	50 000	1	50 000	50 000
Issued ordinary shares at 31 December	50 000	1	50 000	50 000
Weighted average number of ordinary shares at 31 December	50 000	1	50 000	50 000
Basic earnings (+) / loss (-) per share for the year (in CZK thousand)			**4.82**	**12.96**
Diluted earnings (+) / loss (-) per share for the year (in CZK thousand)			**4.82**	**12.96**

22. Loans and bonds issued

The Company has the following non-derivative financial liabilities: trade and other payables, interest-bearing loans and borrowings, bonds issued and lease liabilities. These financial liabilities, other than financial liabilities at fair value through profit or loss, are recognised initially on the settlement date at fair value plus any directly attributable transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

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

Current and non-current loans are initially recognised at fair value and subsequently measured at amortised cost. A part of non-current loans due within one year of the end of the period are recognised as current loans.

This note provides an overview of the contractual terms and conditions governing interest-bearing loans and borrowings of the Company.

Non-current loans and bonds	31 December 2024	31 December 2023
Bonds issued - non-current portion	2 197	2 193
Total non-current loans and bonds	**2 197**	**2 193**

Current loans and bonds	31 December 2024	31 December 2023
Bonds issued - current portion	2	2
Total current loans and bonds	**2**	**2**

As at 31 December 2024, the Company's amount of undrawn credit facilities is CZK 0 million. (2023: CZK 0 million).

Based on the terms and conditions of loans and bonds, the Company must maintain specific financial debt covenants. As at 31 December 2024, the Company fulfilled these covenants.

In 2024, the loan agreements were secured by pledged inventories of CZK 254 million, pledged receivables of CZK 662 million and pledged receivables from current accounts of CZK 207 million.

The interest rate on the loan is based on EURIBOR and a margin.

The balance of bonds with the CZK transaction currency is CZK 2 199 million (31 December 2023: CZK 2 195 million).

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Bonds issued

On 3 March 2022, the Company issued unsecured bearer bonds MND VAR/27 in book-entry form, which were admitted to trading on the regulated market of the Prague Stock Exchange under ISIN CZ0003538183, with a floating interest rate of 3M PRIBOR + 2.8% p.a. maturing on 3 March 2027. Bond coupons are paid out quarterly in arrears. The nominal value of one bond is CZK 3 million. The total nominal value is CZK 2 202 million. The emission of bonds was issued under Czech law and in the Czech Republic. 450 bonds with a nominal value of CZK 1 350 million were subscribed in exchange for MND VAR/22 bonds. 284 bonds with a nominal value of CZK 852 million was subscribed for cash. The funds raised were used to repay the remaining MND VAR/22 bonds maturing in November 2022.

Reconciliation of movements in non-current and current loans, bonds issued and borrowings to cash flows:

	2024	2023
Balance at 1 January	**2 195**	**4 602**
Cash flows		
Drawdown of loans and borrowings	--	1 209
Repayment of loans and borrowings	--	-3 606
Interest paid from previous years (-)	-6	-7
Non-cash changes		
Unpaid interest for the current period	6	6
Foreign exchange differences recognised in profit or loss	--	-9
Other non-cash transactions	4	--
Balance at 31 December	**2 199**	**2 195**

23. Lease liabilities

Lease liabilities	**31 December 2024**	**31 December 2023**
Lease liabilities - non-current	340	304
Lease liabilities - current	51	38
Total lease liabilities	**391**	**342**

Reconciliation of movements in lease liabilities to cash flows:

	2024	2023
Balance at 1 January	**342**	**322**
Cash flows		
Payment of lease liabilities	-48	-37
Non-cash changes		
Recognition of lease liabilities and lease modifications	97	58
Effect of currency translation	--	-1
Balance at 31 December	**391**	**342**

For details of right of use assets see table in Note 13.

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24. Trade and other payables

Non-current trade and other payables	**31 December 2024**	**31 December 2023**
Other non-current liabilities	105	122
Total non-current trade and other payables	**105**	**122**

All other non-current liabilities are due between 1 and 5 years. Other non-current liabilities include payables arising from gas storage contracts of CZK 98 million (2023: CZK 117 million).

Current trade and other payables	**31 December 2024**	**31 December 2023**
Trade payables	826	1 359
Other current liabilities	164	--
Current liabilities - financial	**990**	**1 359**
Current contract liabilities	10	13
Other current liabilities to the state	30	43
Current payables to employees	78	122
Current deferred income	4	14
Current liabilities – other	**122**	**192**
Total current trade and other payables	**1 112**	**1 551**

As at 31 December 2024, the Company has no overdue current trade payables (31 December 2023: CZK 0 million). Current trade payables include liabilities from gas storage contracts of CZK 127 million. (31 December 2023: CZK 205 million).

25. Derivative financial instruments

The Company uses the derivative financial instruments mainly for trading in electricity, gas, and emission allowances and to hedge the currency, interest and commodity risks. When the hedge accounting requirements are fulfilled, derivatives are designated and recognised as “Hedging derivatives”.

Carrying amounts of receivables and payables from derivative financial instruments are as follows:

	31 December 2024			31 December 2023		
	Hedging derivatives	Trading derivatives	**Total**	Hedging derivatives	Trading derivatives	**Total**
Non-current receivables	0	187	**187**	2	714	**716**
Current receivables	4	900	**904**	22	1 913	**1 935**
Total receivables from derivative financial instruments	**4**	**1 087**	**1 091**	**24**	**2 627**	**2 651**
Non-current liabilities	--	-117	**-117**	--	-271	**-271**
Current liabilities	-16	-604	**-620**	--	-2 540	**-2 540**
Total liabilities from derivative financial instruments	**-16**	**-721**	**-737**	**--**	**-2 811**	**-2 811**

All financial derivatives are stated at fair value as at 31 December 2024 (and 31 December 2023) and categorised to Level 2 in the fair value hierarchy (Note 27, section (f)).

Hedging derivatives

All derivative transactions designated as hedging instruments are documented and the effectiveness of individual hedge relationships is evaluated on continuous basis. The Company decided to apply IFRS 9 on 1 January 2023 for the purposes of documentation and reporting of hedge accounting. In this context, the Company has verified that hedge accounting, which was active on 1 January 2023, is in accordance with the requirements of IFRS 9. The requirements of IFRS 9 are applied to all hedging relationships prospectively from 1 January 2023 onwards.

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The Company applies hedge accounting if:

- the hedge is in line with the Group's risk management strategy,
- the hedge relationship is formally documented at the inception of the hedge,
- an economic relationship is expected to exist between the hedging instrument and the hedged item throughout its duration,
- for cash flow hedges, a forecast transaction is highly probable and presents an exposure to variations in cash flows that could affect profit or loss.

This documentation contains information on:

- hedging instruments,
- hedge effectiveness, and hedged items and risks that are being hedged,
- evaluation method of the effectiveness related to the hedging

Changes in the fair value of the derivative hedging instrument or designated non-derivative financial liability designated as a cash flow hedge are recognised directly in the other comprehensive income to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognised in profit or loss for the period.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs. If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, then the associated gains and losses that were recognised in other comprehensive income are included in the initial cost or other carrying amount of the asset or liability.

In other cases, the amount recognised in other comprehensive income is transferred to profit or loss in the same period that the hedged item affects profit or loss. Those items are reclassified and recognised in the statement of comprehensive income on the following lines:

- in case of hedge of currency risk, in Revenue
- in the case of hedge of future oil sales, in Revenue

The Company held the following hedging derivatives:

2024	Year of maturity	Nominal value	Average hedged rate	Fair value
Commodity swaps	2025	140	75.1 USD/bbl	4
Total receivables from hedging derivatives				**4**
Currency forwards	2025	359	23.4 CZK/USD	-10
Commodity swaps	2025	219	71.18 USD/bbl	-6
Total payables from hedging derivatives				**-16**
Total hedging derivatives				**-12**

The Company held the following hedging derivatives in 2023:

2023	Maturity year	Nominal value	Average hedged rate	Fair value
Currency forwards	2024	226	22.74 CZK/USD	3
Commodity swaps	2024	207	84.02 USD/bbl	19
Commodity swaps	2025	19	84.02 USD/bbl	2
Total receivables from hedging derivatives				**24**
Total hedging derivatives				**24**

The nominal value of the commodity swaps represents hedged quantity of oil in barrels multiplied by the contract price.

Hedged relationships are effective for the entire accounting period.

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Hedge accounting criteria were fulfilled as at 31 December 2024 for all of the above-mentioned derivatives hedging interest rate, currency, and commodity risk. These derivatives were classified as ”Hedging derivatives”. The changes in the fair value for such derivatives are recognised directly in the other comprehensive income. The company does not recognise any hedge ineffectiveness arising from these forwards and swaps in the profit or loss statement.

Fair values of hedging derivatives stated in the table above corresponds to value obtained from the financial institution with whom the company entered into the derivative transaction in question.

Trading derivatives

Besides the hedging derivatives the Company held the derivatives for trading as they do not fulfil the hedge accounting criteria as at 31 December 2024 and 31 December 2023. These derivatives are classified as “Trading derivatives” and recognised in fair value. Changes in the fair value of these derivatives are charged to profit or loss in the respective period.

The Company had the following financial derivatives for trading:

2024	Maturity year	Fair value
Commodity forward	2025	618
Commodity forward	2026	68
Commodity futures	2025	236
Commodity futures	2026	70
Currency forward	2025	4
Interest rate swap	2027	91
Total receivables from trading derivatives		**1 087**
Commodity forward	2025	-547
Commodity forward	2026	-117
Commodity futures	2025	-31
Currency forward	2025	-26
Total payables from trading derivatives		**-721**
Total trading financial derivatives		**366**

2023	Maturity year	Fair value
Commodity forward	2026	2 248
Commodity futures	2024	122
Currency forward	2025	69
Interest rate swap	2027	188
Total receivables from trading derivatives		**2 627**
Commodity forward	2024	-2 535
Commodity futures	2025	-256
Currency forward	2025	-20
Total payables from trading derivatives		**-2 811**
Total trading financial derivatives		**-184**

The Company held trading derivatives in the form of currency forwards and swaps, interest rate swaps, and commodity forwards, futures and swaps. The methods of determining fair value are described in Note 27(e).

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26. Provisions

Provision for decommissioning, renewal and restoration

The Company establishes a provision for renewal and restoration of land affected by production of oil and gas and also a provision for the decommissioning of assets. The amount of the provision is the best estimate of the expenditure needed to cover a liability at the end of the reporting period. The provision is adjusted to reflect the current estimate at the end of the period. The estimates of costs incurred on decommissioning of assets, renewal and restoration of land are based on current prices and the estimated inflation and are discounted using the market risk-free interest rate.

Actual expenses incurred for decommissioning, renewal and restoration during the year may differ from the estimates as a result of changes in regulations and technologies, an increase in personnel expenses, an increase in prices of raw materials and equipment or in the time needed to complete decommissioning, renewal and restoration, or a change in the inflation rate or long-term real interest rates.

The initial discounted expenses related to the decommissioning of property, plant and equipment are recognised as part of property, plant and equipment and depreciated over the estimated life of that asset.

As at 31 December 2024	Provision for decommissioning, renewals and restoration
Balance as at 1 January 2024	**1 790**
Additions	7
Utilisation	-101
Unwinding of discount	70
Change in value	-45
Balance as at 31 December 2024	**1 721**
Thereof:	
Non-current provisions	1 620
Current provisions	101

For 2024, interest rates in the range of 3.53% - 3.76% p.a. were used. In calculating provisions, the expected inflation of 2.5% was taken into account. The Company expects that related costs will be incurred between 2025 and 2055.

As at 31 December 2023	Provision for decommissioning, renewals and restoration
Balance as at 1 January 2023	1 584
Additions	10
Utilisation	-81
Unwinding of discount	68
Change in value	209
Balance as at 31 December 2023	**1 790**
Thereof:	
Non-current provisions	1 702
Current provisions	88

Provisions for disposal, rehabilitation and reclamation are made according to the rules described in Note 3(j). For 2023, interest rates in the range of 4.04% - 4.11% p.a. were used. In calculating provisions, the expected inflation of 3% was taken into account. The Company expected that related costs would be incurred between 2024 and 2054.

27. Risk management

(a) Financial risk management and financial instruments

This section describes in detail the financial and operational risks the Company is exposed to and its risk management methods. Risk management is one of the core components of Company corporate governance. The main focus is placed on quantifying risks the Company is exposed to in the market (the risk of changes in foreign exchange rates, interest rates, and commodity prices) and the credit risk. The Company's risk management strategy concentrates on minimising potential negative impacts on the Company's financial results.

The principal role of the Company's risk management is to identify risks, determine a risk measurement method, quantify and analyse risk exposure, define a hedging strategy and the hedging implementation as such. The overall responsibility for setting up the Company's risk management system and supervising its operation lies on the level of the board of directors.

Main financial instruments used by the Company include bank loans, bonds, and derivatives. The principal task of these financial instruments is to acquire necessary funds to finance Company's operations and hedge risks arising from the Company's operations.

The most significant financial risks the Company is exposed to are market risks (the risk of changes in commodity prices, currency risk, interest rate risk, and credit risk, in case an important business partner or a customer does not fulfil contractual obligations). These risk management processes are approved and monitored by the top management of the Company.

Company entered into derivative transactions (currency forwards, currency swaps, interest rate swaps, commodity futures, and commodity forwards) with the aim to manage the risk of exchange rate, interest rate and commodity price fluctuations.

The Company is also exposed to interest rate risk that is reflected by the cash flow sensitivity and profit or loss on interest rates changes. Interest rate risk is mostly managed and hedged by using interest rate swaps (float to fix).

The Company is also exposed to liquidity risk. Liquidity risk is managed based on data about necessity of free resources and it is monitored through risk management and in cooperation with the company´s finance department. Apart from the cash flow report that is additionally simulated for various scenarios the Company also uses a system to monitor the management of receivables and payables balancing, diversification of liquidity resources and daily monitoring.

(b) Credit risk

Credit risk is a risk of financial loss to the Company if a customer or counterparty to a transaction fails to meet contractual obligations, such as payment, acceptance of a commodity or service for a pre-arranged price, failure to deliver the agreed commodity or service.

The Company trades primarily with highly rated partners. The Company follows the principle that all customers that want to use credit facilities undergo procedures for credit risk assessment that is applied by using own scoring model. The Company continuously monitors the balance of receivables on an individual and aggregate level.

The Company generates revenue from the sale of oil, gas and electricity, the trade in gas and electricity, the provision of services. All business counterparties are subject to individual analysis of creditworthiness, and they are assigned a credit limit. Credit limits are approved by the risk management committee based on external rating, if available, or based on internal risk assessment guidelines. Risk exposure is monitored for each counterparty on a daily basis, taking into consideration potential future impact. In relevant cases, the Company also requires the counterparty to provide a bank guarantee or its parent company's guarantee, an advance payment or credit support instrument with the aim to minimise the credit risk.

The total credit risk of the trading portfolio is monitored on an ongoing basis and calculated based on the expected loss, i.e. each counterparty is assigned internal credit rating with estimated probability of default. The expected loss is calculated by product of the default probability, the percentage of loss from a given exposure in the case of default and exposure to a counterparty at a given moment.

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With respect to the credit risk arising from the Company's financial assets, comprising cash and cash equivalents and financial derivatives, the credit risk arises from a failure of the counterparty to discharge their obligations, where the maximum amount of credit risk represents the carrying amount of these instruments. The risk is mitigated by cooperating with reputable local and international banks and by diversifying the portfolio.

For the calculation of credit exposure and the free trading limit, VaR at the 95% confidence level for holding period of 10 days is also taken into account in terms of credit risk calculation. The Risk Management Department monitors credit exposure on a daily basis and, if necessary, makes remedial arrangements even in cooperation with the Risk Management Committee.

Credit risk by counterparty type

as at 31 December 2024	**Companies (non-financial institutions)**	**State, government**	**Financial institutions**	**Individuals**	**Total**
Assets					
Non-current receivables - financial	424	--	--	1	425
Non-current receivables from derivative instruments	76	--	111	--	187
Other non-current financial assets	--	599	1	--	600
Other current financial assets	886	--	--	--	886
Current receivables - financial	1 396	--	1	--	1 397
Current receivables from derivative instruments	356	--	548	--	904
Cash and cash equivalents	--	--	675	--	675
Total	**3 138**	**599**	**1 336**	**1**	**5 074**

as at 31 December 2023	**Companies (non-financial institutions)**	**State, government**	**Financial institutions**	**Individuals**	**Total**
Assets					
Non-current receivables - financial	323	--	--	1	324
Non-current receivables from derivative instruments	585	--	131	--	716
Other non-current financial assets	--	42	4	--	46
Other current financial assets	1 506	--	--	--	1 506
Current receivables - financial	2 396	--	--	--	2 396
Current receivables from derivative instruments	1 808	--	127	--	1 935
Cash and cash equivalents	207	--	459	--	666
Total	**6 825**	**42**	**721**	**1**	**7 589**

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Credit quality of financial assets at amortised cost

The company classifies the financial assets into the credit quality classes. Class 1 consists of high-quality financial assets that do not have any indicators of impairment and fulfils the definition for “low credit risk”. Class 2 consists of all other financial assets. A detailed breakdown of the allowance for doubtful debts is given in Note 17.

Impairment matrix for current financial receivables as at 31 December 2024:

	Gross carrying amount	Expected credit loss rate	Expected credit loss allowance	Net carrying amount
Due	**1 396**	**0.00%**	**--**	**1 396**
Current trade receivables	943	0.00%	--	943
Current contract assets	4	0.00%	--	4
Current refundable deposits	439	0.00%	--	439
Other current receivables	10	0.00%	--	10
Past due < 90 days	**--**	**0.00%**	**--**	**--**
Current trade receivables	--	0.00%	--	--
Other current receivables	--	0.00%	--	--
Past due 91-180 days	**--**	**0.00%**	**--**	**--**
Current trade receivables	--	0.00%	--	--
Other current receivables	--	0.00%	--	--
Past due 181-365 days	**--**	**0.00%**	--	**--**
Current trade receivables	--	0.00%	--	--
Other current receivables	--	0.00%	--	--
Past due >365 days	**14**	**92.86%**	-13	**1**
Current trade receivables	14	92.86%	-13	1
Total	**1 410**	**0.92%**	**-13**	**1 397**

Impairment matrix for current financial receivables as at 31 December 2023:

	Gross carrying amount	Expected credit loss rate	Expected credit loss allowance	Net carrying amount
Due	**2 394**	**0.00%**	**--**	**2 394**
Current trade receivables	1 044	0.00%	--	1 044
Current refundable deposits	662	0.00%	--	662
Other current receivables	688	0.00%	--	688
Past due < 90 days	**--**	**0.00%**	**--**	**--**
Current trade receivables	--	0.00%	--	--
Other current receivables	--	0.00%	--	--
Past due 91-180 days	**--**	**0.00%**	**--**	**--**
Current trade receivables	--	0.00%	--	--
Other current receivables	--	0.00%	--	--
Past due 181-365 days	**1**	**0.00%**	--	**1**
Trade receivables	1	0.00%	--	1
Other current receivables	--	0.00%	--	--
Past due >365 days	**14**	**92.86%**	-13	**1**
Current trade receivables	14	92.86%	-13	1
Total	**2 409**	**0.54%**	**-13**	**2 396**

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

Credit risk by region (by the counterparty's registered office)

Non-current and current receivables - financial, non-current and current receivables from derivative instruments, non-current restricted cash, other current financial assets, cash and cash equivalents	**31 December 2024**	**31 December 2023**
Czech Republic	2 958	4 367
Germany	61	170
Switzerland	945	1 623
Austria	37	65
Slovakia	9	9
Ukraine	307	288
United Kingdom	645	1 027
Other countries	112	40
Total	**5 074**	**7 589**

Offsetting of receivables and liabilities from trading in gas and electricity:

Offsetting in the balance sheet

The Company trades gas and electricity under EFET framework contracts. These contracts allow offsetting receivables and liabilities during their payment and also offsetting at early termination of a contract. Trade receivables and payables from these contracts were recognised in the balance sheet on a net basis after offsetting.

Potential offsetting

Receivables and liabilities from derivative transactions include the remeasurement of commodity contracts that are considered financial instruments. With respect to these contracts there is a possibility of offsetting at early termination of a contract where the receivables and liabilities with the originally different maturity can be offset. This potential offsetting was not recognised in the balance sheet and is recorded in the column "Potential offsetting".

As at 31 December 2024	**Gross amount before offsetting**	**Offsetting on the balance sheet**	**Net amount on the balance sheet**	**Potential offsetting**	**Amount after potential offsetting**
Assets					
Non-current receivables from derivative financial instruments	1 280	-1 093	187	-17	170
Current receivables from derivative financial instruments	9 935	-9 030	905	-162	743
Current receivables	2 459	-1 062	1 397	--	1 397
Total	**13 674**	**-11 185**	**2 489**	**-179**	**2 310**
Liabilities					
Non-current liabilities from derivative financial instruments	1 210	-1 093	117	-45	72
Current liabilities arising from derivative financial instruments	9 651	-9 030	621	-134	487
Current liabilities	2 053	-1 062	991	--	991
Total	**12 914**	**-11 185**	**1 729**	**-179**	**1 550**

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

As at 31 December 2023	Gross amount before offsetting	Offsetting on the balance sheet	Net amount on the balance sheet	Potential offsetting	Amount after potential offsetting
Assets					
Non-current receivables from derivative instruments	2 603	-1 887	716	-5	711
Current receivables from derivative instruments	28 261	-26 326	1 935	-74	1 861
Current receivables	6 048	-3 652	2 396	--	2 396
Total	**36 912**	**-31 865**	**5 047**	**-79**	**4 968**
Liabilities					
Non-current liabilities from derivative instruments	2 518	-1 887	271	-7	264
Current liabilities arising from derivative instruments	28 886	-26 326	2 540	-72	2 468
Current liabilities	5 011	-3 652	1 359	--	1 359
Total	**36 035**	**-31 865**	**4 170**	**-79**	**4 091**

(c) Market risk

Market risk is the risk of changes in the value of assets, liabilities and cash flows denominated in foreign currency due to changes in foreign exchange rates, interest rates and commodity prices. The Company implemented policies and methodologies for monitoring and hedging these risks to which it is exposed.

i. Currency risk

The Company is exposed to currency risk as a result of its foreign currency transactions. These risks arise from purchases and sales in other than functional currency (CZK).

The Company monitors currency risks on an ongoing basis and assess possible impact of changes in foreign exchange rates on Company's transactions. A significant part of foreign currency exposure is hedged naturally, i.e. revenue and expenses are denominated in the same foreign currency, or by using currency forwards or swaps.

The Company is exposed to currency risk from the sale of oil in USD, from the sale of gas, electricity and other energy commodities in EUR.

ii. Commodity risk

Risk exposure arising from energy commodities trading is monitored on a daily basis by observing market prices, mark-to-market and value-at-risk of the open positions and is subject to approved limits for individual risk indicators. The exposure to market risk, within the limits approved by the board of directors and the Risk Management Committee, depends on the market conditions and expectations. All risk limits are monitored and reviewed on a regular basis.

VaR is the primary metric used to assess the risk of the Group's open trading positions. It is calculated using the Monte Carlo simulation method at a 99% confidence level with a two-day holding period. Furthermore, the total utilization of risk capital must not exceed the total risk capital for speculative trading, which was CZK 296 million in 2024. We calculate the risk on all individual commodities within speculative trading using VaR metrics, both at the level of individual trader positions and in aggregate. The VaR at the end of the year was CZK 5 million. The average VaR in 2024 was CZK 19 million.

Changes in commodity prices represent the highest risk for the Company. The decrease in oil price by 1 USD/barrel in 2024 would result in a decrease in profit or loss before tax of approximately CZK 11 million without hedging. The effect of CZK appreciation against USD by CZK 1 in 2024 would result in a decrease in profit or loss before tax of

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

CZK 37 million without hedging. In contrast, oil price growth and the depreciation of CZK against USD would have a positive impact on profit or loss. Lower prices of natural gas from own production by EUR 1/MWh in 2024 would cause a decrease in profit or loss before tax by approximately CZK 38 million without hedging. The impact of CZK appreciation against EUR by CZK 1 in 2024 would represent a decrease in profit or loss before tax of CZK 74 million without hedging. In contrast, natural gas price growth and the depreciation of CZK against EUR would have a positive impact on operating profit in the same amount.

In respect of gas trading while using underground gas storages, the main risk is the change of the summer/winter spread (the difference between summer and winter gas prices). The decrease in the summer/winter spread by EUR 0.1 /MWh in the storage period 2024/2025 would result in a decrease in profit or loss before tax of CZK 2.3 million without hedging in relation to the total working gas volume. Currency risk exposure (EUR position) from gas trading is relatively low since trading over natural gas storage capacities is financed by current loans denominated in EUR and open positions are hedged by FX forward and FX swap contracts.

Currency Risk Analysis

As at 31 December 2024 and as at 31 December 2023, the Company is exposed to currency risk when financial assets and liabilities are denominated in a currency other than the functional currency in which they are measured. Financial assets and liabilities denominated in a currency different from the functional currency in which they are measured are presented in the table below:

As at 31 December 2024	EUR	USD	Other	Total
Non-current receivables - financial	400	--	--	400
Non-current receivables from derivative instruments	187	--	--	187
Current receivables - financial	253	14	--	267
Current receivables from derivative instruments	900	4	--	904
Cash and cash equivalents	407	16	--	423
Total assets	**2 147**	**34**	**0**	**2 181**
Non-current liabilities from derivative instruments	117	--	--	117
Other non-current liabilities	99	--	--	99
Current liabilities - financial	255	1	--	256
Current liabilities from derivative instruments	604	16	--	620
Total liabilities	**1 075**	**17**	**0**	**1 092**
Total	**3 222**	**51**	**0**	**1 481**

As at 31 December 2023	EUR	USD	Other	Total
Non-current receivables - financial	299	--	--	299
Non-current receivables from derivative instruments	714	2	--	716
Other current financial assets	916	--	--	916
Current receivables - financial	1 010	7	--	1 017
Current receivables from derivative instruments	1 912	23	--	1 935
Cash and cash equivalents	666	2	--	346
Total assets	**5 195**	34	**--**	**5 229**
Non-current liabilities from derivative instruments	-271	--	--	-271
Current loans and interest-bearing borrowings	--	--	--	--
Current payables - financial	-930	-5	-2	-937
Current liabilities from derivative instruments	-2 540	--	--	-2 540

Total liabilities	**-3 741**	-5	**-2**	**-3 748**
Total	**1 454**	**29**	**-2**	**1 481**

Currency risk sensitivity analysis

As at 31 December 2024, the potential appreciation (depreciation) of EUR or USD against CZK could impact the measurement of financial instruments denominated in the foreign currency and gas inventories denominated in EUR and impact profit or loss by an amount disclosed in the following table. This analysis assumes that all other variables remain constant.

Effect reported in millions of CZK	**Profit or loss**	
	10% appreciation + profit/ - loss	10% depreciation + profit/ - loss
As at 31 December 2024		
EUR	408	-408
USD	5	-5

Effect reported in millions of CZK	**Profit or loss**	
	10% appreciation + profit/ - loss	10% depreciation + profit/ - loss
As at 31 December 2023		
EUR	213	-213
USD	3	-3

iii. Interest rate risk

The Company is exposed to the risk of interest rate fluctuations primarily as a result of bank loans with floating interest rate. The Company continuously monitors the development in financial markets and based on the current situation decides whether loans will be drawn with either floating or fixed interest rate. The risk of increase in interest rates is monitored on an ongoing basis and if necessary, the application of standard tools for risk elimination (interest rate swap) is considered.

Non-current bonds were issued and concluded with a floating interest rate, but the interest rate risk was hedged by interest rate swap.

Interest rate swaps are concluded with the hedge ratio set at 1:1 so that all derivative conditions correspond with the hedged risk of cash flow changes due to floating interest rates. Potential hedge ineffectiveness can also be caused only by swap illiquidity or the counterparty’s credit risk.

As the variable interest rate of non-current bonds is hedged, the sensitivity of the financial result from current revolving loans is very low and insignificant compared with the profit from operating activities.

(d) Liquidity risk

Liquidity risk represents the possibility that the Company might not be able to fulfil its payment obligations primarily relating to amounts payable to the providers of bank loans and borrowings and liabilities arising from energy commodities trading in organised markets (margining) and on a bilateral basis.

The Company monitors the risk of having insufficient funds on an ongoing basis by managing liquidity and monitoring the maturity of debts and investments, other assets and the expected cash flows from its operations.

The Company holds sufficient disposable liquid resources, i.e., cash, cash equivalents, and current financial assets in currencies in which future cash needs are expected. To maintain liquidity, the Company uses bank loans and borrowings.

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The Company uses proprietary IT tools for liquidity management, valuation of financial instruments, and for trading and risk management purposes.

The following table shows the Company's financial assets and liabilities by maturity:

as at 31 December 2024	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years	Undefined maturity / on demand
Assets						
Non-current receivables - financial	425	425	--	425	--	--
Non-current receivables from derivative instruments *	187	373	--	373	--	--
Non-current financial assets	600	600	--	600	--	--
Other current financial assets	886	886	886	--	--	--
Current receivables - financial	1 397	1 397	1 397	--	--	--
Current receivables from derivative instruments *	904	4 193	4 193	--	--	--
Total	**4 399**	**7 874**	**6 476**	**1 398**	**--**	**0**
Cash and cash equivalents	**675**	**675**	**--**	**--**	**--**	**675**
Liabilities						
Non-current loans and interest-bearing borrowings	-2 197	-2 294	--	-2 294	--	--
Non-current lease liabilities	-340	-449	--	-245	-204	--
Non-current liabilities - financial	-105	-105	--	-105	--	--
Non-current liabilities from derivative instruments *	-117	-129	--	-129	--	--
Current loans and interest-bearing borrowings	-2	-82	-82	--	--	--
Current lease liabilities	-51	-76	-76	--	--	--
Current liabilities - financial	-991	-991	-991	--	--	--
Current liabilities from derivative instruments *	-621	-2 627	-2 627	--	--	--
Total	**-4 424**	**-6 753**	**-3 776**	**-2 773**	**-204**	**--**
Net balance - liquidity risk (financial assets and liabilities)	**650**	**1 796**	**2 700**	**-1 375**	**-204**	**675**

* Contractual cash flows from derivative instruments represent payments made or received by the Company. The Company simultaneously receives or provides consideration for these transactions.

The following table shows the detailed breakdown of the maturity of derivative instruments up to 1 year as at 31 December 2024:

Due	< 3 months	3-6 months	6-9 months	9-12 months	Total up to 1 year
Income from derivative instruments	2 282	664	342	905	4 193
Expenditure on derivative instruments	-1 019	-570	-516	-522	-2 627
Net cash flow from derivative instruments	**1 263**	**94**	**-174**	**383**	**1 566**

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

as at 31 December 2023	Carrying amount	Contractual cash flows	1 year or less	1-5 years	More than 5 years	Undefined maturity/ on demand
Assets						
Non-current receivables - financial	324	332	--	332	--	--
Non-current receivables from derivative instruments *	716	1 863	--	1 863	--	--
Non-current financial assets	46	47	--	43	--	4
Other current financial assets	1 506	1 506	1 506	--	--	--
Current receivables - financial	2 396	2 396	2 396	--	--	--
Current receivables from derivative instruments *	1 935	4 646	4 646	--	--	--
Total	**6 923**	**10 790**	**8 548**	**2 238**	**--**	**4**
Cash and cash equivalents	**666**	**666**	**--**	**--**	**--**	**666**
Liabilities						
Non-current loans and interest-bearing borrowings	-2 193	-2 364	--	-2 364	--	--
Non-current lease liabilities	-304	-409	--	-190	-219	--
Non-current liabilities - financial	-122	-122	--	-122	--	--
Non-current liabilities from derivative instruments *	-271	-635	--	-635	--	--
Current loans and interest-bearing borrowings	-2	-81	-81	--	--	--
Current lease liabilities	-38	-60	-60	--	--	--
Current liabilities - financial	-1 359	-1 359	-1 359	--	--	--
Current liabilities from derivative instruments *	-2 540	-4 911	-4 911	--	--	--
Total	**-6 829**	**-9 941**	**-6 411**	**-3 311**	**-219**	**--**
Net balance - liquidity risk (financial assets and liabilities)	**760**	**1 515**	**2 137**	**-1 073**	**-219**	**670**

* Contractual cash flows from derivative instruments represent payments made or received by the Company. The Company simultaneously receives or provides consideration for these transactions.

The following table shows the detailed breakdown of the maturity of derivative instruments up to 1 year as at 31 December 2023:

Due	< 3 months	3-6 months	6-9 months	9-12 months	Total up to 1 year
Income from derivative instruments	2 660	593	408	985	4 646
Expenditure on derivative instruments	-1 909	-998	-1 077	-927	-4 911
Net cash flow from derivative instruments	**751**	**-405**	**-669**	**58**	**-265**

Separate financial statements for the year ended 31 December 2024 (in millions of CZK)

(e) Capital management

The Company's aim is to keep a strong capital base to maintain creditor and market confidence and sustain future development of own business.

The Company is responsible for managing its capital structure and flexible in responding to potential condition changes in financial markets. With the aim to maintain and protect the strong capital basis, the Company may adjust dividend amount or other shareholders' contributions. The Company aims to maintain an optimal ratio of net debt (loans and bonds, less current loans for the financing of gas inventory and cash and cash equivalents) to equity and the level of assets and liabilities utilising the high rating of the Company to obtain low-cost external funds.

	31 December 2024	**31 December 2023**
Bank loans and bonds issued	2 199	2 195
Less: current debts for the financing of gas inventory	--	--
Less: cash and cash equivalents	-675	-666
Net debt (+) / surplus (-)	**1 524**	**1 529**
Total equity	**8 324**	**8 232**
Net debt to equity ratio	**0.18**	**0.19**

(f) Fair value

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of the fair value:

	Carrying amount at 31 December 2024		**Fair value at 31 December 2024**		
	Trading derivatives	Hedging derivatives	Level 1	Level 2	Level 3
Financial assets measured at fair value					
Commodity forwards	687	--	--	687	--
Commodity futures	305	--	--	305	--
Commodity swap	--	4		4	--
Currency forward	4	--	--	4	--
Interest rate swap	91	--	--	91	--
Financial liabilities measured at fair value					
Commodity forwards	-664	--	--	-664	--
Commodity swap	--	-6	--	-6	--
Commodity futures	-31	--	--	-31	--
Currency forward	-26	-10	--	-36	--

Inventory of gas for trading is measured at fair value of CZK 859 million under Level 2.

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	Carrying amount at 31 December 2023		Fair value at 31 December 2023		
	Trading derivatives	Hedging derivatives	Level 1	Level 2	Level 3
Financial assets measured at fair value					
Commodity forwards	2 248	--	--	2 248	--
Commodity futures	122	--	--	122	--
Commodity swap	--	21		21	
Currency forward	69	3	--	72	--
Interest rate swap	188	--	--	188	--
Financial liabilities measured at fair value					
Commodity forwards	-2 535	--	--	-2 535	--
Commodity futures	-256	--	--	-256	--
Currency forward	-20	--	--	-20	--

Inventory of gas for trading is measured at fair value of CZK 676 million under Level 2.

The fair values of financial derivatives fulfil the criteria of level 2 in compliance with the IFRS 13 hierarchy (the fair values are derived from market quotations of forward exchange rates, commodity prices and yield curves, however, the financial derivatives are not directly traded in active financial markets).

In 2024 and 2023, there were not transfers between individual levels of the fair value hierarchy.

28. Related parties

Payroll expenses, bonuses and other personnel expenses incurred in respect of members of the board of directors, supervisory board and executive management of the Company are disclosed in the following table:

	2024		2023	
	Board of directors and supervisory board	Executive management	Board of directors and supervisory board	Executive management
Payroll expenses	--	56	--	36
Social security and health insurance expenses	4	11	1	11
Remuneration of the board members	29	0	6	--
Total	**33**	**67**	**7**	**47**

The Company is part of the consolidation group of KKCG Group AG based in Switzerland. All companies presented below are the Company's related parties, because they are part of the same consolidated group.

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Related party balances as at 31 December 2024 and 31 December 2023:

	31 December 2024	31 December 2023
Non-current trade and other receivables	83	2
Non-current loans	327	24
Current trade and other receivables	626	969
Other current financial assets	886	1 506
Total receivables	**1 922**	**2 501**
Current trade and other payables	290	298
Current liabilities - other	2	2
Total liabilities	**292**	**300**

Other current financial assets of CZK 866 million (2023: CZK 1,506 million) represents a receivable from KKCG Structured Finance AG under cash pooling contracts (see Note 18).

Related party transactions for the period ended 31 December 2024 and 31 December 2023:

	2024	2023
Revenue and other operating income	8 614	13 401
Interest income	65	99
Dividends	594	--
Other income	6	3
Total revenue	**9 279**	**13 503**
Consumption of materials and goods, inventories in stock	4 452	6 984
Services used	518	813
Other costs	162	109
Total costs and inventories in stock	**5 132**	**7 906**

Expenses charged by the related parties include, in particular, gas and electricity purchase costs and further the costs of drilling and workover operations and the costs of gas storage services.

Income charged to related parties mainly includes dividends received (MND Energie a.s. and MND Energy Storage a.s.), sales of gas and electricity (MND Energie a.s.) and finance income from cash pooling contracts (KKCG Structured Finance AG).

29. Significant subsequent events

There have been no events after the balance sheet date that would have a significant impact on the financial statements for the year ended 31 December 2024.

Date: 16 May 2025	Signature of the statutory body: Ing. Miroslav Jestřabík Member of the Board of Directors Ing. Jiří Ječmen Member of the Board of Directors

VI. Independent auditor's report

English translation

Independent auditor's limited assurance report on the Consolidated Sustainability Statement of MND a.s.

To the shareholder of MND a.s.

Limited assurance conclusion

We have conducted a limited assurance engagement on the Consolidated Sustainability Statement of MND a.s. (the "Company"), included in the section Consolidated Sustainability Statement of the annual report for the year ended 31 December 2024 (the "Consolidated Sustainability Statement"), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Statement is not prepared, in all material respects, in accordance with § 32k of the Act no. 563/1991 Coll. on Accounting implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Consolidated Sustainability Statement (the "Process") is in accordance with the description set out in subsection 1.4 [IRO-1] Description of procedures for identifying and assessing material impacts, risks and opportunities; and
- compliance of the disclosures in subsection 2.1 EU Taxonomy for the 2024 reporting period within the Environmental Information of the Consolidated Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)"), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Auditor's responsibilities section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the Act on Auditors and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by the Chamber of Auditors of the Czech Republic, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities for the Consolidated Sustainability Statement

The Board of Directors of the Company is responsible for designing and implementing a process to identify the information reported in the Consolidated Sustainability Statement in accordance with the ESRS and for disclosing this Process in subsection 1.4 [IRO-1] Description of procedures for identifying and assessing material impacts, risks and opportunities of the Consolidated Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

The Board of Directors of the Company is further responsible for the preparation of the Consolidated Sustainability Statement, in accordance with § 32k of the Act no. 563/1991 Coll. on Accounting implementing Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the ESRS;
- preparing the disclosures in subsection 2.1 EU Taxonomy for the 2024 reporting period within the Environmental Information of the Consolidated Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that the Board of Directors determines is necessary to enable the preparation of the Consolidated Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The Supervisory Board and the Audit Committee of the Company are responsible for overseeing the Group's sustainability reporting process.

Inherent limitations in preparing the Consolidated Sustainability Statement

In reporting forward-looking information in accordance with ESRS, the Board of Directors of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions of the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Auditor’s responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Consolidated Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Consolidated Sustainability Statement, in relation to the Process, include:

- obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- designing and performing procedures to evaluate whether the Process is consistent with the Company’s description of its Process set out in subsection 1.4 [IRO-1] Description of procedures for identifying and assessing material impacts, risks and opportunities.

Our other responsibilities in respect of the Consolidated Sustainability Statement include:

- identifying where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the Consolidated Sustainability Statement. 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.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Consolidated Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Consolidated Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- obtained an understanding of the Process by:
    - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
    - reviewing the Company’s internal documentation of its Process; and

- evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in subsection 1.4 [IRO-1] Description of procedures for identifying and assessing material impacts, risks and opportunities.

In conducting our limited assurance engagement, with respect to the Consolidated Sustainability Statement, we:

- obtained an understanding of the Group's reporting processes relevant to the preparation of its Consolidated Sustainability Statement by:
    - obtaining an understanding of the Group's control environment, processes and information system relevant to the preparation of the Consolidated Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
    - reviewing the Group's internal documentation related to the preparation of the Consolidated Sustainability Statement;
- evaluated whether the information identified by the Process is included in the Consolidated Sustainability Statement;
- evaluated whether the structure and the presentation of the Consolidated Sustainability Statement is in accordance with the ESRS;
- performed inquires of relevant personnel and analytical procedures on selected information in the Consolidated Sustainability Statement;
- performed substantive assurance procedures on selected information in the Consolidated Sustainability Statement;
- where applicable, compared disclosures in the Consolidated Sustainability Statement with the corresponding disclosures in the consolidated financial statements and other parts of the annual report for the year ended 31 December 2024;
- evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Consolidated Sustainability Statement.

Other matter

The comparative information included in the Consolidated Sustainability Statement of the Company as at 31 December 2023 and for the year then ended was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

16 May 2025

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

Ing. Marek Richter
Statutory Auditor, Licence No. 1800

Translation note

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

English translation

Independent Auditor's Report

To the shareholder of MND a.s.

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion:

- the consolidated financial statements give a true and fair view of the consolidated financial position of MND a.s., with its registered office at Úprkova 807/6, Hodonín (the "Company") and its subsidiaries (together the "Group") as at 31 December 2024, and of the Group's consolidated financial performance and consolidated cash flows for the year ended 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the European Union, and
- the separate financial statements give a true and fair view of the separate financial position of the Company as at 31 December 2024, and of the Company's separate financial performance and separate cash flows for the year ended 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the European Union.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of comprehensive income for the year ended 31 December 2024;
- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of changes in equity for the year ended 31 December 2024;
- the consolidated statement of cash flows for the year ended 31 December 2024; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

The Company's separate financial statements comprise:

- the separate statement of comprehensive income for the year ended 31 December 2024;
- the separate statement of financial position as at 31 December 2024;
- the separate statement of changes in equity for the year ended 31 December 2024;
- the separate statement of cash flows for the year ended 31 December 2024; and
- the notes to the separate financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and of the Council (the “EU Regulation”) and Standards on Auditing of the Chamber of Auditors of the Czech Republic (together the “Audit regulations”). These standards consist of International Standards on Auditing as supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report.

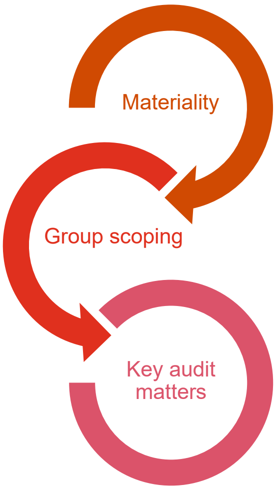
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Our audit approach

Overview



The overall materiality for the Group and the Company was set at 0.8% of average total sales for the years 2020 – 2024, which represents approximately CZK 565 million for the Group, and CZK 558 million the Company.
We have selected, including the Company, four entities that, in our opinion, based on their size or risk, require a full audit for consolidation purposes and we have performed the audits. The entities we audited accounted for 96% of the Group's total sales. On the remaining subsidiaries we performed audit procedures based on the audit scope described above to obtain sufficient audit evidence as a basis for issuing an opinion on the consolidated financial statements of the Group as a whole.
Valuation of financial instruments (separate and consolidated financial statements).

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements (together the “financial statements”). In particular, we considered where management made subjective judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance as to whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for each set of financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate, on each set of financial statements as a whole.

Overall Group materiality	CZK 565 million
Overall Company materiality	CZK 558 million
How we determined it	Materiality for the Group and the Company was determined as 0.8% of average total sales for the years 2020 – 2024.
Rationale for the materiality benchmark applied	We also considered using profit before tax as a benchmark, but as it was volatile for both the Company and the Group in the recent years, and both the Group and the Company achieve relatively low margin, we have assessed total sales as the most suitable usable benchmark, which is also relevant to the specifics of the industry in which the Group operates. We also considered the Group's and the Company's performance measurement, which is oriented on EBITDA. To reflect the impact of all these performance indicators, the basis for determining the materiality level was defined as 0.8% of total sales. The indicator of average total sales was chosen due to volatility in recent years.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of each set of financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of financial instruments (separate financial statements) (see Notes 25 and 27 of the notes)	
As at 31 December 2024, the Company showed in the separate statement of financial position and in the Notes 25 and 27 of the notes to the separate financial statements receivables from derivative financial instruments in the total amount of CZK 1,091 million (of which CZK 187 million are long-term receivables) and liabilities from derivative financial instruments in the total amount of CZK 737 million (of which CZK 117 million are long-term liabilities).	Our audit procedures around the fair values of these financial instruments were focused on the adequacy of the accounting methodology, the correctness and accuracy of fair value determination and the completeness and accuracy of the data entering the fair value calculations. Our procedures consisted of: • obtaining an understanding of the trading strategies and the process of energy commodity trading and the related transaction streams; • assessment of the accounting methodology;

The fair value of financial instruments (including mainly commodity forwards and storage capacity contracts) is determined by calculations and models that use common but subjectively selected calculation methods and a range of market and market observable input data. Given the subjectivity of the choice of calculation methods and the number of market and market-observable input data, we evaluated the related area of valuation and accounting for financial instruments as the key audit matter. Fair values of these financial instruments, including a description of the calculations, models and significant inputs used by the Company's management in determining the fair value are disclosed in the Notes 25 and 27 of the notes to the separate financial statements together with other mandatory disclosures in accordance with IFRS 7, 9 and 13.	• assessment of the methodology of determination of fair value of particular types of the financial instruments; • verification of market conformity of the input data sample; • testing of internal control focused on the completeness and accuracy of data in the Company's information systems; • testing of the accuracy of data in the Company's information systems on a selected sample; • confirmation of the completeness and existence of financial instruments in the Company's financial statements on a selected sample; • independent recalculation of the financial instruments' fair value on a sample basis; • verification of disclosures in the Notes to the separate financial statements of the Company in accordance with IFRS.

Valuation of financial instruments (consolidated financial statements)
(see Notes 28 and 30 of the Notes)

As at 31 December 2024, the Group showed in the consolidated statement of financial position and in the Notes 28 and 30 of the notes to the consolidated financial statements receivables from derivative financial instruments in the total amount of CZK 1,064 million (of which CZK 181 million are long-term receivables) and liabilities from derivative financial instruments in the total amount of CZK 629 million (of which CZK 89 million are long-term liabilities). The Group buys and sells energy commodities in multiple markets using forward over-the-counter trades and futures. The Group applies hedge accounting to reduce volatility of profit of loss. The use of commodity forwards and futures in combination with application of the hedge accounting represents a complex accounting scheme. Hence, we have assessed the related areas of valuation of financial instruments and accounting for the financial instruments as a key audit matter.	Our audit procedures around the fair values of these financial instruments were focused on the adequacy of the accounting methodology, the correctness and accuracy of fair value determination and the completeness and accuracy of the data entering the fair value calculations. Our procedures consisted of: • obtaining an understanding of the trading strategies and the process of energy commodity trading and the related transaction streams; • assessment of the accounting methodology; • assessment of the methodology of determination of fair value of particular types of the financial instruments; • verification of market conformity of the input data sample; • testing of internal control focused on the completeness and accuracy of data in the Company's information systems;

The fair value of financial instruments (including mainly commodity forwards and storage capacity contracts) is determined by calculations and models that use common but subjectively selected calculation methods and a range of market and market observable input data. Fair values of these financial instruments, including a description of the calculations, models and significant inputs used by the Group's management in determining the fair value are disclosed in the Notes 28 and 30 of the notes to the consolidated financial statements together with other mandatory disclosures in accordance with IFRS 7, 9 and 13.	• testing of the accuracy of data in the Company's information systems on a selected sample; • confirmation of the completeness and existence of financial instruments in the Company's financial statements on a selected sample; • independent recalculation of the financial instruments' fair value on a sample basis; • understanding and evaluation of the risk management strategy employed within the Group; • assessing compliance of the Group's hedge accounting documentation with IFRS; • verification of disclosures in the Notes to the consolidated financial statements of the Group in accordance with IFRS.

How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on each set of financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, the share of individual subsidiaries on the Group financial position and performance and specifics of the industry in which the Group and the Company operate.

We have selected, including the parent company, four entities that, in our opinion, based on their size or risk, require a full audit performed by a group auditor and we have audited their financial statements in full. The entities we audited accounted for 75% of the Group's total assets and 96% of sales. On the remaining subsidiaries we performed audit procedures based on the audit scope described above in order to obtain sufficient audit evidence as a basis for issuing an opinion on the consolidated financial statements of the Group as a whole.

Other information

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

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Group and the Company obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information, excluding the Consolidated Sustainability Report included in section III, on which a separate assurance report has been issued by us 16 May 2025, has been prepared, in all material respects, in accordance with applicable legal requirements, i.e. whether the other information, excluding the Consolidated Sustainability Report, complies with the legal requirements both in terms of formal requisites and the procedure for preparing the other information in the context of materiality.

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

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

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

Responsibilities of the board of directors, supervisory board and audit committee of the Company for the financial statements

The board of directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as the board of directors determines is necessary to enable the preparation of 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 Group and 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 Group or the Company or to cease operations, or has no realistic alternative but to do so.

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

The audit committee of the Company is responsible for monitoring the financial statements' preparation process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and 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 Group and 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 Group or 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicate with the board of directors and audit committee 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.

We also provide the audit committee with a statement showing that we have complied with relevant ethical requirements regarding independence, and we communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Information required by the EU Regulation

In compliance with Article 10(2) of the EU Regulation, we provide the following information, which is required in addition to the requirements of International Standards on Auditing:

Consistency of the audit opinion with the additional report to the audit committee

We confirm that the audit opinion expressed herein is consistent with the additional report to the audit committee of the Company, which we issued today in accordance with Article 11 of the EU Regulation.

Appointment of auditor and period of engagement

We were appointed as the auditors of the Group and the Company for year 2024 by the general meeting of shareholders of the Company on 12 October 2022. Our uninterrupted engagement as auditors of the Group and the Company has lasted for six years.

Provided non-audit services

We declare that no services prohibited under Article 5 (1) of the EU Regulation, as amended by the Czech law following Article 5 (3) of the EU Regulation, have been provided.

The non-audit services that we have provided to the Company and its subsidiaries in the period from 1 January 2024 to 31 December 2024 are disclosed in Note 8 of the notes to the consolidated financial statements.

Information on the compliance of the format of the financial statements with the requirements of the European Single Electronic Format ("ESEF") Regulation

The European single electronic reporting format has been applied by the board of directors of the Company to the Company's financial statements to comply with the requirements of Article 3 of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation").

These requirements specify the Company's obligation to prepare its financial statements in a XHTML format. We confirm that the European single electronic reporting format of the financial statements for the year ended 31 December 2024 complies with the ESEF Regulation in this regard.

The engagement partner on the audit resulting in this independent auditor's report is Marek Richter.

16 May 2025

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

Marek Richter
Statutory Auditor, Licence No. 1800

Translation note

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