

POZAGAS a.s.

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) AS ENDORSED
BY THE EU**

As at 31 December 2024

POZAGAS a.s.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Supervisory Board and Board of Directors of POZAGAS a.s.:

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of POZAGAS a.s. (the "Company"), which comprise the balance sheet as at 31 December 2024, and the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. 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 are independent of the Company in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended, as amended (hereinafter the "Act on Statutory Audit") related to independence and ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2.2 to the financial statements stating that the Company updated the fair value estimate for land, property, plant and equipment, which resulted in a significant increase in the value of property, plant and equipment as at 31 December 2024. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting 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 International Standards on Auditing 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.

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.
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As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

We communicate with those charged with governance about, inter alia, the planned scope and time schedule of the audit and significant audit findings, including all material deficiencies of internal control identified during our audit.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Information Disclosed in the Annual Report

The statutory body is responsible for information disclosed in the annual report prepared under the requirements of the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting"). Our opinion on the financial statements stated above does not apply to other information in the annual report.

In connection with the audit of financial statements, it is our responsibility to gain an understanding of the information disclosed in the annual report and assess whether such information is materially inconsistent with the financial statements or our knowledge of the entity and its position obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

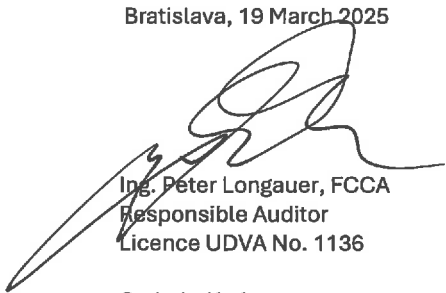
We assessed whether the Company's annual report includes information whose disclosure is required by the Act on Accounting.

Based on procedures performed during the audit of the financial statements, in our opinion:

- Information disclosed in the annual report prepared for 2024 is consistent with the financial statements for the relevant year; and
- The annual report includes information pursuant to the Act on Accounting.

Furthermore, based on our understanding of the Company and its position, obtained in the audit of the financial statements, we are required to disclose whether material misstatements were identified in the annual report, which we received prior to the date of issuance of this auditor's report. There are no findings that should be reported in this regard.

Bratislava, 19 March 2025



Ing. Peter Longauer, FCCA
Responsible Auditor
Licence UDVA No. 1136

On behalf of
Deloitte Audit s.r.o.
Licence SKAu No. 014

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Income Statement

For the Year Ended 31 December 2024 and 31 December 2023

<i>In thousands of euro</i>	Note	2024	2023
Revenues	4	57 163	77 614
Depreciation	11, 12	(9 258)	(10 503)
Services		(8 886)	(8 158)
Materials and energies consumed		(961)	(3 125)
Personnel expenses	5	(1 468)	(1 361)
Gains on the increase in value of assets	11, 12	29 125	-
Other operating expenses, net	6	(7 198)	(21 288)
Profit from operations		58 517	33 179
Finance income		3 153	2 801
Finance costs		(270)	(73)
Finance costs, net	7	2 883	2 728
Profit before tax		61 400	35 907
Income tax	8	(17 276)	(8 251)
Net profit for the year		44 124	27 656
Earnings per share (in EUR)	9	2 274	1 429

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Statement of Comprehensive Income For the Year Ended 31 December 2024 and 31 December 2023

<i>In thousands of euro</i>	Note	2024	2023
Net profit for the year		44 124	27 656
Other comprehensive income/(loss)			
Change in asset revaluation reserves	11	209 243	(3 262)
Tax effect of revaluation	8	(59 010)	303
Other comprehensive income/(loss) for the year after tax		150 233	(2 959)
Total comprehensive income/(loss) for the year		194 357	24 697

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Balance Sheet

As at 31 December 2024 and 31 December 2023

<i>In thousands of euro</i>	Note	31 December 2024	31 December 2023
Assets			
Land, property, plant and equipment	11	398 066	165 125
Intangible assets	12	436	383
Trade and other receivables		1 643	1 642
Total non-current assets		400 145	167 150
Materials and spare parts		740	642
Income tax asset		738	-
Trade and other receivables	13	5 228	8 479
Receivables from related parties	13	65 403	52 853
Cash and cash equivalents	14	24 859	41 240
Total current assets		96 968	103 214
Total assets		497 113	270 364
Equity and liabilities			
Equity			
Share capital	15.1	43 008	43 008
Revaluation reserves	15.3	243 908	99 331
Legal reserve fund	15.2	8 602	8 602
Retained earnings		79 399	63 866
Total equity		374 917	214 807
Liabilities			
Deferred tax liabilities	8	101 363	34 803
Provision for liquidation and site restoration	16	15 322	13 065
Trade and other payables		289	308
Deferred income		281	293
Total non-current liabilities		117 255	48 469
Income tax liability		-	1 091
Trade and other payables	17	3 968	5 163
Deferred income		973	834
Total current liabilities		4 941	7 088
Total liabilities		122 196	55 557
Total equity and liabilities		497 113	270 364

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Statement of Changes in Equity

For the Year Ended 31 December 2024 and 31 December 2023

<i>In thousands of euro</i>	Share capital	Share premium	Legal reserve fund	Retained earnings	Revaluation reserve	Total
Balance as at 1 Jan 2023	43 008	-	8 602	64 408	108 891	224 909
Net profit for the year	-	-	-	27 656	-	27 656
Dividends paid	-	-	-	(34 799)	-	(34 799)
Transfer to Retained earnings	-	-	-	6 601	(6 601)	-
Other comprehensive income/(loss)	-	-	-	-	(2 959)	(2 959)
Balance as at 31 Dec 2023	43 008	-	8 602	63 866	99 331	214 807
Balance as at 1 Jan 2024	43 008	-	8 602	63 866	99 331	214 807
Net profit for the year	-	-	-	44 124	-	44 124
Dividends paid	-	-	-	(34 247)	-	(34 247)
Transfer to Retained earnings	-	-	-	5 656	(5 656)	-
Other comprehensive income/(loss)	-	-	-	-	150 233	150 233
Balance as at 31 Dec 2024	43 008	-	8 602	79 399	243 908	374 917

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Statement of Cash Flows

For the Year Ended 31 December 2024 and 31 December 2023

<i>In thousands of euro</i>	2024	2023
Operating activities		
Income before tax	61 400	35 907
Adjustments for:		
Depreciation and amortisation	9 258	10 503
Gains on the increase in value of assets	(29 125)	-
Net foreign exchange losses/(gains)	2	-
Interest from unwinding discount	357	351
Net interest expense/(income)	(3 153)	(2 799)
Loss allowances for receivables under IFRS 9	(93)	(284)
Other	(27)	(24)
Operating profit before changes in working capital	38 619	43 654
Decrease/(increase) in inventories	(98)	(374)
Decrease/(increase) in receivables	3 107	6 507
Increase/(decrease) in payables	(1 608)	(5 450)
Cash from operating activities	40 020	44 337
Interest received	3 154	2 800
Foreign exchange losses	(2)	-
Income taxes paid, including the special levy	(11 555)	(20 815)
Cash flows from operating activities	31 617	26 322
Investing activities		
Acquisition of land, property, plant and equipment and intangible assets	(1 421)	(2 523)
Proceeds from the sale of land, property, plant and equipment and intangible assets	17	13
Loans and borrowings provided*	(24 300)	(32 000)
Cash flows from investing activities	(25 704)	(34 510)
Financing activities		
Dividends paid*	(22 261)	(34 799)
Lease payments – IFRS 16	(33)	(30)
Cash flows from financing activities	(22 294)	(34 829)
Net increase/(decrease) in cash and cash equivalents	(16 381)	(43 017)
Cash and cash equivalents as at 1 Jan	41 240	84 257
Cash and cash equivalents as at 31 Dec	24 859	41 240

* These items comprise offsets related to a receivable from related parties and a payable from dividends to a related party (2024).

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Notes to the Financial Statements For the Year Ended 31 December 2024

1. General Information

1.1. Description of Business

POZAGAS a.s. is a joint-stock company with its registered office at Malé námestie 1, Malacky, Slovak Republic, Company ID: 31 435 688, Tax ID: 2020357372 (hereinafter “POZAGAS” or the “Company”). The Company was established on 7 April 1993 and registered in the Business Register of the Slovak Republic on 13 May 1993. The Company provides underground gas storage services and services related to underground gas storage.

1.2. Basis for Preparation of the Financial Statements

These financial statements represent the annual separate financial statements of POZAGAS a.s. for the reporting period from 1 January to 31 December 2024.

The financial statements are intended for general use and information; they are not intended for the purposes of any specific user or consideration of any specific transactions. Accordingly, users should not rely exclusively on these financial statements when making decisions.

1.3. Approval of the 2023 Financial Statements

On 16 May 2024, the General Meeting approved the 2023 financial statements of POZAGAS a.s.

1.4. Employees

Number of employees as at 31 December 2024	19
Of which: Managers	3

2. New International Financial Reporting Standards and Changes in Estimates

2.1 Adoption of New and Revised International Financial Reporting Standards

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

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective for the reporting period beginning on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or the amounts reported in these financial statements.

- **Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current** issued by the IASB on 23 January 2020 and **Amendments to IAS 1 Presentation of Financial Statements – Non-current Liabilities with Covenants** issued by the IASB on 31 October 2022. The amendments issued in January 2020 provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments issued in October 2022 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability and set the effective date for both amendments to annual periods beginning on or after 1 January 2024.
- **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures – Supplier Finance Arrangements** issued by the IASB on 25 May 2023. The amendments add disclosure requirements and ‘signposts’ within existing disclosure requirements to provide qualitative and quantitative information about supplier finance arrangements.
- **Amendments to IFRS 16 Leases – Lease Liability in a Sale and Leaseback** issued by the IASB on 22 September 2022. The Amendments to IFRS 16 require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of a gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

New and revised IFRS Accounting Standards adopted by the EU but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following amendments to IFRS Accounting Standards that have been issued by the IASB and adopted by the EU but are not yet effective:

- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability** issued by the IASB on 15 August 2023. The amendments contain guidance specifying when a currency is exchangeable and how to determine the exchange rate when it is not.

New and revised IFRS Accounting Standards in issue but not adopted by the EU

At present, IFRS Accounting Standards as adopted by the EU do not significantly differ from IFRS Accounting Standards issued by the International Accounting Standards Board (IASB), except for the following new accounting standards and amendments to the existing accounting standards, which were not adopted by the EU as at the date of authorisation of these financial statements:

- **Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments** issued by the IASB on 30 May 2024. The amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features. The amendments also clarify the date on which a financial asset or financial liability is derecognised and introduce additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.
- **Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity** issued by the IASB on 18 December 2024. The own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent. The hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met and to measure the hedged item using the same volume assumptions as those used for the hedging instrument. The amendments to IFRS 7 and IFRS 19 introduce disclosure requirements for contracts for nature-dependent electricity with specified characteristics.
- **Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 – Annual Improvements to IFRS Accounting Standards – Volume 11** issued by the IASB on 18 July 2024. The amendments include clarifications, simplifications, corrections and changes in the following areas: (a) hedge accounting by a first-time adopter (IFRS 1); (b) gain or loss on derecognition (IFRS 7); (c) disclosure of deferred difference between fair value and transaction price (IFRS 7); (d) introduction and credit risk disclosures (IFRS 7); (e) lessee derecognition of lease liabilities (IFRS 9); (f) transaction price (IFRS 9); (g) determination of a 'de facto agent' (IFRS 10); (h) cost method (IAS 7).
- **IFRS 18 Presentation and Disclosures in Financial Statements** issued by the IASB on 9 April 2024 will replace IAS 1 Presentation of Financial Statements. This standard introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies. The main changes in the new standard compared with IAS 1 comprise: (a) The introduction of categories (operating, investing, financing, income tax and discontinued operations) and defined subtotals in the statement of profit or loss; (b) The introduction of requirements to improve aggregation and disaggregation; (c) The introduction of disclosures on Management-defined Performance Measures (MPMs) in the notes to the financial statements.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** issued by the IASB on 9 April 2024. This standard permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. IFRS 19 is optional for eligible subsidiaries and sets out the disclosure requirements for subsidiaries that elect to apply it.
- **IFRS 14 Regulatory Deferral Accounts** issued by the IASB on 30 January 2014. This standard is intended to allow entities that are first-time adopters of IFRS Accounting Standards and that currently recognise regulatory deferral accounts in accordance with their previous GAAP to continue to do so upon transition to IFRS Accounting Standards.

- **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures –Sale or Contribution of Assets between an Investor and its Associate or Joint Venture** issued by the IASB on 11 September 2014. The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

The Company does not expect that the adoption of the above standards will have a material impact on the financial statements of the Company in future periods.

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated. According to the Company's estimates, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to **IAS 39 "Financial Instruments: Recognition and Measurement"** would not have a significant impact on the financial statements if applied as at the reporting date.

2.2 Changes to Accounting Procedures and Policies and Changes in Estimates

As at 31 December 2022, the Company adopted the revaluation model under IAS 16 for land, property, plant and equipment. As at 31 December 2024, the Company updated the fair value estimate for the above assets, resulting in a significant increase in the value of property, plant and equipment as at 31 December 2024. This increase in asset value in 2024 reflects the positive impact of gas storage market stabilisation and information derived from sale transactions of companies operating gas storage facilities in 2023 and 2024. For fair value estimates in 2022 and 2024, the Company used work performed by an independent expert.

In 2024, the Company made no changes to its accounting procedures and policies.

3. Significant Accounting Policies

a) Statement of Compliance

The separate financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("EU"). IFRS as adopted by the EU do not currently differ from IFRS as issued by the International Accounting Standards Board (IASB), except for portfolio hedge accounting under IAS 39, which has not been approved by the EU. The Company has determined that portfolio hedge accounting under IAS 39 would not impact the separate financial statements had it been approved by the EU at the balance sheet date.

b) Basis of Preparation

The financial statements have been prepared under the going-concern assumption.

The financial statements have been prepared on a historical cost basis, except for the remeasurement of land, property, plant and equipment as at 31 December 2024.

The accounting policies were applied consistently by the Company and are consistent with the policies applied in the previous reporting period.

c) Significant Accounting Estimates and Key Sources of Estimate Uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed from time to time. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future affected periods.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant impact on the amounts disclosed in the financial statements is provided in the following notes.

(i) Revaluation of Land, Property, Plant and Equipment

Land, property, plant and equipment are stated at fair values in accordance with the revaluation accounting model under IAS 16, which was first applied as at 31 December 2022.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). When measuring fair value, an entity uses the assumptions that market participants would use when pricing the asset or the liability under current market conditions, including assumptions about risk. The reporting entity's intention to sell an asset or settle or otherwise fulfil a liability is not relevant when measuring fair value.

In accordance with the fair value estimate of land, property, plant and equipment under IFRS 13 as at 31 December 2024, the Company determined two different values using:

(i) Cost approach of the relevant assets; and

(ii) Income approach for the measurement of the business unit as a whole (ie the method of economic performance of assets).

Given the specific nature of the Company's scope of business, ie gas storage in underground storage facilities, there is no identical or sufficiently comparable market transaction for the purposes of the potential use of the market approach to determine the fair value of assets as at the above date.

An independent expert performed the valuation of the Company's assets in line with the cost approach using the New Replacement Costs less Depreciation methodology, except for assets where the market approach could be applied (eg an administration building and land). When determining the fair value of individual components of assets using the cost approach, the physical wear and tear of the assets and their technological and economic obsolescence were taken into account.

For comparison purposes, the Company also used the method of economic performance of assets to determine the fair value of assets. This method requires that the Company make significant judgements and choose appropriate calculation input estimates. Refer to Note 11 for detailed information related to these decisions.

Based on the comparison of applied approaches, the Company concluded that the measurement of assets as at 31 December 2024 using the method of economic performance of assets provides a truer and fairer determination of the fair value of assets. As a result, the Company decided to apply this method despite the fact that the resulting value was approx. 18% lower than the value determined using the cost approach. The value recognised as at 31 December 2023 was estimated using a method combining the income and cost approaches. As a result, the year-on-year values are not directly comparable.

There are uncertainties related to the future economic performance of assets depending on changes in valuation model assumptions and parameters, eg changes in market conditions, changes in technology and the business environment in the industry, which may lead to potential future adjustments to the estimated remeasured values and useful lives of assets, which may significantly affect the reported financial position, equity and profit. Refer to Note 11 for additional information.

(ii) Provision for Liquidation and Site Restoration

The financial statements include significant amounts as a provision for liquidation and restoration of gas storage wells and centres. The provision is based on estimates of the future costs and is also significantly impacted by the estimated amount and timing of cash flows and the Company's estimate of the discount rate used. The provision takes into account costs estimated for liquidating the gas storage wells and centres and for restoring the sites to their original condition based on previous experience and cost estimates. Refer to Note 16 for further details.

(iii) Estimated Useful Lives

The estimated useful lives of non-current asset items are subject to Company management's judgment, based on its experience with similar assets. When determining the useful lives of assets, Company management takes into account their expected use based on estimates of use, estimated technical obsolescence, physical wear and

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Notes to the Financial Statements For the Year Ended 31 December 2024

tear and physical environment where the assets are operated. Changes to any of such conditions or estimates may result in the adjustments of future depreciation rates.

Refer to Note 3 d) for additional details. The useful lives of non-current assets are based on accounting estimates described in Note 3 (d) (iii).

d) Property, Plant and Equipment and Intangible Assets

(i) Owned Property, Plant and Equipment

Since 31 December 2022, the Company has applied the revaluation model under IAS 16 for property, plant and equipment, recognising these assets at fair value. Remeasured values of assets are determined with sufficient regularity to ensure the net book value of assets does not significantly differ from the value that would be recognised as at the reporting date using fair values. When estimating fair values, the Company adheres to the IFRS 13 requirements. The procedure applied to determine estimated fair values and related uncertainties are described in the previous section.

If a positive revaluation difference arises from the remeasurement of land, property, plant and equipment compared to the amortised net book value determined based on the cost, it is credited to the asset revaluation reserve. If a negative revaluation difference arises, it is debited to profit or loss. If a negative difference is decreased, the decrease is credited to profit or loss in the amount of the previously-recognised decrease.

Depreciation of remeasured property, plant and equipment is recognised as an expense in the income statement. Upon the subsequent sale or disposal of remeasured assets, the attributable revaluation surplus remaining in the account of revaluation reserves is transferred directly to retained earnings.

(ii) Intangible Assets

Items of intangible assets are carried at cost less accumulated amortisation (see below).

(iii) Subsequent Expenditure

Subsequent expenditures related to the maintenance of the existing property, plant and equipment and intangible assets, except for the capitalised future liquidation and site restoration costs (refer to point (v) below), are capitalised only when they increase the future economic benefits of the specific item of assets. All other expenditures are recognised in the income statement when incurred.

(iv) Depreciation and Amortisation

Property, plant and equipment are depreciated and intangible assets are amortised over their estimated useful lives. Depreciation and amortisation charges are recognised in the income statement using the straight-line basis. Land is not depreciated. As at 1 January 2022, the Company changed its depreciation plan for non-current assets based on a detailed independent technical study. Estimated useful lives of individual items of assets are as follows:

	Year ended	
	31 December 2024	31 December 2023
Buildings and equipment used for gas storage	12 – 80 years	12 – 80 years
Cushion gas	100 – 1000 years	100 – 1000 years
Machinery and equipment	8 – 20 years	8 – 20 years
Other non-current assets	4 – 8 years	4 – 8 years

(v) *Capitalised Future Liquidation and Site Restoration Costs*

Capitalised future liquidation and site restoration costs represent future costs for dismantling and liquidation of buildings, underground wells, and equipment related to the underground gas storage facility as well as future costs related to the restoration of the related land.

(vi) *Cushion Gas*

Cushion gas represents gas needed to operate the underground gas storage facility. The extraction of cushion gas would affect the serviceability of the underground storage facility. Cushion gas is presented as part of the property, plant and equipment of the underground gas storage facility and recognised at fair value.

e) Non-derivative Financial Instruments

Non-derivative financial instruments comprise:

- (i) Trade and other receivables
- (ii) Cash and cash equivalents
- (iii) Trade and other payables

(i) Financial assets are classified in the following categories: financial assets subsequently measured at amortised cost, financial assets subsequently measured at fair value through other comprehensive income (FVOCI) and financial assets subsequently measured at fair value through profit or loss (FVTPL).

The Company only recognises financial assets subsequently measured at amortised cost. Financial assets are subsequently measured at amortised cost using the effective interest rate method less any impairment, and include trade receivables and loan receivables with fixed or variable payments.

Interest income is recognised using the effective interest rate, except for current receivables where the recognition of interest would be immaterial.

Impairment of financial assets

For the impairment of loan receivables, the Company applies a three-stage model of expected credit losses (ECL). Under this model, an immediate impairment loss in an amount equal to a 12-month expected credit loss is recognised upon the initial recognition of the financial assets. If there is a significant increase in the credit risk, a loss allowance is estimated based on expected credit losses for the full lifetime of financial assets, not only based on the 12-month expected loss.

As at 31 December 2024 and 31 December 2023, the Company assessed the impairment of loan receivables from borrowings provided to the Group (see Note 13) and concluded that the 12-month expected credit losses approximated zero given the low risk of default and expected loss given the method of settling the borrowing by offsetting against the payable from dividends paid.

For trade receivables and current receivables, the Company applies a simplified model for the assessment and recognition of impairment losses on financial assets under which a loss allowance is recognised in the amount of expected credit losses over the full lifetime of trade receivables at the moment of their initial recognition. Such estimates are revised as at the reporting date.

The carrying amount of a financial asset is reduced by the impairment loss directly for all items of financial assets except for trade receivables, where the carrying amount is reduced through a loss allowance account. When a trade receivable is considered unrecoverable, it is written off against the loss allowance account. Subsequent recoveries of written-off receivables are credited against the loss allowance account. Changes in the carrying amount of the loss allowance account are recognised in profit or loss.

(ii) Cash and cash equivalents comprise cash balances and demand deposits recognised in both the balance sheet and the statement of cash flows.

(iii) Financial liabilities are classified as financial liabilities measured at amortised cost or financial liabilities at “fair value through profit or loss” (FVTPL).

The Company only recognises financial liabilities classified in the category “Financial liabilities at amortised cost” category. Financial liabilities measured at amortised cost (including borrowings) are subsequently measured at amortised cost using the effective interest rate method.

f) Fair Value Estimates

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between participants of the main (most favourable) market at the measurement date under standard market conditions (ie exit price), regardless of whether that price is directly observable or estimated using another valuation technique.

Financial and non-financial instruments measured at fair value are classified into three levels:

Level 1 fair value measurements are those derived from quoted prices in active markets for similar assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable on the market for assets or liabilities, either directly (ie as prices) or indirectly (ie derived from prices).

Level 3 fair value measurements are those derived from valuation techniques that include subjective inputs for the asset or liability that are not based on observable market data.

The classification of financial and non-financial instruments into the levels above is based on the lowest-level input data that have a material impact on the fair value measurement of an item. Transfers of financial instruments between individual levels are recognised in the period when they occurred.

The carrying amounts of financial assets and liabilities with a maturity of less than one year are expected to approximate their fair values. For presentation purposes, the fair value of financial liabilities is estimated by discounting future contractual cash flows using the current market interest rate applied by the Company for similar financial instruments.

As at 31 December 2024, the Company recognised Property, plant and equipment at Level 3 fair value. Refer to Notes 3 c) and 11 for additional information on the applied parameters.

g) Inventories

Inventories, in particular spare parts and purchased gas, are measured at cost. The measurement of spare parts is based on the first-in, first-out (FIFO) principle. The measurement of purchased gas is based on the weighted arithmetic average principle.

h) Impairment of Assets

In accordance with the requirements of IAS 36 “Impairment of Assets”, at each reporting date an assessment is made as to whether there is any indication that the recoverable amount of the property, plant, and equipment is less than the carrying amount. When there is such an indication, the recoverable amount of the asset is estimated as the higher of the asset’s net selling price and the present value of its future cash flows. Any resulting estimated impairment loss on property, plant and equipment is recognised in full in the income statement in the year in which the impairment occurs. The discount rates used to calculate the present value of the future cash flows are based on the Company’s position and the economic environment in the Slovak Republic at the balance sheet date.

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Notes to the Financial Statements For the Year Ended 31 December 2024

As at 31 December 2024, the Company undertook an economic performance test of assets which did not identify any impairment of non-current assets.

i) Share Capital and Dividends

Ordinary shares are classified as equity. Dividends are recognised as a liability in the period in which they are declared.

j) Employee Benefits

The Company does not manage any pension funds. Mandatory contributions to state-guaranteed pension plans are recognised as an expense in the income statement when incurred.

k) Provisions

A provision is recognised in the balance sheet when the Company has a legal or constructive obligation as result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are calculated as discounted expected future cash flows before taxation, which reflects the present market value of money and, where appropriate, risks specific to the liability.

l) Revenues from Gas Storage Contracts

Revenues from the underground storage of natural gas are recognised over an agreed period for which the storage capacity was reserved for a customer. Variable fees for additional storage-related services are recognised during the provision of the service to a customer.

Revenues from other services primarily include the provision of gas transport from/to Austria, and are recognised during the provision of the service to a customer.

m) Expenses

(i) Net Finance Costs

Net finance costs comprise interest paid on loans and borrowings calculated using an effective interest rate method, interest from unwinding discount on non-current provisions and foreign exchange gains and losses that are recognised in the income statement.

Interest income is recognised in the income statement on an accrual basis, taking into account the effective yield on the asset.

n) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement. Current tax is the estimated tax liability on the taxable income for the year, using the tax rate valid as at the reporting date, and any adjustment of the tax liability for previous years.

In addition to the income tax, the Company is required to pay a special corporate levy on business in the regulated industries on a monthly basis. The levy rate is 0.363% (2023: 0.363%) of the profit per month before taxation calculated pursuant to the Slovak Accounting Procedures. See also Note 8.

Deferred tax is calculated from temporary differences between the carrying amounts of assets and liabilities and their tax base. The amount of recognised deferred tax depends on the expected method of realisation or settlement of the carrying amounts of assets and liabilities, using the tax rate valid in the following reporting period (24%).

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reversed to the extent that it is no longer probable that the related tax benefit will be realised.

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Notes to the Financial Statements For the Year Ended 31 December 2024

Possible additional income tax that arises from the distribution of dividends is recognised at the same time as the liability to pay the related dividends.

Special Levy on Business in Regulated Industries

As required by International Accounting Standards, the Company's income tax also includes a special levy pursuant to Act No. 235/2012 Coll. on the Special Levy on Business in Regulated Industries and on Amendments to and Supplementation of Certain Acts.

The levy period is a calendar month and the levy rate is 0.00363. The base for the levy is the profit/loss before tax recognised in accordance with International Accounting Standards and adjusted to the profit/loss recognised pursuant to the accounting procedures valid in the Slovak Republic, and further adjusted pursuant to the Act on Special Levy. The special levy is recognised as part of income taxes.

As a result of an amendment to the Act on Special Levy on Businesses in Regulated Industries that abolished the time limit of the validity of the special levy payment, the Company is obliged also to account for a deferred special levy. The deferred special levy is recognised from all temporary differences between the carrying amount of assets and liabilities recognised under International Accounting Standards and the carrying amount of assets and liabilities recognised in accordance with the accounting procedures valid in the Slovak Republic. The deferred special levy is calculated using the special levy rate (4.356%) that is expected to apply to the period when the temporary difference, from which the deferred special levy arises, is expected to be settled.

The Company is a member of a multinational group of companies (the "Group") which has been, since 2024, subject to new rules on a minimum 15% rate of taxation for multinational groups implemented in line with Pillar II rules of the BEPS 2.0 initiative.

The Pillar II rules stipulate that if the effective tax rate (calculated as the ratio of adjusted accounting profit/loss and adjusted corporate income tax in the respective jurisdiction) in the jurisdictions where a multinational group operates falls below 15%, the multinational group is required to pay a top-up tax to achieve the minimum 15% rate.

Pillar II legislation introduces a transitional safe harbour which may be applied for up to the first three years from the effective date of the respective Regulation.

Based on the preliminary assessment of a potential top-up tax liability under Pillar II for 2024 at the Group level, which is based on the available preliminary financial information of the Group for 2024, the Company should meet the requirements for a transitional safe harbour.

In addition, the Company does not expect that any obligation related to the top-up tax payment will arise for it in the near future.

4. Revenues

In thousands of euro

	2024	2023
Storage of gas and services related to the storage of gas	57 163	77 614

Revenues are recognised based on contracts for gas storage and for the provision of services related to the storage of gas concluded with customers. Prices are denominated in euro and also depend on the development of certain statistical macroeconomic development indices.

In 2024, the Company provided underground gas storage services and services related to underground gas storage to related companies in its shareholders' group and to third parties.

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Notes to the Financial Statements For the Year Ended 31 December 2024

5. Personnel Expenses

<i>In thousands of euro</i>	2024	2023
Wages and salaries	896	840
Mandatory social security contributions and other social expenses	420	368
Remuneration of members of management bodies	152	153
Total	1 468	1 361

The average number of employees during the year ended 31 December 2024 was 19, of which 3 were managers and 16 were administrative staff and technicians (2023: 19, of which 3 were managers and 16 were administrative staff and technicians).

6. Other Operating Expenses, Net

<i>In thousands of euro</i>	2024	2023
Insurance expenses	183	152
Insurance benefits	-	-
Administrative and other charges	7 539	21 297
Other	(524)	(161)
Total	7 198	21 288

“Administrative and other charges” primarily comprise costs related to charges for the use of gas pipeline capacity and entry-exit points owned by an operator of a connecting gas pipeline network.

“Other” primarily comprises revenues from the exploration project of storage facilities and deposits performed in cooperation with a related party.

7. Finance Costs, Net

<i>In thousands of euro</i>	2024	2023
Interest income	(3 154)	(2 800)
Foreign exchange gains	1	(1)
Finance income	(3 153)	(2 801)
Foreign exchange losses	1	-
Interest from unwinding discount on provisions for liquidation and restoration (see Note 16)	357	351
Other	(88)	(278)
Finance costs	270	73
Finance costs, net	(2 883)	(2 728)

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Notes to the Financial Statements
For the Year Ended 31 December 2024

8. Income Tax

8.1. Income Tax Recognised in the Income Statement

<i>In thousands of euro</i>	2024	2023
Current income tax – current year	8 099	8 542
Special levy	1 627	1 718
Deferred special levy	(264)	-
Deferred income tax – current year	5 718	(2 009)
Effect of the change in the tax rate	2 096	-
	<u>17 276</u>	<u>8 251</u>

8.2. Reconciliation of Statutory and Effective Tax Rates

<i>In thousands of euro</i>		2024		2023
Profit (loss) before tax		61 400		35 907
Income tax at	21.0%	12 894	21.0%	7 540
Effect of permanent differences, net	2.7%	1 662	-0.1%	(37)
Special levy	2.6%	1 627	4.8%	1 718
Effect of deferred special levy	-1.6%	(1 002)	-2.7%	(970)
Effect of the change in the tax rate	3.4%	2 096	-	-
	<u>28.14%</u>	<u>17 276</u>	<u>22.98%</u>	<u>8 251</u>

The statutory income tax rate effective in 2024 and in 2023 was 21%.

As required by International Accounting Standards, income tax also includes a special levy on business in regulated industries under a special regulation. The special levy is set in the amount of 4.356% from profit before tax for the given year.

8.3. Deferred Income Tax

The following table shows the major deferred tax liabilities and assets recognised by the Company and their movements during the current and prior reporting periods. As required by International Accounting Standards, deferred tax also includes a deferred special levy on business in regulated industries under a special regulation. (Note 3 n).

<i>In thousands of euro</i>	As at 1 Jan 2024	Credit (charge) to equity for the current period	Credit (charge) to profit for the current period	As at 31 Dec 2024
Depreciation of and loss allowances for non-current assets	(5 732)	-	1 724	(4 008)
Effect of remeasurement	(26 812)	(43 255)	(6 116)	(76 183)
Provision for liquidation and site restoration	1 458	-	(41)	1 417
Effect of deferred special levy	(3 648)	(7 028)	(1 005)	(11 681)
Effect of tax rate change	-	(8 727)	(2 096)	(10 823)
Other	(69)	-	(16)	(85)
Total	<u>(34 803)</u>	<u>(59 010)</u>	<u>(7 550)</u>	<u>(101 363)</u>

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Notes to the Financial Statements For the Year Ended 31 December 2024

<i>In thousands of euro</i>	As at 1 Jan 2023	Credit (charge) to equity for the current period	Credit (charge) to profit for the current period	As at 31 Dec 2023
Depreciation of and loss allowances for non-current assets	(4 315)	-	(1 417)	(5 732)
Effect of remeasurement	(30 277)	-	3 465	(26 812)
Provision for liquidation and site restoration	1 384	-	74	1 458
Effect of deferred special levy	(3 951)	303	-	(3 648)
Other	44	-	(113)	(69)
Total	(37 115)	303	2 009	(34 803)

9. Earnings per Share

Earnings per share are calculated as net profit after tax attributable to the shareholders of POZAGAS divided by the weighted average number of shares in circulation during the reporting period.

10. Costs of Auditor's Services

Costs of services provided by the audit firm comprise the audit of financial statements (EUR 31 thousand), other assurance audit services (EUR 3 thousand) and related audit services (EUR 8 thousand).

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Notes to the Financial Statements
For the Year Ended 31 December 2024

11. Property, Plant and Equipment

In thousands of euro

Year ended 31 Dec 2023

	Land	Buildings and structures	Machines and equipment	Capitalised future costs for liquidation and site restoration (See Note 16)	Assets under construction	Total
Opening fair value	1 488	132 237	36 642	3 844	899	175 110
Additions	-	-	-	-	2 519	2 519
Transfers	5	-	286	-	(291)	-
Disposals	-	(1)	-	-	-	(1)
Depreciation charges	-	(5 147)	(4 776)	(418)	-	(10 341)
Changes to provisions recognised in assets	-	-	-	1 102	-	1 102
Changes to measurement due to revaluation through revaluation reserves	(92)	(2 680)	(493)	-	-	(3 265)
Closing fair value as at 31 Dec 2023	1 401	124 409	31 659	4 528	3 127	165 124
Balance as at 31 Dec 2023						
Fair value as per most recent revaluation as at 31 Dec 2023	1 401	129 556	36 435	4 946	3 127	175 465
Accumulated depreciation since most recent revaluation as at 31 Dec 2023	0	(5 147)	(4 776)	(418)	0	(10 341)
Fair value as at 31 Dec 2023	1 401	124 409	31 659	4 528	3 127	165 124
Net book value determined using historical cost as at 31 Dec 2023	712	48 884	5 957	4 433	3 127	63 113

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Notes to the Financial Statements For the Year Ended 31 December 2024

<i>In thousands of euro</i>	Land	Buildings and structures	Machines and equipment	Capitalised future costs for liquidation and site restoration (See Note 16)	Assets under construction	Total
Year ended 31 Dec 2024						
Fair value as at 1 Jan 2024	1 401	124 409	31 659	4 528		165 124
Additions	-	-	-	-	3 127	1 361
Transfers	-	58	1 050	-	(1 108)	-
Disposals	-	-	-	-	-	-
Depreciation charges	-	(4 809)	(3 903)	(464)	-	(9 176)
Changes to provisions recognised in assets	-	-	-	2 450	-	2 450
Creation/reversal of loss allowance in profit or loss	(181)	(1 317)	(37)	-	-	(1 535)
Creation/reversal of loss allowance in equity	92	2 678	491	-	-	3 261
Changes to measurement due to revaluation through revaluation reserves	95	199 466	6 359	-	-	205 920
Changes to measurement due to revaluation through profit or loss	169	30 384	108	-	-	30 661
Fair value as at 31 Dec 2024	1 576	350 869	35 727	6 514	3 380	398 066
Net book value determined using historical cost as at 31 Dec 2024	712	48 230	6 230	6 370	3 380	64 922

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Notes to the Financial Statements For the Year Ended 31 December 2024

In connection with the applied revaluation model under IAS 16, the Company determined the fair value of assets as at 31 December 2024 using the method of economic performance of assets (ie valuation of the business unit as a whole using the income approach). The method of economic performance of assets is based on long-term plans approved by Company management. These plans are based on the assumption that the demand for storage capacity will remain at the same level in the medium- and long-term in Slovakia, taking into account the existing and expected position of natural gas in the overall energy mix. For tests of the economic performance of assets, the Company assumes that gas storage facilities will have a significant role in ensuring the flexibility and safety of natural gas supplies in the Slovak Republic and in the EU. In light of the above, during the undertaken tests the Company expects to regularly allocate all of its available storage capacity determined based on tender results and will thus ensure transparent and non-discriminatory access to storage capacity. For the undertaken tests of the economic performance of assets, the Company used the market price levels determined by an independent expert based on the mathematical-statistical models (for the period from 2025 to 2040) and the subsequent application of a growth factor, which are expected to be achieved in transparent tenders.

When calculating economic performance, the Company used average weighted costs of capital and/or an 8.6% discount rate, which is comparable to discount rates applied in the industry. The discount rate calculation was determined by an independent external expert.

When estimating natural gas prices, for which cushion gas can be extracted and realised in the period from 2071 to 2074, the Company used its expectation of the development in forward prices of natural gas (the expectation is in line with the expected development in natural gas prices on international markets for 2025-2029 ranging from EUR 29.3 to EUR 38.6 per MWh and the subsequent growth factor and/or expected inflation at 2% p.a.). The future development in natural gas prices is affected by several factors beyond the Company's control, including geopolitical and demand-supply factors.

As a result of the above approach, the fair value of land, property, plant and equipment increased to EUR 398 066 thousand as at 31 December 2024 (of which EUR 29 125 thousand represented the increased measurement up to the historical cost, ie recognised as part of revaluation gain in profit or loss).

In compliance with IFRS 13 and due to the Level 3 application when using estimates to determine the fair value of assets, the Company analysed the effect of certain parameters on this value. The sensitivity analysis results are presented in the table below:

Sensitivity analysis		Parameter 2: Average weighted costs of capital				
Change in fair value of the Company's assets by changes in parameters		8.00%	8.30%	8.60%	8.90%	9.20%
Parameter 1: Growth factor	1.50%	2.7%	-2.2%	-6.8%	-11.1%	-15.1%
	1.75%	6.5%	1.3%	-3.5%	-8.0%	-12.2%
	2.00%	10.6%	5.1%	0.0%	-4.7%	-9.1%
	2.25%	14.9%	9.1%	3.7%	-1.3%	-5.9%
	2.50%	19.4%	13.3%	7.6%	2.4%	-2.5%

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Notes to the Financial Statements For the Year Ended 31 December 2024

12. Intangible Assets

<i>In thousands of euro</i>	Software	Other intangible assets	Assets under construction	Advance payments made	Total
Cost					
As at 1 Jan 2023	1 876	3 448	308	-	5 632
Acquisitions	-	-	4	-	4
Disposals	-	-	-	-	-
Placed into service	195	-	(195)	-	-
As at 31 Dec 2023	2 071	3 448	117	-	5 636
As at 1 Jan 2024	2 071	3 448	117	-	5 636
Acquisitions	-	-	59	-	59
Disposals	(168)	-	-	-	(168)
Placed into service	40	-	(40)	-	-
As at 31 Dec 2024	1 943	3 448	136	-	5 527
Amortisation and impairments					
As at 1 Jan 2023	(1 719)	(3 438)	-	-	(5 157)
Amortisation charge for the year	(88)	(8)	-	-	(96)
Disposals	-	-	-	-	-
Impairment of assets/loss allowances	-	-	-	-	-
As at 31 Dec 2023	(1 807)	(3 446)	-	-	(5 253)
As at 1 Jan 2024	(1 807)	(3 446)	-	-	(5 253)
Amortisation charge for the year	(64)	(2)	-	-	(66)
Disposals	168	-	-	-	168
Impairment of assets/loss allowances	60	-	-	-	60
As at 31 Dec 2024	(1 643)	(3 448)	-	-	(5 091)
Net book value					
As at 1 Jan 2023	157	10	308	-	475
As at 31 Dec 2023	264	2	117	-	383
As at 1 Jan 2024	264	2	117	-	383
As at 31 Dec 2024	300	0	136	-	436

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Notes to the Financial Statements For the Year Ended 31 December 2024

13. Trade and Other Receivables

<i>In thousands of euro</i>	2024	2023
Trade receivables – non-current	1 643	1 642
Total	1 643	1 642

<i>In thousands of euro</i>	2024	2023
Trade receivables – current	4 580	7 161
Receivables from related parties	65 403	52 853
Deferred expenses	2	2
Tax assets	6	-
Other receivables	640	1 316
Total	70 631	61 332

In 2018, the Company concluded a contract for the efficient use of funds and liquidity optimisation with other Group companies (cash pooling). In accordance with the contract, the Company recorded a receivable of EUR 65 403 thousand as at 31 December 2024 (31 December 2023: EUR 52 853 thousand). Interest income of EUR 2 167 thousand on the cash pooling was recognised as at 31 December 2024 (31 December 2023: EUR 1 239 thousand).

14. Cash and Cash Equivalents

<i>In thousands of euro</i>	2024	2023
Bank accounts	24 292	40 480
Cash on hand and stamps and vouchers	567	760
Total	24 859	41 240

15. Equity and Reserves

15.1. Share Capital

As at 31 December 2024, the Company's share capital amounts to EUR 43 007 906 (31 December 2023: EUR 43 007 906).

As at 31 December 2024 and 31 December 2023, the Company's share capital was fully paid.

The face values and numbers of individual types of shares are as follows:

Type of shares	31 December 2024			31 December 2023		
	Number of shares	Face value (EUR)	Total (EUR)	Number of shares	Face value (EUR)	Total (EUR)
Book-entry, registered shares	19 285	2 230	43 005 550	19 285	2 230	43 005 550
Book-entry, registered shares	71	33.19	2 356	71	33.19	2 356
Total	19 356		43 007 906	19 356		43 007 906

All shares have voting rights that correspond to their share in the share capital.

The Company's shares as at 31 December 2024 were held by SPP Infrastructure, a.s. – 35% and NAFTA a.s. – 65% (31 December 2023: SPP Infrastructure, a.s. – 35%, NAFTA a.s. – 65%).

The holders of ordinary shares are entitled to receive dividends when the decision on the payment of dividends is made.

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Notes to the Financial Statements For the Year Ended 31 December 2024

15.2. Legal Reserve Fund

The Company is required to create a legal reserve fund in a minimum amount of 10% of the net profit (annually) up to a minimum amount equalling 20% of the subscribed share capital (cumulative balance). Up to the mandatory amount of the legal reserve fund, the legal reserve fund may only be used to cover losses and may not be distributed to shareholders.

15.3 Revaluation Reserves

Asset revaluation reserves are not immediately available for distribution to the Company's shareholders. Portions of revaluation reserves are reclassified to retained earnings based on differences between the depreciation charges for remeasured values and the initial cost of assets. Revaluation reserves are also reclassified to retained earnings upon the sale, contribution of a part of a business, or upon the disposal of assets. Such transfers to retained earnings are distributable.

16. Provision for Liquidation and Site Restoration

In 2021, the Company conducted a study to determine the necessity of restoring wells and other equipment related to the underground gas storage facility and to determine the technical, legal and financial aspects of such restoration commitments, which resulted in significant changes to previously-used estimates. The measurement of future costs of site restoration involves the following estimates:

- Technical estimates of current costs;
- Estimates and assumptions of developments in inflation and discount rates; and
- Payment dates of the expected restoration costs are based on economic assumptions of the useful economic lives of the facilities concerned.

In 2024, the Company reassessed assumptions and estimates used to create the provision for liquidation and site restoration (updated assumptions were used, eg discount rate of 2.09% to 2.74%, inflation of 1.42% to 2.47%). As a result, an increase in the provision by EUR 2 450 thousand was recognised. In 2024, the Company used a pro-rata portion of the provision for liquidation in the amount of EUR 550 thousand for underground liquidation of two storage wells.

Movements in the provision for liquidation and site restoration are summarised as follows:

In thousands of euro

As at 31 Dec 2022	11 614
Interest from unwinding discount	351
Decrease/increase in the provision (recognised as a decrease/increase in interest expense)	-
Decrease/increase in the provision (recognised in assets as a decrease in capitalised costs of restoration)	1 100
As at 31 Dec 2023	13 065
Interest from unwinding discount	357
Decrease/increase in the provision (recognised in assets as a decrease/increase in capitalised costs of restoration)	2 450
Use and reversal of the provision	(550)
As at 31 Dec 2024	15 322

Most of storage wells are expected to be liquidated after the end of their useful lives (2071 – 2078). The Company is obliged to dismantle the storage wells, decontaminate any contaminated soil, restore the surrounding area, and restore the site to its original condition to the extent as stipulated by law.

Depreciation of the related capitalised future liquidation and site restoration costs in 2024 was recognised in the amount of EUR 464 thousand (2023: EUR 418 thousand) (see Note 11).

Interest from unwinding discount applied when recognising the provision for site restoration and liquidation is being unwound over the life of the provision and is included in the income statement as a financial item in finance costs. In 2024, interest from unwinding discount was recognised in the amount of EUR 357 thousand (2023: EUR 351 thousand) (see Note 7).

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Notes to the Financial Statements For the Year Ended 31 December 2024

17. Trade and Other Payables

<i>In thousands of euro</i>	2024	2023
Trade payables	2 139	2 718
Tax liabilities	9	266
Current provisions	230	715
Other payables and accrued expenses	1 590	1 464
Total	3 968	5 163

As at 31 December 2024 and 31 December 2023, current provisions mainly comprised provisions for unbilled supplies. In 2024, "Other payables and accrued expenses" comprised received financial deposits to hedge storage contracts.

18. Financial Risk Management and Financial Instruments

Credit risk, liquidity risk and market risk arise in the course of the Company's ordinary business activities and from the use of financial instruments.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, set appropriate risk limits and controls, and monitor risks and adherence to limits. Using training and management standards and procedures, the Company aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

18.1. Credit Risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its obligations. Credit risk is primarily associated with the Company's receivables from customers.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the gas industry in which all customers operate. Each new customer is analysed individually for creditworthiness. Subsequently, payment terms and conditions are offered in accordance with the Company's rules of operation. Trade and other receivables relate mainly to the storage of gas and the provision of gas storage-related services. Based on its own assessment, the Company may require that customers provide financial collateral by issuing a bank guarantee in favour of the Company and/or another form of collateral (eg monetary deposits). In this regard, as at 31 December 2024 the Company recognised received bank guarantees and received monetary deposits in the amount of EUR 726 thousand and EUR 1 437 thousand, respectively.

Maximum exposure to credit risk

The carrying amount of financial assets disclosed in the financial statements, net of impairment losses, represents the Company's maximum exposure to credit risk without taking into account the value of any collateral received. The credit risk is concentrated mainly in the European Union.

Impairment losses

The majority of customers have been conducting business with the Company for several years and no losses have occurred during this period. As at 31 December 2024, the Company recognised no overdue trade receivables. The Company did not recognise any loss allowances for trade receivables as at 31 December 2024, except for the adoption of IFRS 9 (see Note 3 e)).

Guarantees

In 2024, the Company provided no guarantees in favour of third parties.

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Notes to the Financial Statements For the Year Ended 31 December 2024

18.2. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure that it has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation. The Company has sufficient cash to cover operating expenses during the year. The potential adverse impact of extraordinary circumstances that cannot reasonably be predicted, such as natural disasters, is covered by the Company's insurance policy.

The following table outlines the contracted maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

31 Dec 2024:

In thousands of euro

Non-derivative financial liabilities	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	3 968	3 968	3 968	-	-	-	289
Total	3 968	3 968	3 968	-	-	-	289

31 Dec 2023:

In thousands of euro

Non-derivative financial liabilities	Carrying amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Trade and other payables	5 163	5 163	5 163	-	-	-	308
Total	5 163	5 163	5 163	-	-	-	308

18.3. Market Risk

Market risk is the risk that the changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of the financial instruments the Company holds. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return at the given risk. Demand for the Company's products and their price development is mainly affected by the conditions on the gas market in the European Union and in Slovakia. The Company seeks to protect itself against such risks by an appropriate mixture of long- and short-term gas storage contracts and by indexation of the prices of long-term contracts.

18.4. Exposure Risk

The provision of services to one customer, with whom the Company has concluded a long-term natural gas storage contract until 2026, generates less than a critical portion of revenues. Company management is not aware of any reasons for early termination of this contract.

18.5. Interest Rate Risk

The Company's operating income and cash flows from operating activities are independent of changes to market interest rates.

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Notes to the Financial Statements For the Year Ended 31 December 2024

18.6. Foreign Exchange Risk

After the change in its functional currency from the Slovak crown to the euro on 1 January 2009, the Company has only been exposed to foreign exchange risk to a minimum extent. This risk is still inherent in purchases of goods and services made in currencies other than the euro. During 2024, such purchases amounted to EUR 97 thousand. The Company does not hedge against foreign exchange risk.

18.7. Fair Value of Financial Assets and Liabilities

The fair value of cash and cash equivalents, trade and other receivables, and trade and other payables approximate their carrying amounts due to the short-term nature of such financial instruments. The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss or through equity; therefore, a change in interest rates at the reporting date would not affect the Company's profit and loss or equity.

18.8. Capital Management

The policy of the Company's Board of Directors is to maintain a strong capital base so as to ensure the sustainability of the future business development and to maintain investor, creditor and market confidence.

19. Contingent Liabilities

19.1. Taxation

The tax environment in which the Company operates in the Slovak Republic is dependent on the prevailing tax legislation and practice, which has relatively little existing precedent. As the tax authorities are reluctant to provide official interpretations with respect to the tax legislation, there is an inherent risk that the tax authorities may require adjustments to the corporate income tax base. Corporate income tax in the Slovak Republic is levied on each legal entity and, as a consequence, there is no concept of group taxation or relief. The tax authorities in the Slovak Republic have broad powers of interpretation of tax laws, which could result in unexpected results of tax reviews. The amount of any potential tax liabilities related to these risks cannot be estimated.

Tax returns remain open and may be subject to review over a period of five years. The fact that a certain period or tax return related to this period has been subject to review does not eliminate the possibility of this period being subject to an additional review during the five-year period. Accordingly, the Company's tax returns for 2018 to 2024 remain open and may be subject to review.

19.2. Capital Expenditures

As at 31 December 2024, the Company had concluded contracts for the acquisition of property, plant and equipment in the amount of EUR 1 610 thousand.

19.3. Energy Legislation Related to Gas Storage and Regulation

Slovak legislation in the gas sector mainly comprises Act No. 251/2012 Coll. on Energy and on the Amendment to and Supplementation of Certain Acts and Act No. 250/2012 Coll. on Regulation in Network Industries. At the EU level, the legislation mainly includes standards that form part of the 3rd Energy Package.

In connection with the implementation of the 3rd Energy Package in Austria, as of 1 January 2013 the Company has become a part of the Austrian gas market; therefore, it is also required to meet the legal requirements resulting therefrom.

Pursuant to applicable legislation, the Company is required to provide non-discriminatory access to underground gas storage facilities and to the use of gas storage services. Based on the amended legislation, tariffs for access to a storage facility and for gas storage are subject to price regulation by the Regulatory Office for Network Industries (RONI).

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Notes to the Financial Statements For the Year Ended 31 December 2024

20. Related Parties

Related parties of the Company are those entities which are able to control or exercise substantial influence over the Company when making financial and operational decisions, or members of the board of directors, supervisory board and management of the Company.

As at 31 December 2024, the Company's related parties mainly included the Company's shareholders (SPP Infrastructure, a.s. and NAFTA a.s.) and their Group companies, members of the Board of Directors, Supervisory Board and management of the Company.

NAFTA a.s. is customer to which the Company provided services related to the storage of natural gas in 2024 and 2023. NAFTA a.s. provided operating services to the Company.

Transactions between the Company and related parties are made on an arm's length basis and at market prices.

20.1. Related Party Transactions

In 2024, purchases of services, raw materials and investments from related parties amounted to EUR 11 115 thousand (2023: EUR 11 544 thousand) and sales to related parties accounted for approximately 23% of the Company's total revenues.

Receivables from related parties amounted to EUR 65 734 thousand as at 31 December 2024, including a cash pooling receivable in the amount of EUR 65 403 thousand (31 December 2023: EUR 55 312 thousand, including a cash pooling receivable in the amount of EUR 52 853 thousand).

Payables to related parties amounted to EUR 1 887 thousand as at 31 December 2024 (31 December 2023: EUR 1 491 thousand).

20.2. Transactions with the Members of the Board of Directors, Supervisory Board and Management

The Company is not involved in any significant or unusual transactions with the members of its Board of Directors, Supervisory Board and management.

Total wages, bonuses and related social contributions included in "personnel expenses" are (refer to Note 5):

<i>In thousands of euro</i>	2024	2023
Board of Directors and Supervisory Board	205	205
Executive management	320	287
Total	525	492

21. Supplementary Information to the IFRS Separate Financial Statements Based on the Slovak Statutory Requirements

21.1. Members of the Company's Bodies as at 31 December 2024

Body	Function	Name and Surname
Board of Directors	Chairman	Ladislav Goryl
	Member	Martin Bartošovič (Martin Jarábek, since 20 Feb 2025)
	Member	Jana Cinová (Szilárd Kása, until 31 Mar 2024)
	Member	Ľubomír Greif (Pavol Stračár, since 20 Feb 2025)

POZAGAS a.s.

Notes to the Financial Statements
For the Year Ended 31 December 2024

Supervisory Board	Chairman	Karol Gogolák (Dušan Randuška, until 15 Mar 2024)
	Member	Martin Píry (Jana Kiššová, until 15 Mar 2024)
	Member	Martin Vranka (Juraj Markovič, until 15 Mar 2024)
Executive Management	Chief executive officer	Martin Jarábek (Marián Krška, since 1 Feb 2025)
	Chief trade and marketing officer	Martin Beňa
	Chief development and operation officer	Tomáš Ferencz

21.2. Unlimited Guarantee

The Company is not a partner with an unlimited guarantee in any business entity.

21.3. Consolidated Financial Statements

The Company provides information for consolidation to the group companies (shareholders). Consolidated financial statements are available at the following addresses:



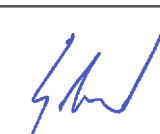

SPP Infrastructure, a.s., Plátennícka 19013/2, 821 09 Bratislava, Slovak Republic
NAFTA a.s., Votrubova 1, 821 09 Bratislava, Slovak Republic
EP Infrastructure, a.s., Pařížská 130/26, 110 00 Prague, Czech Republic
Energetický a průmyslový holding, a.s., Pařížská 130/26, 110 00 Prague, Czech Republic

21.4. Type and Amount of Paid Insurance for Property, Plant and Equipment

Insured Item	Type of Insurance	Annual Premium	
		2024	2023
Property, plant and equipment	Insurance against natural disaster and theft, operations interruption insurance	183	152

22. Post Balance Sheet Events

No significant events occurred after 31 December 2024 up to the date of approval of the financial statements that would have a material impact on the Company's assets and liabilities.

Prepared on:	Signature of a Member of the Statutory Body of the Reporting Entity or an Individual Acting as a Reporting Entity:	Signature of the Person Responsible for the Preparation of the Financial Statements:	Signature of the Person Responsible for the Bookkeeping:
18 March 2025			
Approved on:			
18 March 2025	 Ladislav Goryl  Jana Činová	 Ján Smatana	 Libuša Švecová