

Veolia Komodity ČR, s.r.o.

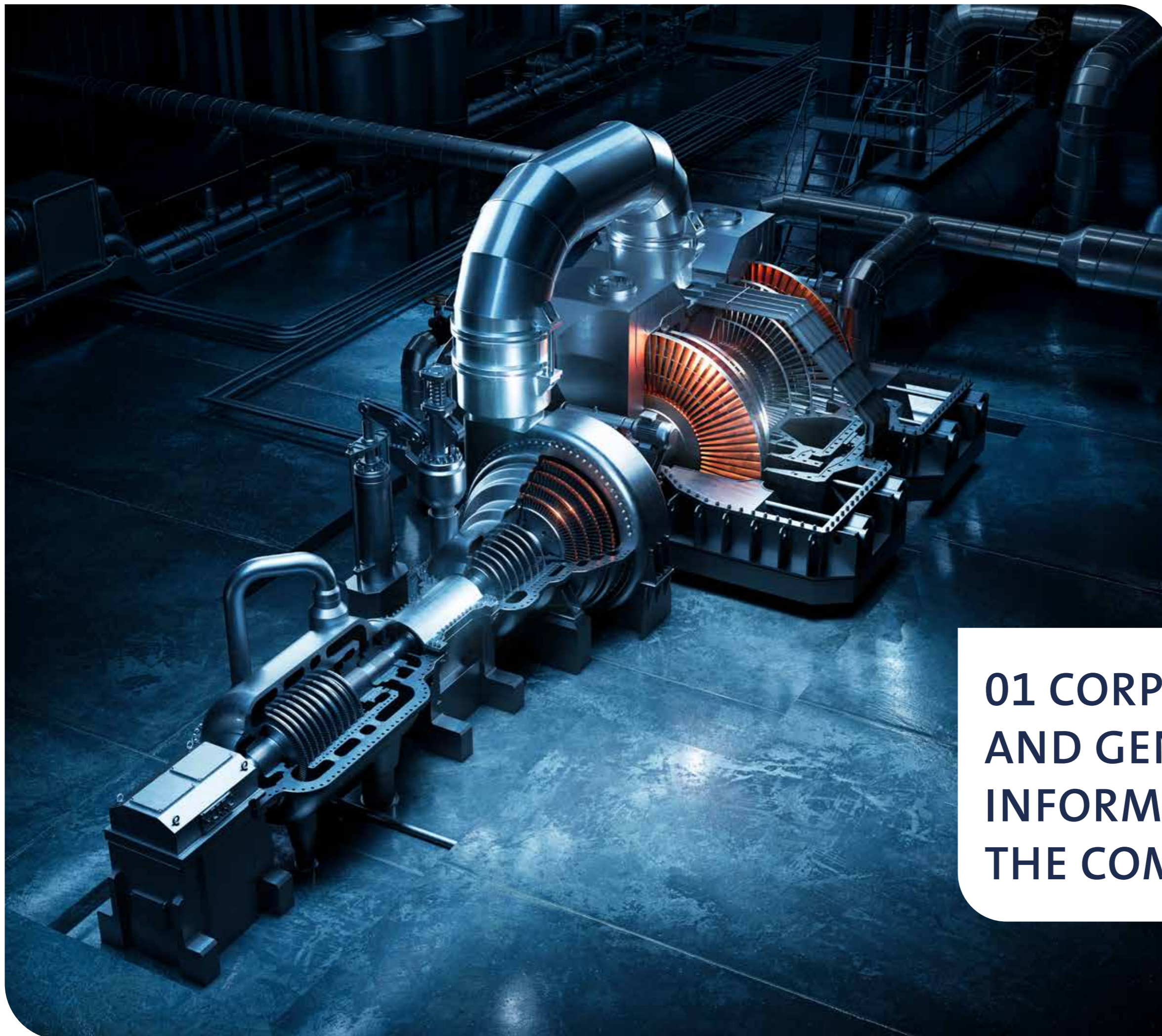
ANNUAL REPORT 2024



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Annual report prepared on 30. 4. 2025.



01 CORPORATE AND GENERAL INFORMATION ABOUT THE COMPANY

BASIC INFORMATION

Veolia Komodity ČR, s.r.o.

Company name

25 October 1999

Date of incorporation

CZK 2,000,000

Registered capital

private limited company

Legal form

258 46 159

Company number

28. října 3337/7, Moravská Ostrava, 702 00 Ostrava

Registered office

The Company is incorporated by entry in the Companies Register kept by the Ostrava Regional Court under number C 21431.



Veolia Komodity ČR, s.r.o. is one of the largest independent electricity and gas traders in the Czech Republic today. We strive to provide customers with the best possible conditions for the purchase and sale of electricity and gas.

COMPANY DESCRIPTION

Veolia Komodity ČR, s.r.o. (“Veolia Komodity”) started to trade in electricity under its original name CZECH-KARBON s.r.o. on 1 October 2001 further to the strategic decision of the Board of Directors of KARBON INVEST a.s.

The purpose was to centralise and rationalise the activities entailed in electricity trading and electricity procurement for the Group’s needs under the new conditions on the liberalised electricity market. On 1 December 2008, NWR Energy, a.s. became the sole member of CZECH-KARBON s.r.o.; on 21 June 2010, NWR Energy, a.s. was acquired by Dalkia Česká republika, a.s., which now has the name Veolia Energie ČR, a.s. Since 2012, Veolia Komodity has been licensed to trade in gas. In January 2015, the Company’s sole member, acting in the capacity of the General Meeting, decided to amend the Memorandum of Association and change the Company’s name from Dalkia Commodities CZ s.r.o. to Veolia Komodity ČR, s.r.o., effective from 1 April 2015. The sole member’s name also changed to Veolia Průmyslové služby ČR, a.s., effective from 1 March 2015.

Starting in 2001, Veolia Komodity, as a member of its original parent’s group, arranged for the gradual transformation of group companies into eligible customers (with the right to choose their supplier) and steadily developed into an efficient trading company wielding extensive know-how in electricity and gas trading both on the domestic and international stage.

With its close-knit team of staff, Veolia Komodity is in a position to handle all areas specific to trading on Czech and international wholesale markets: the provision of international transmission capacities, trading within the

energy systems of neighbouring foreign operators, and sales of electricity and gas to end customers with varying needs and supply volumes.

In 2024, the Company’s electricity purchasing comprised supplies from domestic electricity producers, including those supplying electricity from renewable and secondary sources, as well as from domestic and foreign traders. To further its business opportunities, the Company also had the opportunity to draw on supplies from Poland over a 110 kV transmission line to a dedicated island in the Czech Republic, which is part of the system of mines owned by OKD, a.s.

It is the Company’s strategy to make use of the maximum means available to maintain a portfolio of ample liquid products for supply purposes. It is one of the counterparties in POWER EXCHANGE CENTRAL EUROPE, a.s. (PXE) and holds a trading licence to trade on Poland’s domestic market, where greater opportunities are offered for trading with Polish partners and cross-border trading with Poland.

Besides arranging for the advantageous supplies above, we managed to reduce the costs of imbalances between the quantities of electricity contracted and the quantities actually taken (constituting a large proportion of the price), mainly by applying a high-quality prediction system and by very precise negotiation of our customers’ load profiles.

KEY FIGURES

REVENUE

CZK 7,755,454,000

NUMBER OF EMPLOYEES

16

ELECTRICITY SUPPLIED

0.84 TWh

GAS SUPPLIED

1.59 TWh

CORPORATE GOVERNANCE

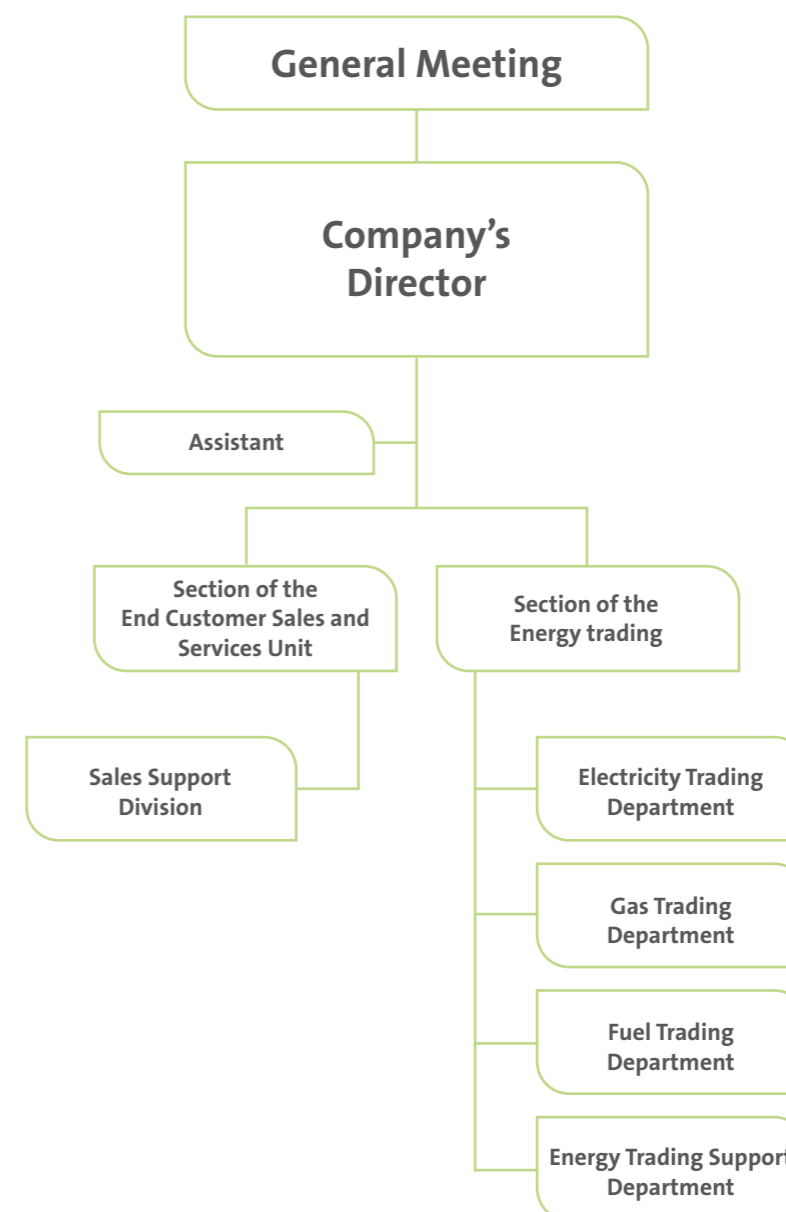
DIRECTOR

Pavel Luňáček

Effective as at 31 December 2024



ORGANIZAČNÍ STRUKTURA



OTHER INFORMATION

Veolia Komodity has no branches or any other form of business representation abroad and does not engage in any research and development. Following the date of the statement of financial position, there were no significant events of relevance to its reported results. As at 31 December 2024, the Company did not hold any of its own shares nor ownership interests in other companies.





02 MANAGEMENT REPORT

FOREWORD

DEAR BUSINESS PARTNERS, LADIES AND GENTLEMEN,

I am pleased to present you with the activity report of Veolia Komodity for 2024, and with the main highlights of the past year.

We were very successful in 2024, we were able to cope with major changes and provide our customers with electricity and gas supplies. Our customer portfolio encompassed not only industry leaders, but also customers in the transport, education, health, service and government sectors. We worked extensively with auction houses at commodities exchanges and, just as importantly, we purchased electricity from the renewable and secondary sources of independent producers, enabling us to cover our



PAVEL LUŇÁČEK
Director

customers' need for supplies of electricity guaranteed to have originated from renewable sources.

In 2024, we continued to develop our business activities. Here, we were again particularly successful at optimising our electricity and gas trading. Last year, we also developed a system to evaluate how flexible our customers were in terms of production and consumption. The positive results have encouraged us to streamline the management of electricity and gas trading further in the coming year.

For 2025, we are braced to withstand the continued increase in volatility on the energy markets, and we expect a sound economic performance based on our experience in managing a portfolio of end users and producers. We will also continue to develop our business activities in the energy market.

I firmly believe that our vast experience of both the domestic and foreign energy markets, coupled with the stable backing provided by the powerful Veolia Group, of which Veolia Komodity is a member, will prompt our customers to continue seeking us out in the knowledge that we are a professional partner.

I value highly the confidence placed in us by our business partners. I thank them for their patronage and look forward to continued successful cooperation in the year ahead. I would also like to take this opportunity to express my great thanks to all Veolia Komodity employees for their enthusiasm, dedication and excellent results.

Pavel Luňáček
Director

CORE VALUES

In its work the Company relies on core values shared across Veolia Group: customer focus, innovation, responsibility, respect and solidarity.

CUSTOMER FOCUS

Veolia pursues this value by, in particular, striving to continuously improve the efficiency and quality of its services. Veolia promotes transparency and ethical rules as the essential prerequisites for building lasting relationships with its customers. Veolia listens to its customers and provides fitting and innovative solutions that meet their technical, economic and environmental requirements.

INNOVATION

Research and innovation combine to form the core of the Veolia Group's strategy of developing sustainable solutions and services for the customers, the environment and society at large.

RESPONSIBILITY

Veolia's objective is to take an active part in the shaping of a society committed to sustainable development. It is a key player in the environmental services market and as such it assumes, daily, the responsibility for the meeting of general interests such as, in particular:

- support for harmonious regional development;
- improvements in the living conditions of those affected by its operations, and environmental protection;
- the development of employees' business skills, improvements in personal safety at work (occupational injury prevention), and the fostering of a healthy working environment.

RESPECT

This value guides the individual conduct of all Veolia Group employees and is expressed by compliance with the law and the Group's internal rules and through the respect shown to others.

SOLIDARITY

As through its business activity Veolia serves common and shared interests, solidarity is one of its core values in its relationships with all stakeholders.

Concretely, this value is expressed by developing solutions which enable Veolia Group to provide essential services for everyone. We consider this to be a central plank of our corporate social responsibility.

OUR SERVICES

COMMERCIAL OPERATIONS

Two basic units are responsible for Veolia Komodity's commercial operations:

END CUSTOMER SALES AND SERVICES UNIT

This unit is responsible for electricity and gas sales to end customers and for providing them with a comprehensive service.

In 2024, the End Customer Sales and Services Unit arranged for supplies to end customers with a total annual electricity consumption of 0.84 TWh and gas consumption of 1.59 TWh.

We provide a full service to end customers on the energy market. We place a major emphasis on the pricing of our supply and on delivering top-quality services. We also provide our clients with advice on consumption management, technical conditions for connection and other aspects which ultimately affect the cost of power supply.

ENERGY TRADING UNIT

This unit is responsible for the optimisation of the purchasing portfolio, the operational balancing of the Company's portfolio positions and the further development of trading in domestic and foreign transmission systems.

The Energy Trading Unit's principal task is to procure electricity and gas on the wholesale market to meet the needs of the portfolio of end customers. This includes the purchase and optimisation of standard and non-standard products on the wholesale market for supply to the portfolio of end customers, ad hoc topping-up on spot markets during the year and, based on revised load profile

predictions, management of the cost of imbalances on the balancing market.

This unit buys electricity and gas in the wholesale market in order to supply its end customers and also trades in electricity and gas with other companies in the Czech market and in the adjacent foreign markets, in particular on the basis of ad hoc spot transactions leveraging the current movements in the electricity and gas market. The cross-border trading also includes booking the required capacities in each of the interconnectors.

In 2024 we continued to develop our cooperation with independent power producers, including feed-in from renewable and secondary sources; we presented them with the opportunity to use the green bonus system as part of the support for renewable and secondary sources. In 2024 the Company bought 54.25 GWh from renewable and secondary sources.



INNOVATION

In 2024, innovation continued to focus on honing the services provided to customers, specifically:

IMPROVING RISK MANAGEMENT INSTRUMENTS

The Company regularly evaluates business and financial risks, particularly price, currency and credit risks. We have introduced and periodically evaluate the credit rating of our trade partners and customers, hedge foreign exchange risk, and regularly update forecasts to reflect developments among end customers.

ACHIEVING MAXIMUM CUSTOMER SATISFACTION

The quality of customer relationships is largely determined by how the customer perceives the Company's key competencies, what share of trading is taken up by the firm, its price competitiveness, the quality of other associated products, knowledge of the customer's business, the level of technology and the intensity of mutual relations. With this in mind, we attach great importance to identifying needs and requirements of consumers and designing an attractive range of services for each target segment on the market.

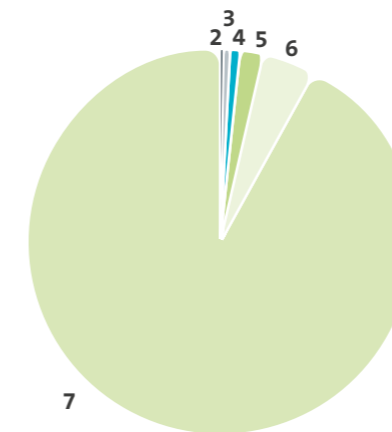


CUSTOMERS

Since 2001, the liberalisation of the electricity market has gradually brought about the need to address requirements of different customer segments. As a result, Veolia Komodity has become a supplier for a wide range of customers.

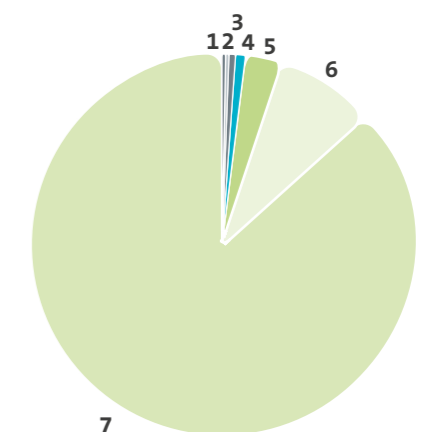
The Company's current end customer portfolio numbers almost 1,400 customers, whose needs and supply quantities are very diverse. Besides its traditional coal-mining and coke-producing partners, Veolia Komodity also served customers in metallurgy, mechanical engineering, the automotive and food industries, state administration, the tertiary sector, the health sector, etc.

Portfolio of end electricity customers by quantity taken in 2024



1 >100 GWh	5 1-5 GWh
0,0%	1,9%
2 50-100 GWh	6 0,1-1 GWh
0,1%	4,4%
3 10-50 GWh	7 0-0,1 GWh
0,8%	92,0%
4 5-10 GWh	
0,7%	

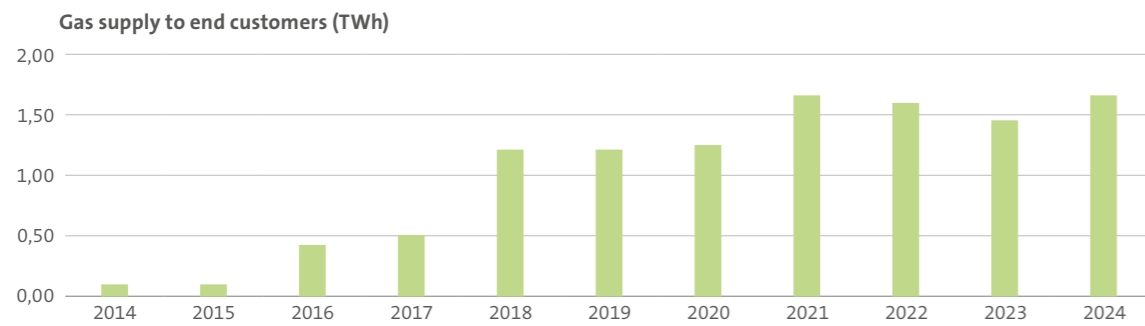
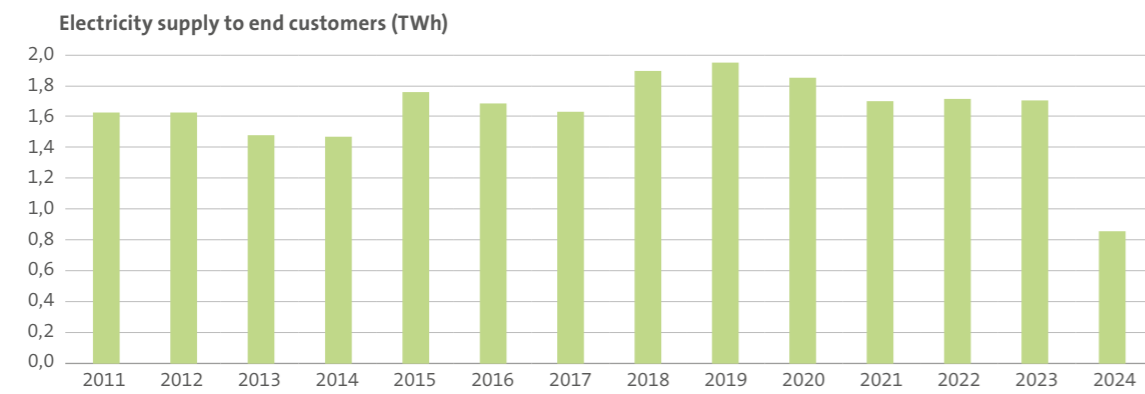
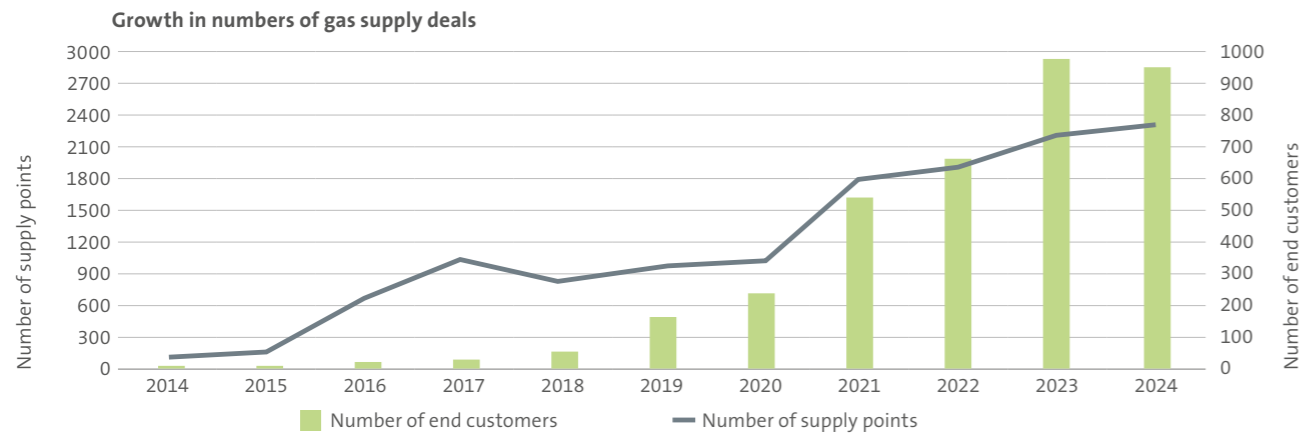
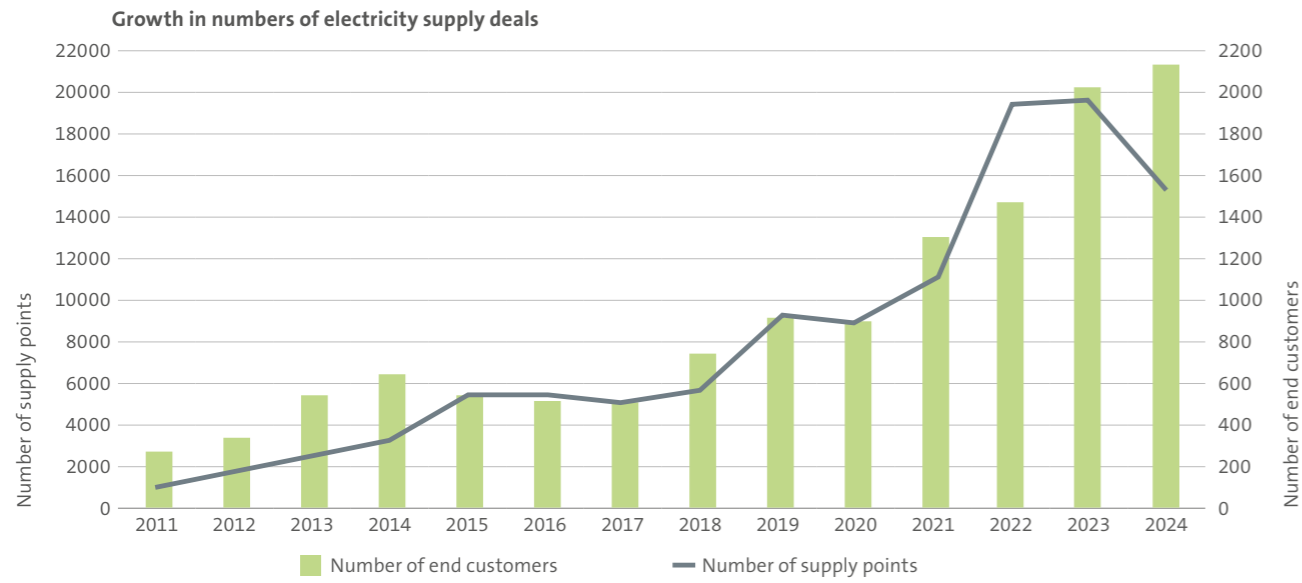
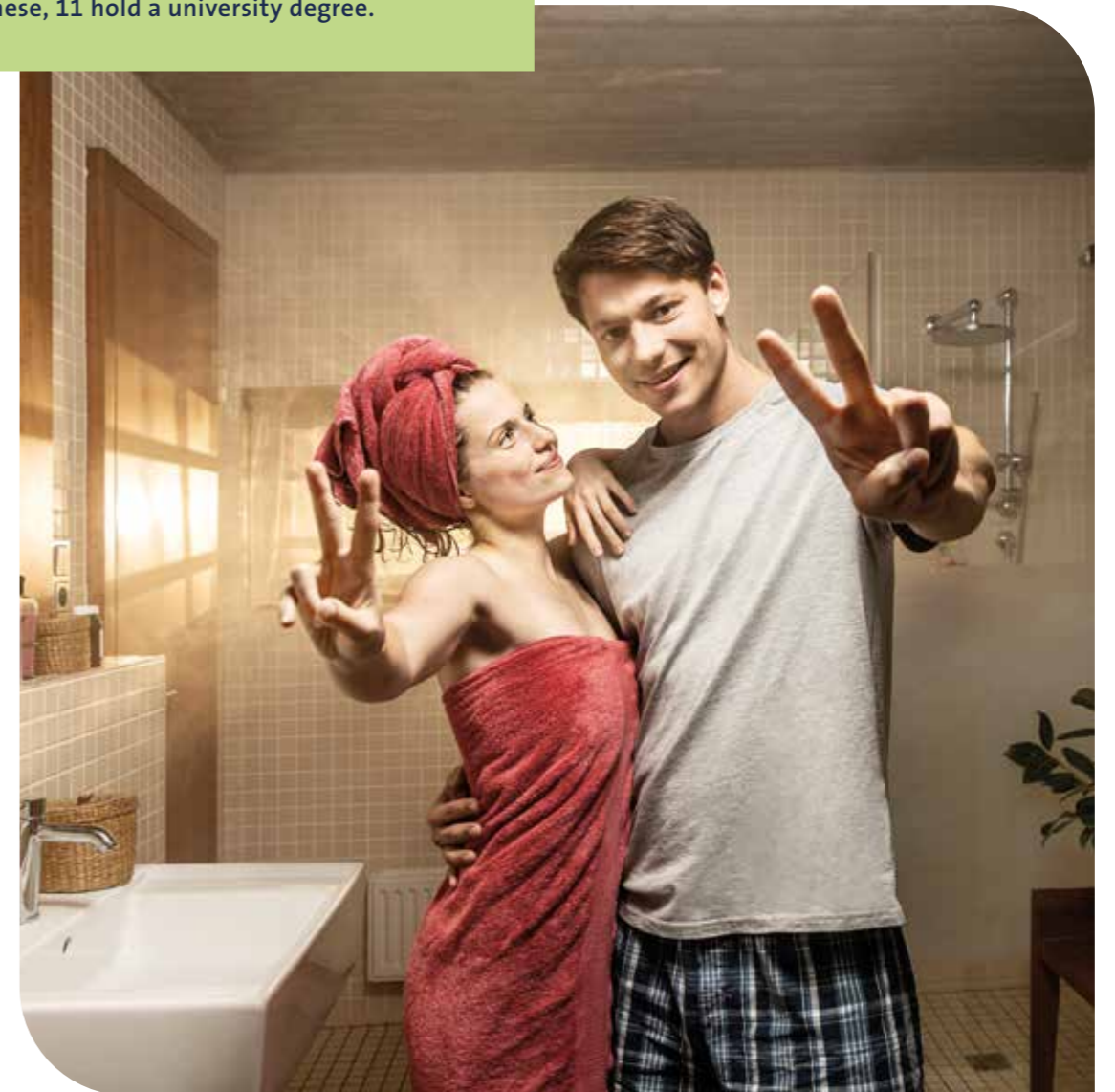
Portfolio of end gas customers by quantity taken in 2024



1 >100 GWh	5 1-5 GWh
0,2%	2,8%
2 50-100 GWh	6 0,1-1 GWh
0,1%	8,4%
3 10-50 GWh	7 0-0,1 GWh
0,4%	87,6%
4 5-10 GWh	
0,4%	

HUMAN RESOURCES

At the end of 2024 the Company had 16 employees averaging 43.3 years in age. Of these, 11 hold a university degree.



CORPORATE SOCIAL RESPONSIBILITY

VEOLIA FOUNDATION

With the motto “We respect. We help. We believe.”, the Veolia Foundation has been providing meaningful support and inspiring encounters for over 20 years. Since its establishment in 2003, it has contributed over CZK 270 million to projects serving the public good. In 2024, the Foundation continued to implement its key programmes. The STARTér – Trust Yourself and Do Business! programme continued to support, among other things, the development of craft-based projects and initiatives focused on alternative education. Through the MiNiGRANTS programme, our employees secured nearly CZK 5 million for the organisations at which they volunteer, allowing them to actively engage with the communities they care about. The Keep Smiling programme continues to improve the lives of seniors and caregivers, supporting not only long-term care facilities but also initiatives promoting physical activity and digital literacy. Under the Let’s Return Water to Nature programme, the Foundation focused in 2024 on the protection of valuable wetland habitats. Thanks to its financial support, the Czech Union for Nature Conservation was able to acquire further important wetland sites in the Jihlava and Kutná Hora regions.

VEOLIA FOUNDATION’S MAJOR PROGRAMMES

STARTÉR, TRUST YOURSELF AND DO BUSINESS!

The STARTér, Trust Yourself and Do Business! programme helps micro- and small businesses in the Moravian-Silesian, Olomouc and Central Bohemia regions turn new business ideas into a reality. Now in its twenty-fifth year, the programme focuses primarily on supporting traditional and non-traditional crafts and industries, as well as projects that benefit the community.

Thanks to the Foundation’s grants in 2024, which totalled CZK 4.5 million, 70 business plans were implemented, creating 90 new lasting jobs in the process, 9 of which were for persons with disabilities. Since the Foundation’s formation, 1,791 projects have received support totalling more than CZK 133 million, creating 2,782 new jobs in the process (of which 408 have been for persons with disabilities).

MINIGRANTS

Under the MiNiGRANTS programme, we provide financial assistance to the volunteering work our employees do in their free time. Many sponsored projects are aimed at helping people with disabilities, supporting surrogate family care, improving the working conditions for voluntary fire-fighters and rescuers, promoting leisure activities of children and young people and care for elderly citizens. In 2024, 140 employees of the Veolia ČR Group earned a total of over CZK 4.8 million in funding.

Between 2008 and 2024 we contributed almost CZK 60 million under this programme to projects benefiting the environment and the community.

KEEP SMILING – ACTIVE FOR LIFE

Our Keep Smiling – Active All Life Long programme encourages positive and active ageing, harmonious intergenerational co-existence in communities, the fostering of living conditions suitable for the elderly in their home environment, and new approaches to ageing.

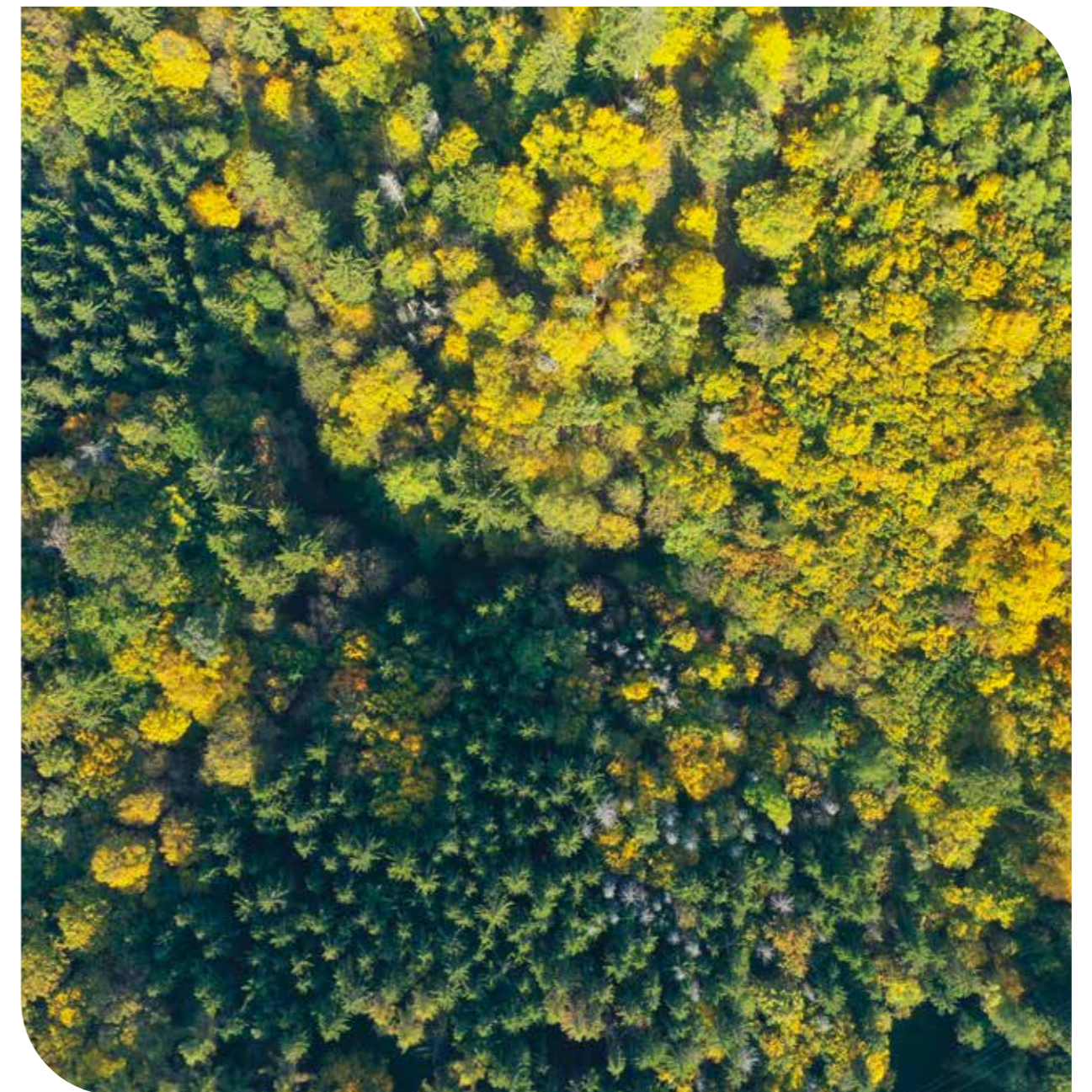
In 2024 the Keep Smiling programme continued to provide support for a smaller group of organisations and their projects. These included Život 90, Moudrá Sovička and Domov Sue Ryder.

LET’S RETURN WATER TO NATURE

The Foundation’s latest programme has been running since 2018. Its aim is to help save precious natural habitats in the Czech Republic, with a particular focus on wetlands. The programme is carried out by the Veolia Foundation in conjunction with the Czech Union for Nature Conservation.

Funds for the programme are also raised by a public collection, which accepts donations of any amount from the public for the preservation and restoration of wetlands, and by an e-shop selling gift items. At least 20% of the price

of each item is donated to the project’s public collection, with the Veolia Foundation matching all buyers’ donations. These funds are then passed on to the Czech Union for Nature Conservation. This association purchases, restores, and takes long-term care of wetland sites. All items sold in the e-shop are Czech-made. Many of them come from small producers supported by the STARTér programme, others from our glassworks or other small-scale craftsmen. Over the programme’s history we have donated more than CZK 9.3 million to support wetland conservation in the Czech Republic.





**03 FINANCIAL
STATEMENTS FOR
THE YEAR ENDED
31 DECEMBER 2024**

Veolia Komodity ČR, s.r.o.

Income statement
For the year ended 31 December
In thousands of CZK

	Note	2024	2023
Revenue	6	7 755 454	13 451 363
Cost of sales	7	(6 663 835)	(11 826 971)
Gross profit		<u>1 091 619</u>	<u>1 624 392</u>
Administrative expenses	8	(469 920)	(71 536)
Other operating expenses	8	--	--
Operating result		<u>621 699</u>	<u>1 552 856</u>
Finance income	9	157 851	219 767
Finance costs	9	(95 350)	(140 794)
Profit before tax		<u>684 200</u>	<u>1 631 829</u>
Income tax expense	10	(350 342)	(968 598)
Profit for the period		<u><u>333 858</u></u>	<u><u>663 231</u></u>

The Notes are an integral part of the financial statements.

Veolia Komodity ČR, s.r.o.

Statement of comprehensive income
For the year ended 31 December
In thousands of CZK

	2024	2023
Profit for the period	333 858	663 231
Changes in fair value of hedging instruments (may be reclassified to income statement) *	(5 101)	2 996
Other comprehensive income after taxation	<u>(5 101)</u>	<u>2 996</u>
Total comprehensive income for the period	<u><u>328 757</u></u>	<u><u>666 227</u></u>

* Taxation is described in Note 10.

The Notes are an integral part of the financial statements.

On behalf of the Company:



Pavel Luňáček
Director

Date: 30 April 2025

Veolia Komodity ČR, s.r.o.

Statement of financial position

At 31 December

In thousands of CZK

	Note	2024	2023
Assets			
Intangible assets	23	474	721
Right-of-use IFRS 16	21	70 709	81 060
Other long-term receivables	22	50 706	74 878
Derivatives	11	157	644
Deferred tax assets	13	2 526	--
Total non-current assets		124 572	157 303
Inventories	14	260 940	247 766
Trade and other receivables	15	2 019 017	3 209 200
Derivatives	11	2 035	56 697
Current tax assets	10	270 343	--
Cash and cash equivalents	16	320 075	1 373 197
Total current assets		2 872 410	4 886 860
Total assets		2 996 982	5 044 163
Equity			
Registered capital	17	2 000	2 000
Reserves and other capital contributions	17	(1 823)	3 277
Retained earnings		562 143	891 516
Total equity		562 320	896 793
Liabilities			
Loans and borrowings	12	36 810	43 624
Deferred tax liabilities	13	--	1 696
Derivatives	11	201	3 591
Total non-current liabilities		37 011	48 911
Trade and other payables	19	2 020 477	2 719 021
Contract payables	19	303 682	421 186
Loans and borrowings	12	67 416	39 092
Current tax liabilities	10	--	849 404
Provisions	18	1 917	600
Derivatives	11	4 159	69 156
Total current liabilities		2 397 651	4 098 459
Total liabilities		2 434 662	4 147 370
Total equities and liabilities		2 996 982	5 044 163

The Notes are an integral part of the financial statements.

Veolia Komodity ČR, s.r.o.

Statement of changes in equity

In thousands of CZK

	Registered capital	Statutory reserves	Other capital contributions	Cash flow hedges	Retained earnings	Total
Balance at 1 January 2023	2 000	--	--	281	611 293	613 574
Profit for the period	--	--	--	--	663 231	663 231
Other comprehensive income						
Changes in fair value of hedging instruments	--	--	--	2 996	--	2 996
Employee benefits – actuarial gains (losses)	--	--	--	--	--	--
Total other comprehensive income	--	--	--	2 996	--	2 996
Total comprehensive income for the period	--	--	--	2 996	663 231	666 227
Transactions with owners, recorded directly in equity						
Dividends attributable to shareholders	--	--	--	--	(383 008)	(383 008)
Rounding difference	--	--	--	--	--	--
Balance at 31 December 2023	2 000	--	--	3 277	891 516	896 793
Profit for the period	--	--	--	--	333 858	333 858
Other comprehensive income						
Changes in fair value of hedging instruments	--	--	--	(5 101)	--	(5 101)
Employee benefits – actuarial gains (losses)	--	--	--	--	--	--
Total other comprehensive income	--	--	--	(5 101)	--	(5 101)
Total comprehensive income for the period	--	--	--	(5 101)	333 858	328 757
Transactions with owners, recorded directly in equity						
Dividends attributable to shareholders	--	--	--	--	(663 230)	(663 230)
Rounding difference	--	--	--	1	(1)	--
Balance at 31 December 2024	2 000	--	--	(1 823)	562 143	562 320

The Notes are an integral part of the financial statements.

Veolia Komodity ČR, s.r.o.

Statement of cash flows

For the year ended 31 December

In thousands of CZK

	Note	2024	2023
Cash flow from operating activities			
Profit for the period		333 858	663 231
Right-of-use amortisation	21	64 280	51 092
Gain on sale of property, plant and equipment		--	--
Change in provisions		3 107	2 368
Net interest income and expense		(44 631)	(28 579)
Interest expense on lease liabilities	9	4 025	3 229
Other financial income and expenses	9	--	10 630
Other non-financial operations		(9 262)	(7 290)
Costs (income) from remeasurement of derivatives	9	(19 698)	34 027
Income tax	10	350 342	968 598
Cash flow from operating activities		682 021	1 697 306
Change in receivables		1 200 335	(1 063 357)
Change in current liabilities		(686 319)	891 673
Change in contractual liabilities		(117 503)	57 323
Change in inventories		(13 174)	(145 097)
Income tax paid and tax assessments for previous periods	10	(1 472 957)	(189 729)
Net cash flow from operating activities		(407 597)	1 248 119
Cash flows from investing activities			
Acquisition of fixed assets		--	--
Change in receivables and other financial assets		--	--
Net cash flow from (used in) investing activities		--	--
Free operating cash and cash equivalents		(407 597)	1 248 119
Cash flow from financing activities			
Received loans and borrowings		--	--
Interest received	9	53 572	35 273
Interest paid	9	(4 368)	(10 035)
Payments of lease liabilities	21	(62 178)	(52 838)
Paid shares of profit		(663 230)	(383 008)
Net cash flow from (used in) financing activities		(676 204)	(410 608)
Net increase (decrease) in cash and cash equivalents		(1 083 801)	837 511
Cash and cash equivalents at 1 January		1 373 197	535 686
Cash and cash equivalents at 31 December	16	289 396	1 373 197

The Notes are an integral part of the financial statements.

Veolia Komodity ČR, s.r.o.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

1. General information

Veolia Komodity ČR, s.r.o. (“the Company”) is registered in the Czech Republic.

The registered office of the Company is at 28. října 3337/7, Moravská Ostrava, postcode 702 00, Company No. 258 46 159.

The Company’s core business includes trading in electricity, trading in gas, and manufacturing, trade and services not listed in Appendices 1 to 3 to the Trade Licensing Act. Veolia Komodity ČR, s.r.o. started to trade in electricity under its original name CZECH-KARBON s.r.o. On 1 December 2008, NWR Energy, a.s. became the sole member of CZECHKARBON s.r.o.; on 21 June 2010, NWR Energy, a.s. was acquired by Dalkia Česká republika, a.s., which now has the name Veolia Energie ČR, a.s. Since 2012, Veolia Komodity has been licensed to trade in gas. The company trades on Czech and international wholesale markets, where it arranges for transmission capacities outside the Czech Republic and for trading in the energy systems of neighbouring foreign operators, and arranges for electricity and gas sales to final customers having different demand and supply volumes.

The sole member of Veolia Komodity ČR, s.r.o. is Veolia Průmyslové služby ČR, a.s., having its registered office at Zelená 2061/88a, Ostrava – Mariánské Hory, postcode 709 74.

The member has not changed and there were no other changes that would have to be entered in the Companies Register in 2024.

2. Basis of preparation

a) Statement of compliance

In accordance with Section 19a (1) of the Act on Accounting, No 563/1991, the Company applies IFRS as adopted by the EU in the preparation of its financial statements. These financial statements have been prepared as separate financial statements. The parent company prepares consolidated financial statements, which include the Company.

The financial statements were approved for release by the Company’s Director on 30 April 2025.

b) Basis of preparation

The financial statements are presented in Czech crowns, as the functional currency, rounded to the nearest thousand. The financial statements have been prepared on the historical cost basis, except for the derivative financial instruments measured at fair value.

The method of measuring fair value is described in Note 4.

c) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses as at the date of the financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period and in any future periods affected.

Veolia Komodity ČR, s.r.o.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant impact on the amounts recognised in the financial statements is set out in the Notes.

d) Changes in accounting policies*(i) Standards not applied*

New standards, interpretations and amendments to existing standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union but not yet effective

The following new and amended standards are effective for the annual period that began on or after 1 January 2024 with a possible early adoption.

- Sales or Contributions of Assets Between an Investor and Its Associate/Joint Venture (amendment to IFRS 10 and IAS 28)
- Lack of Exchangeability (amendments to IAS 21);
- Amendments to the Classification and Measurement of Financial Instruments (amendments to IFRS 9 and IFRS 7);
- Annual Improvements to Accounting Standards (IFRS – volume 11);
- Presentation and Disclosure in Financial Statements (IFRS 18);
- Subsidiaries without Public Accountability: Disclosures (IFRS 19).

(ii) Applied standards

New standards, interpretations and amendments to existing standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union effective for the period that began on 1 January 2024

- Non-current Liabilities with Covenants (Amendments to IAS 1);
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
- Lease Liability in a Sale and Leaseback (Amendments to IAS 16);
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).

These amendments will therefore have no significant impact on the Company's financial statements.

3. Accounting policies

The accounting policies described below have been applied consistently in all the accounting periods reported in these financial statements.

a) Foreign currency*Foreign currency transactions*

Transactions in foreign currencies are translated at the daily exchange rates for the functional currency based on the Czech National Bank's official rates for the day on which the transaction occurs. For currency hedging purposes, payments are settled at the rate agreed in the relevant forward contract.

At the date of the statement of financial position, foreign currency monetary assets and liabilities are translated at the Czech National Bank official rates for that date. Foreign exchange differences arising on translation of foreign currency monetary assets and liabilities are recognised in the income statement. An exception is foreign exchange differences arising in connection with cash flow hedging, which are recognised in equity.

b) Financial instruments*(i) Non-derivative financial instruments*

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

Non-derivative financial instruments are initially stated at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. If their fair value cannot be reliably determined, the acquisition cost is used.

Receivables are financial assets of a non-derivative nature that are not quoted on an active market and that arise when selling a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments. After initial measurement at transaction value, receivables are subsequently carried at their amortised cost less any allowance for impairment (see accounting policies described in Note 3 c).

Cash and cash equivalents presented in the statement of cash flows include cash, bank deposits and cash in the cash pool. Based on contractual terms and conditions, cash pooling receivables are reported in cash and cash equivalents in the statement of financial position, whereas cash pooling payables are shown in loans and borrowings. Cash pooling liabilities are reported in loans and borrowings. For the purpose of the statement of cash flows both cash pool receivables and cash pool payables are presented as cash.

(ii) Derivative financial instruments

The Company uses financial derivatives for hedging the currency risk related to changes in exchange rates.

Derivatives are initially recognised at fair value; attributable transaction costs are recognised in the income statement when incurred. After initial recognition, derivatives are measured at fair value and the change in fair value is then charged to finance costs / income (item: remeasurement of derivatives), with the exception of derivatives that are carried as hedging instruments (on the balance sheet, derivatives are classified as active, passive, short-term and long-term).

Cash flow hedging

Changes in the fair value of a derivative hedging instrument classified as cash flow hedging are charged to equity under the Company's rules. The FX forward hedging instrument means the spot component. Where the hedged item is a non-financial asset, the amount recognised in equity is transferred to the carrying value of the asset when the asset is recognised. In other cases, the amount recognised in equity is transferred to costs or revenue in the period in which the hedged item influences costs or revenue.

To the extent that the hedge is ineffective, changes in the fair value of the derivative are recognised in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, or if it expires or is sold, terminated or exercised, then hedge accounting is discontinued as expected. The cumulative gain or loss previously recognised in equity remains there until the anticipated transaction takes place, and then is charged to costs or revenue.

In relation to gas and electricity commodity market transactions, the Company recognises two portfolios:

1. An own-use portfolio, where the Company's primary objective is to cover its own energy needs and minimise the risk of price fluctuations. These contracts fall under the IFRS 9 exemption, and are recognised only at the time of buying or selling the underlying item.
2. A trading portfolio, where transactions are carried out solely to offset the risk of being unable to meet customer demand (portfolio growth, volatility in offtake). These transactions are measured at fair value and then remeasured at the reporting date, along with their impact on costs or income.

Other derivatives

When a derivative financial instrument is not held for trading and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised in profit or loss.

(iii) Equity

The registered capital comprises fully paid-up members' contributions. Dividends are recognised as liabilities in the period in which they are declared.

Veolia Komodity ČR, s.r.o.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024****c) Impairment***Financial assets*

The Company measures the loss allowances using the model of expected credit losses, which is applied to financial assets measured at amortised cost. In accordance with IFRS 9 the Company measures the loss allowance for credit-impaired financial assets with regard to the development of credit risk, which is reflected in the impairment stage a) corresponding to 12-month expected credit losses (stage 1) or equal to the full lifetime expected credit losses (stages 2-3). After initial recognition, the financial asset is allocated to stage 2 in the event of a significant increase in credit risk since initial recognition, or to stage 3, credit impaired financial assets.

The Company measures loss allowances for credit losses on trade receivables at an amount equal to full lifetime expected credit losses.

For cash and cash equivalents and cash pool the Company measures loss allowances at an amount equal to 12-month expected credit losses unless there has been a significant increase in credit risk since initial recognition or the counterparty's default was identified.

When determining whether the credit risk on a financial asset has increased significantly, the Company compares the risk of a default on the financial instrument occurring at the reporting date with the risk of a default occurring at initial recognition, considering reasonable and supportable information available without undue cost or effort and indicating a significant increase in the credit risk. The Company regards situations where the financial asset has been overdue for more than 90 days as a significant increase in the credit risk. A specific provision is recognised where the client is considered to be risky. In such a case a provision is recognised for all the amounts owed by the client in excess of the provision made under the guidance. It is recognised up to 50%, 70% or 100%.

Losses are measured as the difference between all contract cash flows payable under the contract and all cash flows that the Company expects to collect, discounted using the effective interest rate that was determined at initial recognition.

d) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less associated costs to complete and estimated associated costs to sell the asset.

At the date of the financial statements the Company reviews the carrying values of inventories. If the realisable value of inventories is lower than the purchase price, the difference is recognised in the income statement.

e) Revenue

The Company applies IFRS 15 for recognising revenue from contracts with customers.

The Company has implemented a five-step model to determine the time and amount at which revenue should be recognised. The model sets forth that revenue is recognised at the moment when the Company transfers control over the goods or services to the customer, in the amount to which it expects to be entitled. Depending on the criteria for the satisfaction of a performance obligation revenue is recognised:

- at a point in time when control over the goods or services is passed to the customer.

Sale of electricity and gas to end customers

The Company recognises revenue at the moment of delivery to the customer. The moment of delivery is understood to be the moment of transferring control over the products, i.e. the moment when the customer receives the rewards and the Company satisfies its performance obligation.

Revenue is measured using transaction prices assigned to such transferred goods and reflects the supplied volume, including the estimated volume supplied between the date of the latest issued invoice and the end of the period. In respect of household customers, advance payments are usually required; their amount is

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based on historical consumption. Once the actual supply volumes are known the advance payments are accounted for. In respect of commercial customers, invoicing usually takes place more often based on actual supply volumes. Sale transactions do not involve a significant financing arrangement.

Contract assets represent unbilled supplies related to the organisation's core activity.

Sale of electricity and gas to traders

Revenue from trading with wholesale partners is generated by sales on the wholesale market, which the Company performs in transactions through commodity forwards with physical supply. The contract terms are individualised but to a considerable extent are determined by the standard EFET contract, or the commercial terms on the market managed by the Czech market operator (OTE). Revenue is recognised at the moment of delivering the commodity to the wholesale partner. Invoicing takes place in the month following the month of commodity delivery to the trader. No advances are paid.

f) Expenses*Finance income and expenses*

Finance income and expenses comprise interest payable on borrowings calculated using the effective interest rate method, interest receivable on funds invested and unwinding of the discount on provisions.

g) Income tax

Income tax comprises current and deferred tax. Income tax charge is recognised in the income statement except to the extent that it relates to items recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates applicable at the first date of the reporting period and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, using the tax rate expected to be valid in the period when the tax asset or liability is expected to be realised.

At the date of the statement of financial position the Company reviews the carrying value of the deferred tax asset. A deferred tax asset is recognised only to the extent that it is probable that such tax asset will be utilised in future periods.

The establishment of deferred tax represents tax consequences subject to the method which the Company expects to use at the end of the reported period to realise or settle the carrying amount of its assets and liabilities. It is assumed for capital assets measured at fair value that the carrying amount of the capital assets is always realised by sale unless such assumption can be disconfirmed.

h) Leases

Where the Company is the lessee, the Company recognises a right-of-use asset and a lease liability at the commencement date.

A right-of-use asset is initially measured at cost (the present value of the lease payments) and subsequently at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability primarily due to lease modification or indexation. The right-of-use asset is depreciated on a straight-line basis over the time for which the asset is usable or until the end of the lease, whichever is earlier.

The lease liability is initially measured at the present value of the lease payments due at the commencement date, discounted using the incremental borrowing rate determined by the Group.

The lease liability is subsequently increased by interest expense on the lease liability and decreased by the lease payments made. It is remeasured in case the future lease payments change due to a change in the index or rate, a change in the estimate of the amount expected to be payable under residual value guarantee, or a

Veolia Komodity ČR, s.r.o.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024**

change in the assessment of whether exercising the option to extend the lease is reasonably certain (including the extension of the expected term of the lease in cases of leases for an indefinite period).

The Company estimates the term of the lease for lease contracts under which it is the lessee and which include options to renew or terminate, or which are concluded for an indefinite period. Assessment whether the Company is reasonably certain that it will exercise such option affects the lease term, which in turn affects the values of the lease liabilities and right-of-use assets recognised. Where the lessee and the lessor have the right to terminate the contract with no more than an insignificant penalty, the period of notice is deemed to be the lease term. In such cases, penalty is understood to include not only, e.g., a penalty for early termination but also the costs incurred in moving or arranging for an alternative lease.

The Company has elected to use the practical expedient, allowed by the standard, not to recognise right-of-use assets and lease liabilities for short-term leases and leases for which the underlying asset is of low value. Short-term leases are leases that have a lease term of 12 months or less. Leases for which the underlying asset is of low value include primarily leases for information technology and office equipment.

The Company only applies the practical expedient not to separate non-lease components from lease components for vehicles, where it accounts for a single lease component.

4. Fair value

Some accounting policies applied by the Company require a fair value to be determined for financial assets and liabilities. In determining fair value, the Company uses data available from the market as far as possible. When a quoted price in an active market is not available, the Company uses valuation techniques that maximise the use of observable market data and minimise the use of unobservable market data. The chosen valuation technique integrates all the factors that market participants would take into account in valuing the transaction. Fair value is not measured if it is justified to recognise it as approximately equivalent to the carrying value.

Where financial instruments are measured at fair value, their fair value is determined by the method below.

(i) Derivatives

The fair value of forward contracts hedging the foreign exchange and commodity risk is determined as the discounted difference between the contractual value and the market forward price. In relation to commodity market transactions, the Company recognises an own-use portfolio and a trading portfolio that is measured at fair value.

5. Financial risk management

The Company has exposure to the following risks:

- credit risk,
- liquidity risk,
- market risk,

The parent company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board reviews and approves the risk management policies described below. The Risk Management Department monitors individual risks and their effect on the Company.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Trade receivables, contract assets and other receivables

The exposure to credit risk is influenced mainly by the individual characteristics of each customer, and the Company endeavours to manage and limit this risk. The Company has established a credit policy under

Veolia Komodity ČR, s.r.o.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024**

which each major customer is analysed individually for creditworthiness before the standard payment and delivery terms and conditions are offered. The review includes external ratings when available, and in some cases references obtained from a specialised firm. Credit limits are established for each customer. Customer analysis and monitoring of observance of the credit limits is carried out by the Collections Department. Customers that fail to keep within the credit limit may have their deliveries suspended, subject to case-by-case assessment. More than 80 percent of customers have been transacting with the Company for over four years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to their credit risk characteristics, including whether they are an individual or legal entity, their industry and payment history. Customers that are graded as "high risk" are monitored separately, and sometimes a payment schedule is offered to secure debt recovery.

Credit risk related to receivables is covered by provisions.

Cash and cash pool

As at 31 December 2024, the Company holds cash and cash equivalents in the amount of CZK 320,075,000 (2023: CZK 1,373,197,000). Cash and cash equivalents are deposited with banks with high ratings and in cash pooling with the parent company.

Off-balance sheet liabilities

The Company provides guarantees in the form of long-term deposits, i.e. margin deposits and security deposits with suppliers to financially secure deals in electricity, gas and capacity booking. Otherwise, it provides financial guarantees only on an exceptional basis, where required for the purpose of a tender procedure or where the law provides so. As at 31 December 2020, there were following guarantees:

<i>In thousands of CZK</i>	2024	2023
Provided guarantees – long-term advance payments	50 706	74 878
Bank guarantees provided	1 306 249	846 831
Bank guarantees accepted	(402 960)	(395 600)

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 will always have sufficient liquidity to meet its liabilities when due, not risking damage to its reputation.

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments. The Company ensures that it has sufficient cash on demand to meet expected operational expenses through participation in cash pooling within the Veolia Group. Within the cash pooling, the Company may draw a cash loan of up to CZK 200 million. By this approach, the Company limits the possible impacts of unforeseeable events.

Market risk

Market risk is the risk that changes in market prices, foreign exchange rates, interest rates, equity prices or prices of emission allowances will affect the Company's income or the value of financial instruments in its possession.

Currency risk

The Company is exposed to currency risk in the areas of purchasing, sales and financing. For gas and electricity purchases in foreign currencies (EUR) the Company concludes forward contracts to hedge the currency risk, thereby significantly eliminating this risk. All known future sales and purchases of electricity and gas are hedged (i.e. arrangements are in place for buying foreign currencies for each particular transaction).

Veolia Komodity ČR, s.r.o.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024***Interest rate risk*

The Company partly covers its exposure to movement in interest rates by obtaining financing mainly from its parent company. This financing is exposed to market risk from movements in interest rates.

Capital management

The Director manages the Company's capital structure in compliance with the investor's requirements, focusing on appropriate indebtedness and dividend policy monitoring. The objective is to achieve a suitable debt-to-equity ratio, as specified by management, and to meet the planned dividend targets. This involves looking for an adequate level of debt, which depends on profit (cash flow) generation, and meeting the average cost of capital and working capital targets planned by the Company.

6. Revenue

<i>In thousands of CZK</i>	2024	2023
Revenue from sale and re-sale of electricity and ancillary services	4 862 410	10 366 935
Revenue from the sale of gas	2 506 019	2 768 679
Revenue from sales of goods	387 025	315 749
Total	7 755 454	13 451 363

<i>In thousands of CZK</i>	2024	2023
Industry	6 299 489	9 900 637
Public sector	590 539	2 320 147
Households	865 426	1 230 579
Total	7 755 454	13 451 363

Public sector revenue streams include energy supplies to hospitals, schools, government institutions, etc.

All of the Company's revenue is generated in the Czech Republic.

The decline in total revenue primarily reflects lower input prices and lower sales.

In 2024, following a reconciliation of a subsidy previously received to compensate for capped electricity and gas prices, the Company has repaid an overpayment of CZK 36,390,000 (2023: CZK 817,743,000).

Advance payments for energy supplies are made under the relevant contractual arrangements on a monthly basis or, in exceptional cases with minor volumes, on an annual basis. The amount of advance payments is updated regularly.

No clients were connected or disconnected in 2024 so as to affect revenue.

Veolia Komodity ČR, s.r.o.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024****7. Cost of sales**

<i>In thousands of CZK</i>	2024	2023
Personnel expenses	(22 618)	(29 256)
Amortisation/depreciation	(247)	(247)
Right-of-use amortisation	(64 033)	(50 845)
Costs of goods sold excluding electricity	(1 832 242)	(1 776 792)
Cost of purchased electricity	(4 675 702)	(9 921 733)
Consumption of services and other	(65 886)	(45 730)
Change in provisions	(3 107)	(2 368)
Total	(6 663 835)	(11 826 971)

Electricity purchasing costs decreased, mainly due to the lower electricity prices. The row Consumption of services and other shows trades on the PXE stock exchange.

8. Administrative and operating expenses

<i>In thousands of CZK</i>	2024	2023
Management costs	(445 877)	(37 634)
Costs for services and other expenses	(24 043)	(33 902)
Total	(469 920)	(71 536)

Management fees increased in 2024 due to a rise in strategic management fees according to the transfer pricing rules between Group entities, which stood at CZK 395,500,000 (2023: CZK 0).

9. Finance income and expenses

<i>In thousands of CZK</i>	2024	2023
Interest income	53 572	35 273
Foreign exchange gain	32 751	140 103
Income from derivative operations	71 528	44 391
Other finance income	--	--
Total finance income	157 851	219 767
Interest expense	(8 940)	(6 694)
Foreign exchange loss	(17 973)	(41 822)
Discount of lease liabilities	(4 025)	(3 229)
Costs of derivative operations	(51 830)	(78 418)
Other finance expenses	(12 582)	(10 631)
Total finance expenses	(95 350)	(140 794)

Veolia Komodity ČR, s.r.o.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024**10. Income tax***Recognised in the income statement**In thousands of CZK*

Current tax	2024	2023
Current year	(310 890)	(970 241)
Adjustments for prior years	(42 319)	93
	(353 209)	(970 148)
Deferred tax		
Impact of the change in temporary differences and the change in tax rate	2 867	1 550
Total income tax expense in income statement	(350 342)	(968 598)

*Reconciliation of effective tax rate**In thousands of CZK*

	2024	2023
Profit before tax	684 200	1 631 829
Income tax calculated using the domestic corporate income tax rate	(143 682)	(310 048)
Effect of non-deductible expenses	(9 884)	(577)
Effect of tax exempt income	--	--
Effect of change in the deferred tax rate		79
Adjustments for prior years	(42 319)	93
Windfall tax	(154 457)	(658 145)
Total income tax expense in income statement	(350 342)	(968 598)

The Company paid income tax advances in the amount of CZK 202,293,000 (2023: CZK 58,980,000). The corporate income tax estimate, including windfall tax, is CZK 310,890,000 (2023: CZK 970,241,000). The income tax overpayment is reported in Current tax assets and amounts to CZK 45,860,000 (2023: CZK 253,119,000). The windfall tax overpayment is reported under Current tax assets at CZK 224,483,000 (2023: CZK 596,285,000). Advance windfall tax payments amounted to CZK 378,941,000 (2023: CZK 61,860,000).

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

Impact of other comprehensive income items on deferred tax:

<i>In thousands of CZK</i>	2024	2023
Changes in fair value of hedging instruments: before taxation	(6 457)	3 802
Tax	1 356	(806)
After taxation	(5 101)	2 996

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024**11. Derivatives***In thousands of CZK*

	Balance at 1 January 2024	Remeasurement in equity	Remeasurement in the income statement	Balance at 31 December 2024
Assets				
Short-term derivatives	56 697	(7 607)	(47 055)	2 035
Long-term derivatives	644	(349)	(138)	157
Total	57 341	(7 956)	(47 193)	2 192
Deferred tax impact:				
Deferred tax liabilities	(2 720)	1 671	588	(461)
Liabilities				
Short-term derivatives	(69 156)	1 364	63 633	(4 159)
Long-term derivatives	(3 591)	135	3 255	(201)
Total	(72 747)	1 499	66 888	(4 360)
Deferred tax impact:				
Deferred tax assets	257	(315)	974	916

Derivative financial instruments represent the fair value of forward contracts to hedge the EUR exchange rate risk. The net face value of open derivatives as at 31 December 2024 was a liability amounting to CZK 1,267,781,000 (2023: CZK 551,940,000). The mean forward rate was 25.4. In relation to commodity market transactions, the Company recognises an own-use portfolio and a trading portfolio that is measured at fair value. The carrying value of commodity derivatives as at 31 December 2024 is CZK 0 (2023: a liability of CZK 27,137,000).

12. Loans and borrowings

This note contains an overview of contractual conditions applicable to the Company's interest-bearing loans and borrowings. Note 20 contains more detailed information about the credit risk and the interest rate risk to which the Company is exposed.

In thousands of CZK

Short-term loans and borrowings	2024	2023
Right-of-use liabilities, IFRS 16	36 737	39 092
Unpaid interest on cash pool	4 572	--
Cash pooling payables	26 107	--
Total short-term loans and borrowings	67 416	39 092
Long-term loans and borrowings	2024	2023
Right-of-use liabilities, IFRS 16	36 810	43 624

The Company's long-term loans and borrowings constitute liabilities under leases, recognised as assets, right-of-use.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024**13. Deferred tax**

Deferred tax assets and liabilities are attributable to the following:

<i>In thousands of CZK</i>	Assets		Liabilities		Difference	
	2024	2023	2024	2023	2024	2023
Receivables	1 045	285	--	--	1 045	285
Derivatives	485	257	(29)	(2 720)	457	(2 462)
Provisions	402	126	--	--	402	126
Right-of-use	595	17 370		(17 023)	595	347
Other items	27	8	--	--	27	8
Deferred tax assets / (liabilities)	2 554	18 046	(29)	(19 743)	2 526	(1 696)

Movement in deferred tax assets and liabilities during the year

	Balance at 1 January 2024	Recognised in income statement	Recognised in equity	Balance at 31 December 2024
Receivables	285	760	--	1 045
Derivatives	(2 462)	1 563	1 356	457
Provisions	126	276	--	402
Right-of-use	347	248	--	595
Other items	8	19	--	27
Total	(1 696)	2 866	1 356	2 526

<i>In thousands of CZK</i>	Balance at 1 January 2023	Recognised in income statement	Recognised in equity	Balance at 31 December 2023
Receivables	176	109	--	285
Derivatives	(2 815)	1 158	(805)	(2 462)
Provisions	103	23	--	126
Right-of-use	80	267	--	347
Other items	14	(6)	--	8
Total	(2 442)	1 551	(805)	(1 696)

14. Inventories

<i>In thousands of CZK</i>	2024	2023
Stored gas inventories	260 940	247 766
Total	260 940	247 766

The Company has leased gas storage facilities that are used to shave off peaks in customers' demand and cover spikes in gas prices. The value of inventories is not reduced by a provision.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024**15. Trade and other receivables**

<i>In thousands of CZK</i>	2024	2023
Trade receivables due from related parties (see Note 25)	554 479	541 770
Trade receivables due from third parties	413 317	664 825
Contract asset	1 043 504	1 997 114
Other receivables	7 717	5 491
Total	2 019 017	3 209 200

“Contract assets” also comprise assets receivable from companies in the Group (see Note 25) amounting to CZK 842,466,000 (2023: CZK 744,136,000).

Contract assets consist of as yet unbilled supplies related to the organisation's core activity.

The amount recognised for trade receivables as at 31 December 2024 has been reduced by a provision for doubtful debts of CZK 18,752,000 (2023: CZK 16,962,000) due to the likelihood that the value of receivables from particular debtors will be impaired. Most of the provisions cover receivables from debtors in insolvency proceedings.

16. Cash and cash equivalents

<i>In thousands of CZK</i>	2024	2023
Current bank accounts	118 064	115 038
Cash in hand	27	42
Total cash	118 091	115 080
Receivables from cash pool	201 984	1 258 117
Cash and cash equivalents	320 075	1 373 197
Cash pooling payables	(30 679)	--
Total cash in compliance with statement of cash flows	289 396	1 373 197

17. Capital and reserves

As at 31 December 2024, registered capital is comprised of the member's contribution of CZK 2,000,000 (2023: CZK 2,000,000), which is paid up in full.

Cash flow hedging reserve

As at 31 December 2024 the reserve amounts to CZK 1,823,000 (2023: CZK 3,277,000), comprising the effective portion of the cumulative net change in the fair value of hedging instruments used to hedge cash flows that will subsequently be recognised in the income statement.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024*Dividends*

In the profit distribution decision in 2024, the Company announced dividends of CZK 663,230,000 (2023: CZK 383,008,000) and it has paid out these dividends.

18. Provisions

<i>In thousands of CZK</i>	Balance at 1 January 2024	Provisions created	Provisions used	Balance at 31 December 2024	Non-current	Current
Other provisions	600	1 917	(600)	1 917	--	1 917
Total	600	1 917	(600)	1 917	--	1 917

<i>In thousands of CZK</i>	Balance at 1 January 2023	Provisions created	Provisions used	Balance at 31 December 2023	Non-current	Current
Other provisions	543	600	(543)	600	--	600
Total	543	600	(543)	600	--	600

A provision for employee bonuses of CZK 1,917,000 was recognised in 2024 (2023: CZK 600,000). This annual bonus is a discretionary component of pay (to which no entitlement exists).

19. Trade and other payables, contract liabilities*Current liabilities*

<i>In thousands of CZK</i>	2024	2023
Trade payables to related parties (see Note 25)	849 858	920 382
Trade payables to third parties	1 111 546	1 720 104
Other payables	59 073	78 535
Total	2 020 477	2 719 021

Other payables recognised in 2024 included a VAT liability of CZK 55,516,000 (2023: CZK 60,153,000).

<i>In thousands of CZK</i>	2024	2023
Contract liabilities	303 682	421 186

“Contract liabilities” also comprise liabilities payable to companies in the Group (see Note 25) amounting to CZK 152,246,000 (2023: CZK 164,428,000).

Of the contract liabilities recorded as at 31 December 2023, CZK 421,186,000 were recognised in revenue for 2024. The Company recognises particularly advances for electricity a gas supplies received from its customers as contract liabilities.

Veolia Komodity ČR, s.r.o.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024*Reconciliation of liabilities and cash flows from financing activities*

<i>In thousands of CZK</i>	Balance at 1 January 2024	Interest expense	Interest paid	Payments of liabilities	New liabilities	Balance at 31 December 2024
Lease liabilities	82 716	4 025	(4 698)	(62 178)	53 682	73 547
Cash pool	--	8 940	(4 368)	--	26 107	30 679
Total	82 716	12 965	(9 066)	(62 178)	79 789	104 226

<i>In thousands of CZK</i>	Balance at 1 January 2023	Interest expense	Interest paid	Payments of liabilities	New liabilities	Balance at 31 December 2023
Lease liabilities	27 894	3 229	--	(52 838)	104 431	82 716
Cash pool	--	--	--	--	--	--
Total	27 894	3 229	--	(52 838)	104 431	82 716

20. Financial instruments*Credit risk*

Maximum exposure to credit risk as at the date of the statement of financial position was:

<i>In thousands of CZK</i>	Note	Carrying amount 2024	Carrying amount 2023
Trade and other receivables	15	2 019 017	3 209 200
Other long-term receivables	22	50 706	74 878
Derivatives	11	2 192	57 341
Cash and cash equivalents	16	320 075	1 373 197
Total		2 391 990	4 714 616

Impairment losses

<i>In thousands of CZK</i>	Nominal value 2024	Impairment 2024	Nominal value 2023	Impairment 2023
Not yet due	2 044 933	--	3 278 684	--
0–90 days overdue	14 476	--	5 494	(152)
90–180 days overdue	17 544	(5 038)	--	--
181–360 days overdue	13	(13)	2 213	(2 161)
More than 1 year overdue	13 701	(13 701)	14 649	(14 649)
Total	2 090 667	(18 752)	3 301 040	(16 962)

Veolia Komodity ČR, s.r.o.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

Movement in impairment provisions in respect of trade receivables in the course of the year was:

<i>In thousands of CZK</i>	2024	2023
Balance at 1 January	(16 962)	(14 650)
Establishment	(4 948)	(3 650)
Utilisation	3 158	1 338
Balance at 31 December	(18 752)	(16 962)

Liquidity risk

The following are payments of liabilities by the contractual maturities of financial liabilities, including estimated interest payments:

At 31 December 2024

<i>In thousands of CZK</i>	Carrying amount	Contractual cash flow	Within 6 months	6–12 months	1–2 years	2–5 years	More than 5 years
Trade and other payables, contract liabilities	2 324 159	2 324 159	2 324 159	--	--	--	--
Current tax liabilities	--	--	--	--	--	--	--
Cash pooling payables	30 679	30 679	30 679	--	--	--	--
Derivative instruments – liabilities	4 360	4 360	4 159		201	--	--
Total	2 359 198	2 359 198	2 358 997	--	201	--	--

At 31 December 2023

<i>In thousands of CZK</i>	Carrying amount	Contractual cash flow	Within 6 months	6–12 months	1–2 years	2–5 years	More than 5 years
Trade and other payables, contract liabilities	3 140 207	3 140 207	3 140 207	--	--	--	--
Current tax liabilities	849 404	849 404	849 404	--	--	--	--
Cashpooling interest	--	--	--	--	--	--	--
Derivative instruments – liabilities	72 747	72 747	71 833	626	288	--	--
Total	4 062 358	4 062 358	4 061 444	626	288	--	--

Veolia Komodity ČR, s.r.o.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024**Currency risk**

To hedge purchases and sales of electricity in foreign currencies (EUR), forward contracts were concluded with Veolia Environnement Finance (see Note 5). Due to the gradual hedging of purchases and sales the currency risk is minimal for the Company.

In thousands of CZK

	2024	2023
Trade receivables	200 016	502 635
Trade payables	(91 197)	(25)
Derivatives – assets	2 192	57 341
Derivatives – liabilities	(4 360)	(72 747)
Cashpooling receivables	201 984	251 997
Net financial position	308 636	739 201

Currency risk sensitivity analysis

In thousands of CZK	Gain or loss		Net result	
	Increase	Decrease	Increase	Decrease
At 31 December 2024				
EUR (10% movement)	30 864	(30 864)	24 382	(24 382)
At 31 December 2023				
EUR (10% movement)	75 461	(75 461)	61 123	(61 123)

A reasonably possible appreciation of the EUR in relation to all other currencies at 31 December 2024 would have an impact on the measurement of financial instruments denominated in foreign currencies, on equity and on profit/loss by the amounts specified above. This analysis assumes that all the other variables, in particular interest rates, remain unchanged and ignore any impact of the expected sales and purchases.

Interest rate risk

As at 31 December 2024, the Company has the following interest-bearing financial instruments:

Variable-rate financial instruments

In thousands of CZK

	2024	2023
Right-of-use liabilities, IFRS 16	73 547	82 716
Cash pooling payables	30 679	--
Total	104 226	82 716

Veolia Komodity ČR, s.r.o.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024****Sensitivity analysis of variable-rate financial instruments**

Sensitivity analysis was based on exposure to interest rates related to variable-rate credit instruments at the end of the accounting period. For variable-rate debts the analysis is based on the assumption that the outstanding amount of the debt at the end of the accounting period was applicable in the same amount throughout the year.

Had the interest rates been 0.5% higher/lower with all the other variables remaining constant, the Company's profit for the period ending on 31 December 2024 would have decreased/increased by CZK 0.79 million (2023: decrease/increase by CZK 4.04 million).

Effective interest rate and remeasurement analysis

The average interest rate of interest-bearing financial assets and liabilities at the date of the statement of financial position and the periods in which they are remeasured:

<i>In thousands of CZK</i>	Average interest rate in 2024 (%)	Liability for 2024	Next re-pricing date	Due date
Lease liabilities	4,86%	(73 547)	--	2025–2029
Cash pool	3,90%	(30 679)		
Total		(104 226)		

Fair value of financial assets and liabilities not recognised at fair value

In accordance with IFRS 7 Financial Instruments: Disclosures, for measuring fair value, the Company uses Level 3 inputs, which are not based on observable market data (objectively unobservable inputs). Fair value is not measured for trade and other receivables and payables and for cash pool, as it is justified to recognise it as approximately equivalent to the carrying value.

Interest rates used to calculate fair values

The interest rates used to discount cash flows were, as far as possible, based on the interest rate on treasury bonds as at the date of the statement of financial position in respect of derivatives. The rates applied are as follows:

	2024	2023
Derivatives	3.64–4.3%	3.25–7%

21. Leases

From the lessee's perspective

The Company leases offices for approximately five years and vehicles for approximately four years. It also leases installations for gas supply.

The right to lease renewal is normally not contained in the contracts. Some contracts are indexed to inflation every year. Sublease of leased assets to third parties does not occur.

IT devices are not recognised as right-of-use assets due to insignificant value.

Veolia Komodity ČR, s.r.o.**NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024**

<i>Amounts recognised in the income statement, in thousands of CZK</i>	2024	2023
Costs of short-term leases	-178	6 487
Costs related to variable lease payments	2 383	758
Other expenses	196	145
Total	2 401	7 390

<i>Other, in thousands of CZK</i>	2024	2023
Interest expense on lease liabilities	4 025	3 229
Revenue from right-of-use asset sublease	--	--
Total cash outflow for leases	62 178	52 838
Gains / (losses) from sale and leaseback transactions	--	--

The Company leases land, buildings and equipment, and vehicles. The operating lease contracts that meet the requirements of IFRS 16 are recognised as assets – Right-of-use.

From the lessor's perspective

The Company does not let its assets.

Veolia Komodity ČR, s.r.o.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024**Right-of-use assets**

	Balance at 1 January 2024	Additions/transfers	Disposals	Balance at 31 December 2024
<i>Acquisition cost (CZK thousands)</i>				
Property, buildings and constructions	6 122	3 240	--	9 362
Plant and equipment, and other assets	141 310	50 442	(32 090)	159 662
Total	147 432	53 682	(32 090)	169 024

Amortisation, depreciation and impairment losses (CZK thousands)

Property, buildings and constructions	(4 166)	(1 461)	--	(5 627)
Plant and equipment, and other assets	(62 206)	(62 571)	32 089	(92 688)
Total	(66 372)	(64 032)	32 089	(98 315)

Carrying amount (CZK thousands)

Property, buildings and constructions	1 956	1 779	--	3 735
Plant and equipment, and other assets	79 104	(12 129)	--	66 974
Total	81 060	(10 350)	--	70 709

	Balance at 1 January 2023	Additions/ transfers	Disposals	Balance at 31 December 2023
<i>Acquisition cost (CZK thousands)</i>				
Property, buildings and constructions	6 122	--	--	6 122
Plant and equipment, and other assets	41 548	104 430	(4 668)	141 310
Total	47 670	104 430	(4 668)	147 432

Amortisation, depreciation and impairment losses (CZK thousands)

Property, buildings and constructions	(3 298)	(868)	--	(4 166)
Plant and equipment, and other assets	(16 897)	(49 977)	4 668	(62 206)
Total	(20 195)	(50 845)	4 668	(66 372)

Carrying amount (CZK thousands)

Property, buildings and constructions	2 824	(868)	--	1 956
Plant and equipment, and other assets	24 651	54 453	--	79 104
Total	27 475	53 585	--	81 060

Veolia Komodity ČR, s.r.o.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024*Contractual cash flow*

At 31 December 2024	Carrying amount	Contractual cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
<i>In thousands of CZK</i>							
Long-term liabilities – Right-of-use	36 810	38 480	--	--	35 091	3 389	--
Short-term liabilities – Right-of-use	36 737	39 102	39 102	--	--	--	--
Total	73 547	77 582	39 102	--	35 091	3 389	--

At 31 December
2023

At 31 December 2023	Carrying amount	Contractual cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
<i>In thousands of CZK</i>							
Long-term liabilities – Right-of-use	43 624	46 267	--	--	22 641	23 626	--
Short-term liabilities – Right-of-use	39 092	41 668	41 668	--	--	--	--
Total	82 716	87 935	41 668	--	22 641	23 626	--

22. Other long-term receivables

<i>In thousands of CZK</i>	2024	2023
Other long-term receivables	50 706	74 878
Total	50 706	74 878

Most long-term receivables are comprised of financial hedges related to electricity and gas deals. Security deposits are provided to the OTE, a.s. market operator and Raiffeisenbank a.s.

Veolia Komodity ČR, s.r.o.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024**23. Intangible assets**

	Balance at 1 January 2024	Additions/ transfers	Disposals	Balance at 31 December 2024
<i>Acquisition cost (in thousands of CZK)</i>				
Software	989	--	--	989
Other	41 905	--	--	41 905
Total	42 894	--	--	42 894
<i>Amortisation, depreciation and impairment losses (CZK thousands)</i>				
Software	(268)	(247)	--	(515)
Other	(41 905)	--	--	(41 905)
Total	(42 173)	(247)	--	(42 420)
<i>Carrying amount (CZK thousands)</i>				
Software	721	--	--	474
Other	--	--	--	--
Total	721	(247)	--	474

24. Related parties*Transactions with related parties*

The Company is controlled by the multinational company Veolia Energie International S.A. and its ultimate parent company, Veolia Environnement – VE SA. The Company has transactions with other Group companies (see Note 25).

Transactions with management personnel

Neither the management personnel of the Company nor their immediate relatives own any voting shares in the Company. In addition to their salaries, the Company also provides cars and mobile phones for both business and private purposes to management personnel.

25. Companies in the Group*Sales and purchases within the Group*

Typical transactions between the Company and the parent company and other Group companies controlled by its parent company are as follows:

Sales transactions:

- Revenue from the supply of electricity, gas and biomass.

Purchase transactions:

- Advisory services provided to the Company
- Supply of electricity and distribution services
- Re-invoicing of rent for office space

Veolia Komodity ČR, s.r.o.

NOTES TO THE SEPARATE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2024

All significant transactions with related parties were carried out under arm's length conditions. Related parties include all companies in the Veolia Group. The Company reports only material relationships with these entities.

<i>In thousands of CZK</i>	2024	2023
Purchases	2 714 046	7 822 688
Sales	3 780 378	4 676 873
Finance costs	11 681	7 295
Finance income	50 068	31 924

<i>In thousands of CZK</i>	2024	2023
Receivables	554 479	541 770
Liabilities	849 858	920 382
Financial liabilities	34 788	2 002

In addition to the above, the Company records contract assets of CZK 842,466,000 and contract liabilities of CZK 152,246,000. It also records derivatives – assets valued at CZK 2,192,000 and derivatives – liabilities valued at CZK 4,360,000.

Receivables and payables also include advance payments provided and accepted and estimated assets and, as applicable, estimated liabilities.

The Company is involved in a cash pool with Veolia Environnement SA (see Note 16). In addition to the above, the Company records financial assets of CZK 202,000.

26. Subsequent events

No events occurred between the date of the statement of financial position and the date of preparation of the financial statements that would have any material impact on the financial statements as at 31 December 2024, or that should be disclosed in the financial statements.

04 REPORT ON RELATED PARTIES

Report on Related Parties
i.e. report on the relations between the controlling and controlled entities
and between the controlled entity and other entities under common control
(related parties)

for the accounting period of 2024

prepared

under Section 82 of Act No 90/2012 on commercial companies and cooperatives
(the Business Corporations Act), as amended, hereinafter “the BCA”,

by the governing body of **Veolia Komodity ČR, s.r.o.**,
having its registered office at **28. října 3337/7, Moravská Ostrava, 702 00 Ostrava**
Company No.: 258 46 159,

a company incorporated in the Companies Register maintained by the Ostrava Regional Court,
file number C 21431

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1. Preamble
2. Specification and description of related parties
3. Role of the controlled entity, methods and means of control, and evaluation of the advantages and disadvantages arising from relations between the related parties
4. Overview of agreements between related parties, assessment of damage and compensation for damage under Sections 71 and 72 BCA, and overview of acts made at the instigation or in the interest of the controlling entity or entities controlled by the controlling entity
5. Conclusion

I
Preamble

The Report has been prepared by the Company’s governing body under Section 82 of Act No 90/2012 on commercial companies and cooperatives (the Business Corporations Act, BCA), as amended, on 20 February 2025.

The accuracy of the disclosures contained herein was reviewed by the auditors, KPMG Česká republika Audit, s.r.o.

The Report has been prepared for the accounting period of 2024.

II
Specification and description of related parties

The list of related parties provides an overview of all related companies in the Czech Republic, regardless of whether the Company had in place or performed under any contract with them in 2024, including their respective controlling entities. Furthermore, the list of related parties also includes those international entities with which the Company had in place or performed under a contract in the year reviewed.

Controlled company

Name:	Veolia Komodity ČR, s.r.o.
Registered office:	28. října 3337/7, Moravská Ostrava, 702 00 Ostrava
Company No.:	258 46 159
File number:	C 21431, Companies Register maintained by the Ostrava Regional Court
Legal form:	Private limited company

Hereinafter also referred to as Veolia Komodity ČR.

Controlling companies and entities controlling the controlling companies

Name:	Veolia Průmyslové služby ČR, a.s.
Registered office:	Zelená 2061/88a, Mariánské Hory, 709 00 Ostrava Special postcode: 709 74
Company No.:	278 26 554
File number:	B 3722, Companies Register maintained by the Ostrava Regional Court
Legal form:	Public limited company

Name:	Veolia Energie ČR, a.s.
Registered office:	28. října 3337/7, Moravská Ostrava, 702 00 Ostrava
File number:	B 318, Companies Register maintained by the Ostrava Regional Court
Company No.:	451 93 410
Legal form:	Public limited company

Name:	VEOLIA ENERGIE INTERNATIONAL S.A.
Registered office:	21 rue La Boétie, 75008 Paris, France
Company No.:	433 539 566 R.C.S. Paris
Legal form:	Public limited company

Name:	VEOLIA ENVIRONNEMENT S.A.
Registered office:	21 rue La Boétie, 75008 Paris, France

Company No.: 403 210 032 R.C.S. Paris
Legal form: Public limited company

Related parties

Name: **Energie Projekt ČR, s.r.o. “In liquidation”**
Registered office: Praha 2, Americká 415
Company No.: 257 06 969
File number: C 62955, Companies Register maintained by the Prague Municipal Court
Legal form: Private limited company

Name: **RECOVERA CZ, a.s.**
Registered office: Zelená 2061/88a, Mariánské Hory, 709 00 Ostrava
Company No.: 601 93 204
File number: B 11405, Companies Register maintained by the Ostrava Regional Court
Legal form: Public limited company

Name: **OLTERM & TD Olomouc, a.s.**
Registered office: Janského 469/8, Povel, 779 00 Olomouc
Company No.: 476 77 511
File number: B 872, Companies Register maintained by the Ostrava Regional Court
Legal form: Public limited company

Name: **AmpluServis, a.s.**
Registered office: Ostrava-Třebovice, ul. Elektrárenská 5558, postcode 70974
Company No.: 651 38 317
File number: B 1258, Companies Register maintained by the Ostrava Regional Court
Legal form: Public limited company

Name: **Veolia Energie Kolín, a.s.**
Registered office: Kolín V., Tovární 21, postcode 280 63
Company No.: 451 48 091
File number: B 1523, Companies Register maintained by the Prague Municipal Court
Legal form: Public limited company

Name: **Veolia Energie Mariánské Lázně, s.r.o.**
Registered office: Nádražní náměstí 294, Úšovice, 353 01 Mariánské Lázně
Company No.: 497 90 676
File number: C 4776, Companies Register maintained by the Plzeň Regional Court
Legal form: Private limited company

Name: **Veolia Energie Praha, a.s.**
Registered office: Na Florenci 2116/15, Nové Město, 110 00 Praha 1
Company No.: 036 69 564
File number: B 20284, Companies Register maintained by the Prague Municipal Court
Legal form: Public limited company

Name: **Veolia Powerline Kaczyce Sp. z o.o.**
Registered office: Morcinka 17, 43-417 Kaczyce, Poland
Company No.: 141 89 229, Regional Registry Court in Bielsko Biala
Legal form: Private limited company

Name: **Institut environmentálních služeb, a.s.**
Registered office: Podolská 15/17, Podolí, 147 00 Praha 4
Company No.: 629 54 865
File number: B 9967, Companies Register maintained by the Prague Municipal Court
Legal form: Public limited company

Name: **Veolia Smart Systems ČR, s.r.o.**
Registered office: Zelená 2061/88a, Mariánské Hory, 709 00 Ostrava (formerly V Lázních 224, 252 42 Jesenice)

Company No.: 030 81 761
File number: C 93006, Companies Register maintained by the Ostrava Regional Court (formerly C 227174, Companies Register maintained by the Prague Municipal Court)

Legal form: Private limited company
The Company changed its registered office on 31 May 2023 and its file number and the registry court of local jurisdiction on 26 June 2023.

Name: **VEOLIA EAU - COMPAGNIE GENERALE DES EAUX SCA**
Registered office: 21 rue La Boétie, 75008 Paris, France
Company No.: 572 025 526 R.C.S. Paris
Legal form: Partnership limited by shares

Name: **VEOLIA CENTRAL & EASTERN EUROPE S.A.**
Registered office: 21 rue La Boétie, 75008 Paris, France
Company No.: RCS PARIS B 433 934 809
Legal form: Public limited company

Name: **Veolia Holding Česká republika, a.s.**
Registered office: Na Florenci 2116/15, Nové Město, 110 00 Praha 1
Company No.: 106 96,539
File number: B 26190, Companies Register maintained by the Prague Municipal Court
Legal form: Public limited company

Name: **VEOLIA ČESKÁ REPUBLIKA, a.s.**
Registered office: Na Florenci 2116/15, Nové Město, 110 00 Praha 1
Company No.: 492 41 214
File number: B 2098, Companies Register maintained by the Prague Municipal Court
Legal form: Public limited company

Name: **Pražské vodovody a kanalizace, a.s.**
Registered office: Ke Kablu 971/1, Hostivař, 102 00 Praha 10
Company No.: 256 56 635
File number: B 5297, Companies Register maintained by the Prague Municipal Court
Legal form: Public limited company

Name: **MORAVSKÁ VODÁRENSKÁ, a.s.**
Registered office: Tovární 1059/41, Hodolany, 779 00 Olomouc
Company No.: 618 59 575
File number: B 1943, Companies Register maintained by the Ostrava Regional Court
Legal form: Public limited company

Name: **Vodárna Zlín a.s.**
Registered office: třída Tomáše Bati 383, Louky, 763 02 Zlín
Company No.: 142 37 083
File number: B 8672, Companies Register maintained by the Brno Regional Court
Legal form: Public limited company

Name: **Středočeské vodárny, a.s.**
Registered office: Kladno, U Vodojemu 3085, postcode 272 80
Company No.: 261 96 620
File number: B 6699, Companies Register maintained by the Prague Municipal Court
Legal form: Public limited company

Name: **RAVOS, s.r.o.**
Registered office: Frant. Diepolda 1870, Rakovník II, 269 01 Rakovník
Company No.: 475 46 662
File number: C 19602, Companies Register maintained by the Prague Municipal Court
Legal form: Private limited company

Name: **Vodohospodářská společnost Rokycany, s.r.o.**
Registered office: Sedláčkova 651, Plzeňské Předměstí, 337 01 Rokycany

Company No.: 453 51 325
File number: C 2378, Companies Register maintained by the Plzeň Regional Court
Legal form: Private limited company

Name: **Královéhradecká provozní, a.s.**
Registered office: Víta Nejedlého 893/6, Slezské Předměstí, 500 03 Hradec Králové
Company No.: 274 61 211
File number: B 2383, Companies Register maintained by the Hradec Králové Regional Court
Legal form: Public limited company

Name: **I. SČV, a.s.**
Registered office: Praha 10, Ke Kablu 971, postcode 100 00
Company No.: 475 49 793
File number: B 10383, Companies Register maintained by the Prague Municipal Court
Legal form: Public limited company

Name: **Česká voda – MEMSEP, a.s.**
Registered office: Ke Kablu 971/1, Hostivař, 102 00 Praha 10
Company No.: 250 35 070
File number: B 12115, Companies Register maintained by the Prague Municipal Court
Legal form: Public limited company

Name: **Solutions and Services, a.s.**
Registered office: Na Florenci 2116/15, Nové Město, 110 00 Praha 1
Company No.: 272 08 320
File number: B 11409, Companies Register maintained by the Prague Municipal Court
Legal form: Public limited company

Name: **Veolia Support Services Česká republika, a.s.**
Registered office: Na Florenci 2116/15, Nové Město, 110 00 Praha 1
Company No.: 290 60 770
File number: B 18573, Companies Register maintained by the Prague Municipal Court
Legal form: Public limited company

Name: **Veolia Vedlejší produkty ČR, s.r.o.**
Registered office: Na Florenci 2116/15, Nové Město, 110 00 Praha 1
Company No.: 247 15 964
File number: C 168333, Companies Register maintained by the Prague Municipal Court
Legal form: Private limited company

Name: **Severočeská servisní a.s.**
Registered office: Přítkovská 1689/14, Trhovany, 415 01 Teplice
Company No.: 051 75 917
File number: B 2659, Companies Register maintained by the Ústí nad Labem Regional Court
Legal form: Public limited company

Name: **IoT.water a.s.**
Registered office: Sokolovská 100/94, Karlín, 186 00 Praha 8
Company No.: 055 89 916
File number: B 25457, Companies Register maintained by the Prague Municipal Court
Legal form: Public limited company

Name: **Pražská teplotní a.s.**
Registered office: Praha 7, Partyzánská 1/7, postcode 170 00
Company No.: 452 73 600
File number: B 1509, Companies Register maintained by the Prague Municipal Court
Legal form: Public limited company

Name: **TERMONTA PRAHA a.s.**
Registered office: Praha 10, Třebohostická 46/11, postcode 100 00
Company No.: 471 16 234
File number: B 1846, Companies Register maintained by the Prague Municipal Court
Legal form: Public limited company

Name: **PT Koncept, a.s.**
Registered office: Partyzánská 1/7, Holešovice, 170 00 Praha 7
Company No.: 032 61 816
File number: B 19886, Companies Register maintained by the Prague Municipal Court
Legal form: Public limited company

Name: **Teplo Neratovice, spol. s r.o.**
Registered office: Neratovice, Školní 162, postcode 277 11
Company No.: 498 27 316
File number: C 34074, Companies Register maintained by the Prague Municipal Court
Legal form: Private limited company

Name: **PT Distribuční, s.r.o.**
Registered office: Praha 9 - Střížkov, Jablonecká 322/72, postcode 190 00
Company No.: 457 93 590
File number: C 11208, Companies Register maintained by the Prague Municipal Court
Legal form: Private limited company

Name: **ENERGOPROJEKTA s.r.o.**
Registered office: Dluhonská 1350/43, Přerov I-Město, 750 02 Přerov
Company No.: 059 85 005
File number: C 70165, Companies Register maintained by the Ostrava Regional Court
Legal form: Private limited company

Name: **PT Transit, a.s.**
Registered office: Partyzánská 1/7, Holešovice, 170 00 Praha 7
Company No.: 293 52 797
File number: B 19399, Companies Register maintained by the Prague Municipal Court
Legal form: Public limited company

Name: **Popron Systems a.s. (formerly Popron Systems s.r.o.)**
Registered office: Revoluční 1082/8, Nové Město, 110 00 Praha 1
Company No.: 618 55 162
File number: C 31495 (formerly C 31495), Companies Register maintained by the Prague Municipal Court
Legal form: Public limited company
The company changed its legal form and file number on 1 July 2023.

Name: **VEO Project Engineering, s.r.o.**
Registered office: 28. října 3337/7, Moravská Ostrava, 702 00 Ostrava
Company No.: 171 61 703
File number: C 89380, Companies Register maintained by the Ostrava Regional Court
Legal form: Private limited company
Name: **Recovera Využití zdrojů a.s.**
Registered office: Španělská 1073/10, Vinohrady, 120 00 Praha 2
Company No.: 256 38 955
File number: B 9378, Companies Register maintained by the Prague Municipal Court
Legal form: Public limited company

Name: **Recovera Technický servis s.r.o.**
Registered office: Hybešova 523/10, 787 01 Šumperk
Company No.: 268 36 980
File number: C 40172, Companies Register maintained by the Ostrava Regional Court
Legal form: Private limited company

Note: Schematic diagrams of the Group composed of the controlling and controlled entities as the related parties are shown in Annexes 1 and 2 to this Report.

III

Role of the controlled entity, methods and means of control, and evaluation of the advantages and disadvantages arising from relations between the related parties

Within the meaning of Section 79 BCA, Veolia Komodity ČR, s.r.o. is a dependent entity within the Group and is subject to joint management under a common policy of strategic management of the Group; for the dependent entity, the above primarily generates advantages from the know-how provided within the Group for performing the controlled entity's business. The relationship between the related parties does not cause any disadvantage to any of them. Veolia Komodity ČR, s.r.o. serves as a central intermediary for the purchases and sale of electricity and gas for Group companies.

The dependent entity is controlled through the sole member acting in the capacity of the Company's general meeting, who has the influence to appoint their representatives to the Company's bodies and so can influence the business management of the Company.

The Company is not exposed to any future or long-term risks as a result of its membership of the Veolia Group and the governing body is not aware of any material future developments that may jeopardise the Company as a result of its belonging to the Group.

IV

Overview of agreements between related parties, assessment of damage and compensation for damage under Sections 71 and 72 BCA, and overview of acts made at the instigation or in the interest of the controlling entity or entities controlled by the controlling entity

A. Relations with controlling companies and entities controlling the controlling companies

A1. Veolia Průmyslové služby ČR, a.s.

The following agreements are in place between Veolia Komodity ČR, s.r.o. and Veolia Průmyslové služby ČR, a.s.:

Agreements where Veolia Komodity ČR, s.r.o. is the supplier: an Agreement on Electricity Supply on an arm's length basis.

Agreements where Veolia Komodity ČR, s.r.o. is the customer: an Agreement on Electricity Feed-in from a Renewable Energy Source and an Agreement on Electricity Distribution, on an arm's length basis.

A2. Veolia Energie ČR, a.s.

The following agreements are in place between Veolia Komodity ČR, s.r.o. and Veolia Energie ČR, a.s.:

Agreements where Veolia Komodity ČR, s.r.o. is the supplier: an Agreement on Bundled Gas and Electricity Supply on an arm's length basis. These companies also concluded and performed under a Purchase Agreement for the Purchase and Sale of Biomass on an arm's length basis.

Agreements where Veolia Komodity ČR, s.r.o. is the customer: a Service Agreement, a Commercial Space Sublease Agreement and Personal Property Lease Agreement, an EFET Bilateral Electricity Trading Agreement, an Agreement on Personal Data Processing, a Sub-licence Agreement on Trade Mark Use, all on an arm's length basis.

Veolia Energie ČR, a.s. takes out insurance policies for Veolia Komodity ČR, s.r.o. and then re-invoices the costs.

Veolia Energie ČR, a.s. also invoices fees for financial guarantees provided to Veolia Komodity ČR, s.r.o. in relation to framework agreements on the supply of gas and electricity.

Veolia Energie ČR, a.s. also re-invoices Veolia Komodity ČR, s.r.o. for the costs of services (legal services, promotional items, hall leases, consumables, phone charges, communications, travel expenses, maintenance work, sanitary supplies, postal services, servicing work, lighting replacement, etc.).

Veolia Komodity ČR made a financial donation to the Veolia Energie Humain ČR Foundation set up by Veolia Energie ČR, a.s.

A3. VEOLIA ENVIRONNEMENT S.A.

Veolia Komodity ČR, s.r.o. signed a Declaration of Participation in the International Group Savings Plan of Veolia Environnement and the Sequoia employee shareholding programme with VEOLIA ENVIRONNEMENT S.A., and in this context, it also bore a share of the contributions to the reserved collective employee shareholding vehicles that invest in VEOLIA ENVIRONNEMENT S.A. shares.

Veolia Komodity ČR, s.r.o. participates in a cash pool under a Bilateral Real Cash Pooling Agreement and a Treasury Agreement governing the terms and conditions of the Group cash pool entered into with VEOLIA ENVIRONNEMENT S.A. and Komerční banka, a.s. on an arm's length basis. It has also entered into a Framework Agreement on Forward Financial Instruments with VEOLIA ENVIRONNEMENT S.A.

A4. VEOLIA ENERGIE INTERNATIONAL S.A.

No contracts were concluded or performed, no legal acts or measures were made towards this company, and no deliveries or considerations were provided between this company controlling the controlling entities and the Company.

B. Relations to related parties

B1. OLTERM & TD Olomouc, a.s.

Veolia Komodity ČR, s.r.o. and OLTERM & TD Olomouc, a.s. have in place Agreements on Bundled Electricity Supply, including amendments, and an Agreement on Bundled Gas Supply, including amendments, all on an arm's length basis.

B2. Veolia Energie Mariánské Lázně, s.r.o.

Veolia Komodity ČR, s.r.o. and Veolia Energie Mariánské Lázně, s.r.o. have Agreements on Bundled Electricity Supply and an Agreement on Bundled Gas Supply in place on an arm's length basis. These companies also concluded and performed under a Purchase Agreement for the Purchase and Sale of Biomass on an arm's length basis. In 2023 they concluded a separate, one-off Agreement on the Transfer of Guarantees of Origin (GoOs).

B3. Veolia Energie Kolín, a.s.

Veolia Komodity ČR, s.r.o. and Veolia Energie Kolín, a.s. have Agreements on Bundled Electricity Supply and an Agreement on Bundled Gas Supply in place on an arm's length basis.

These companies also concluded and performed under a Purchase Agreement for the Purchase and Sale of Biomass on an arm's length basis. In 2023 they concluded a separate, one-off Agreement on Guarantees of Origin (GoOs).

B4. Veolia Energie Praha, a.s.

Veolia Komodity ČR, s.r.o. and Veolia Energie Praha, a.s. have Agreements on Bundled Electricity Supply and an Agreement on Bundled Gas Supply in place on an arm's length basis.

B5. Vodárna Zlín a.s.

Veolia Komodity ČR, s.r.o. and Vodárna Zlín, a.s. have an Agreement on Bundled Electricity Supply and an Agreement on Bundled Gas Supply in place on an arm's length basis.

B6. I. SčV, a.s.

Veolia Komodity ČR, s.r.o. and I. SčV, a.s. have an Agreement on Bundled Electricity Supply, and Agreement on Electricity Feed-in from Renewable Energy Sources and an Agreement on Bundled Gas Supply in place on an arm's length basis.

B7. Institut environmentálních služeb, a.s.

Under an Agreement on Cooperation in Employee Education, Institut environmentálních služeb, a.s. provided Veolia Komodity ČR, s.r.o. with the education of its employees, education record keeping in the personnel system, and regular reporting on education, on an arm's length basis.

B8. Královehradecká provozní, a.s.

Veolia Komodity ČR, s.r.o. and Královehradecká provozní, a.s. have an Agreement on Bundled Electricity Supply, an Agreement on Electricity Feed-in from a Renewable Energy Source and an Agreement on Bundled Gas Supply in place on an arm's length basis.

B9. MORAVSKÁ VODÁRENSKÁ, a.s.

Veolia Komodity ČR, s.r.o. and MORAVSKÁ VODÁRENSKÁ, a.s. have an Agreement on Bundled Electricity Supply, an Agreement on Electricity Feed-in from a Renewable Energy Source and an Agreement on Bundled Gas Supply in place on an arm's length basis.

B10. Pražské vodovody a kanalizace, a.s.

Veolia Komodity ČR, s.r.o. and Pražské vodovody a kanalizace, a.s. have an Agreement on Bundled Electricity Supply, an Agreement on Electricity Feed-in from a Renewable Energy Source, an Agreement on Bundled Gas Supply and an Agreement on Dispatching Services in place on an arm's length basis.

B11. RAVOS, s.r.o.

Veolia Komodity ČR, s.r.o. and RAVOS, s.r.o. have an Agreement on Bundled Electricity Supply, Agreement on Electricity Feed-in from Renewable Energy Sources and an Agreement on Bundled Gas Supply in place on an arm's length basis.

B12. Solutions and Services, a.s.

Veolia Komodity ČR, s.r.o. and Solutions and Services, a.s. have in place a Framework Agreement on Electricity Supply for 2024, bought in tranches, and a Framework Agreement on Natural Gas Supply for 2021–2024, bought in tranches, on an arm's length basis.

B13. Středočeské vodárny, a.s.

Veolia Komodity ČR, s.r.o. and Středočeské vodárny, a.s. have in place an Agreement on Bundled Electricity Supply, an Agreement on Electricity Feed-in from a Renewable Energy Source and an Agreement on Bundled Gas Supply, all on an arm's length basis.

B14. Vodohospodářská společnost Rokycany, s.r.o.

Veolia Komodity ČR, s.r.o. and Vodohospodářská společnost Rokycany, s.r.o. have an Agreement on Bundled Electricity Supply, an Agreement on Electricity Feed-in from a Renewable Energy Source and an Agreement on Bundled Gas Supply in place on an arm's length basis.

B15. Pražská teplárenská a.s.

Veolia Komodity ČR, s.r.o. and Pražská teplárenská a.s. have an Agreement on Bundled Electricity Supply, an Electricity Supply Agreement and an Agreement on Bundled Gas Supply in place on an arm's length basis.

B16. Teplo Neratovice, spol. s r.o.

Veolia Komodity ČR, s.r.o. and Teplo Neratovice, spol. s r.o. have an Agreement on Bundled Electricity Supply in place on an arm's length basis.

B17. PT Koncept, a.s.

Veolia Komodity ČR, s.r.o. and PT Koncept, a.s. have in place a Framework Agreement on Electricity Supply and Offtake, including Imbalance Responsibility Transfer, from 2021 with an indefinite term, on an arm's length basis.

They have also concluded an Agreement on Bundled Gas Supply, an Agreement on Natural Gas Supply, and an Agreement on Bundled Electricity Supply / Electricity Supply Agreement, all on an arm's length basis.

B18. PT Distribuční, s.r.o.

Veolia Komodity ČR, s.r.o. and PT Distribuční, s.r.o. have an Agreement on Bundled Gas Supply, an Agreement on Bundled Electricity Supply and a Gas Supply Agreement (agreement for building boiler rooms) in place on an arm's length basis.

B19. TERMONTA PRAHA a.s.

Veolia Komodity ČR, s.r.o. and TERMONTA PRAHA, a.s. have an Agreement on Bundled Electricity Supply in place on an arm's length basis.

B20. Recovera Využití zdrojů a.s.

Veolia Komodity ČR, s.r.o. and Recovera Využití zdrojů a.s. have in place an Agreement on Bundled Electricity Supply and an Agreement on Electricity Feed-in from a Renewable Energy Source, on an arm's length basis.

B21. Recovera Technický servis s.r.o.

Veolia Komodity ČR, s.r.o. and Recovera Technický servis s.r.o. have an Agreement on Bundled Electricity Supply in place on an arm's length basis.

B22. Veolia Support Services Česká republika, a.s.

Veolia Komodity ČR, s.r.o. and Veolia Support Services Česká republika, a.s. have an Accounting Agreement in place on an arm's length basis.

B23. Relations to other related parties

All the companies of the Veolia Group in the Czech Republic had a Framework Personal Data Protection Agreement in place.

No other contracts were concluded or performed, no legal acts were made, and no deliveries or considerations were provided between the other related companies within the Group.

C. Overview of acts carried out at the instigation or in the interest of controlling entities

In 2024, no acts were carried out at the instigation or in the interest of the controlling entity or entities controlled by the controlling entity concerning assets in excess of 10% of the controlled entity's equity and the controlled entity was not inhibited from making certain acts or strategic decisions due to control over the Company and due to controlling entities' interest or instigation.

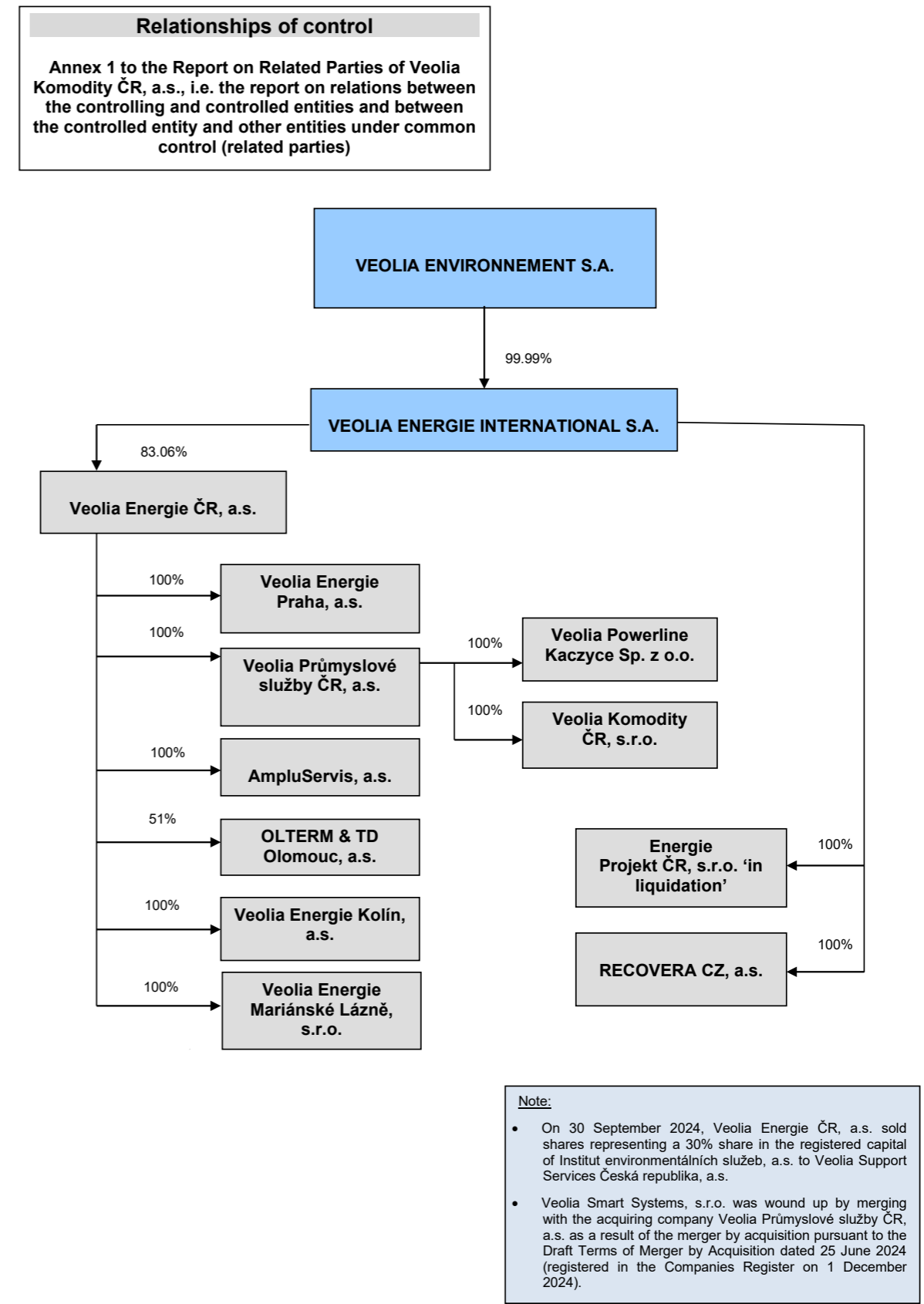
V Conclusion

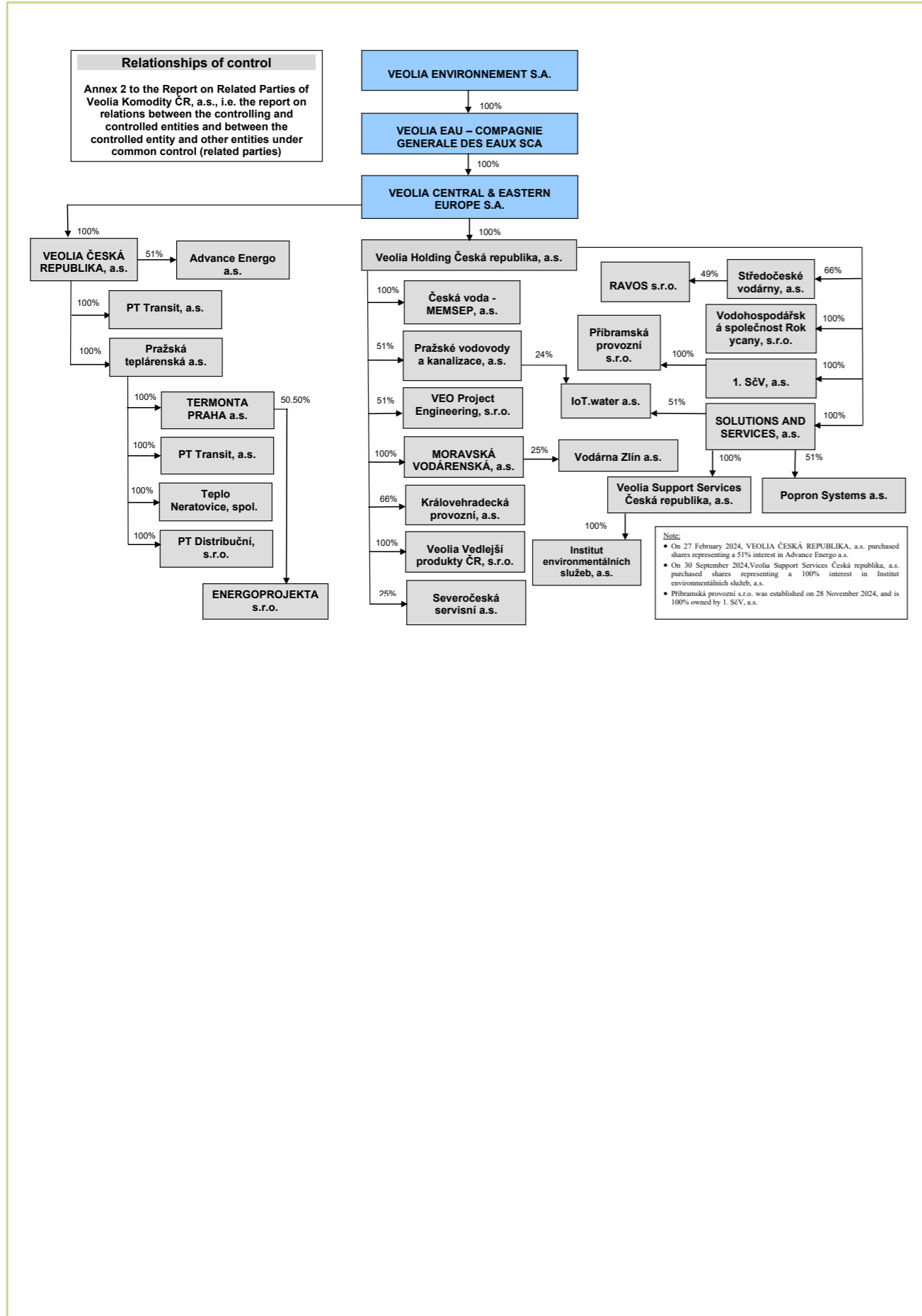
Based on the information above, the Director states that in the period under review, the controlled company suffered no damage in its relations with the controlling entity or in relations between related parties. Furthermore, the governing body notes that the Report is complete and that the disclosure of any additional information, in particular such as would extend the scope or depth of the disclosures made herein, is subject to trade secrecy under Section 504 of Act No 89/2012, the Civil Code.

Ostrava, 23 February 2025



Pavel Luňáček
Director





05 AUDITOR'S REPORT



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*This document is an unsigned English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.*

Independent Auditor's Report

to the Member of Veolia Komodity ČR, s.r.o.

Opinion

We have audited the accompanying financial statements of Veolia Komodity ČR, s.r.o. ("the Company"), prepared in accordance with IFRS Accounting Standards as adopted by the European Union, which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information. Information about the Company is set out in Note 1 to the financial statements.

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

Basis for Opinion

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

Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider



whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

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

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

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

Responsibilities of the Statutory Body for the Financial Statements

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with those charged with governance 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.

Statutory Auditor Responsible for the Engagement

Karel Charvát is the statutory auditor responsible for the audit of the financial statements of Veolia Komodity ČR, s.r.o. as at 31 December 2024, based on which this independent auditor's report has been prepared.

Prague
30 April 2025

KPMG Česká republika Audit, s.r.o.
Registration number 71

Signed by

Karel Charvát
Partner
Registration number 2032

This Annual Report was produced by Veolia Komodity ČR, s.r.o.

Mock-up: Agentura API s.r.o.

Photographs: Veolia Energie ČR, a.s. archives

Design and production: Veolia Komodity ČR, s.r.o. and the CEO Section of Veolia Energie ČR, a.s. in cooperation with Agentura API



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Annual report prepared on 30. 4. 2025.

Production and print: Agentura API s.r.o.