



ANNUAL REPORT 2022

Preface by the Board of Directors

Dear shareholders and business partners of the Company:

We are addressing you to inform you about the results that VEMEX Energie a.s. achieved in the past year 2022.

The year 2022 was very challenging for our company, proving to be one of the most difficult in our history. The energy crisis that began in 2021 significantly worsened throughout 2022, with large-scale changes in the supply of energy resources, primarily natural gas, leading to unprecedented volatility in the gas and electricity markets. At times, prices reached historic highs. Our company faced serious challenges and, like most competitors, was forced to temporarily suspend the acquisition of new clients while increasing the selling prices for our existing customers.

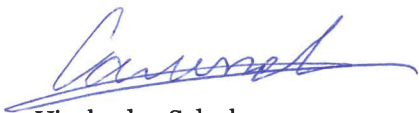
Thanks to a balanced procurement strategy and portfolio optimization measures, we managed to reduce the negative impact of the crisis on our business and stabilize our financial situation by the fourth quarter. By the end of the year, we resumed sales and made every effort to return the business to a stable course. Energy markets are still facing a broad range of uncertainties and are trying to find a new balance. In these circumstances, our company continues to seek opportunities to develop the business and increase value for our shareholders.

In the area of human resources we actively controlled the number of employees to follow the ongoing energy crisis and we kept a low turnover of employees, which enabled us in this period effective and flexible management of the company.

We worked closely with the company's supervisory board and shareholder representatives. As in 2021, all meetings and communication took place virtually or in written form.

Finally, let us thank on behalf of VEMEX Energie a.s. our shareholders and members of the supervisory board for their support during a year marked by such significant challenges. Our thanks also go to the company's executives and the entire staff for their excellent work, determination and support without which it would not have been possible for us to navigate through this difficult year with minimum losses and to enter 2023 as a financially stable and reliable energy supplier with well-structured portfolio of customers.

Sincerely,



Viacheslav Salychev
Chairman of the Board of Directors



Ing. Oldřich Jandl
Member of the Board of Directors

1. Company details

Company: VEMEX Energie a.s. (hereinafter „the Company“)
Registered office: Evropská 2591/33e, 160 00 Prague 6
ID Number: 289 03 765
Registered: Commercial Register kept at Municipal Court in Prague, Section B, Insert 15299

1.1. Structure of shareholders and their share on share capital

The share capital value is CZK 100 million; the share capital is fully paid-up. The capital consists of 500 registered shares in book-entry form with a nominal value of CZK 200,000 each.

Shareholders:

No.	Name	Shareholding (%)	Paid (%)
1.	VEMEX s.r.o.	51	100
2.	GEEN Holding a.s.	49	100

1.2. Statutory bodies and management of the Company

Board of Directors:

Chairman Viacheslav Salychev
Member Ing. Oldřich Jandl

Supervisory Board:

Chairman Mikhail Valerevich Shirokov
Member Alexey Klimanov
Member Olaf Engelhardt

Top Company management:

Sales Director Svetozar Pokorný
Purchasing Director Alexej Khlamov

2. Report on the Company's business activities and on the state of its assets

2.1. Purchase of electricity and gas

In the reported period the Company purchased electricity mainly from the company Slovenské elektrárne, a.s. (38%) and ČEZ, a.s. (37%). Daily purchases were executed at OTE, a.s. Share of electricity from renewable resources was negligible.

Purchase of gas in 2022 was executed mainly from the company WINGAS GmbH (60%) and ČEZ, a.s. (24%). Daily purchases were executed at OTE, a.s.

2.2. Sale of electricity and gas

The total energy volume sold to end customers in 2022 was 331,432 MWh, of which 104,476 MWh was in the form of electricity and 226,956 MWh was in the form of natural gas.

Due to the ongoing energy crisis, the sale was closed at the beginning of 2022 and it was not possible to negotiate contracts or addenda. Sale process was launched again in the spring of 2022, but still on a limited scale and without the possibility of fixing the price. In 2022, a volume of 68 GWh was contracted in the electricity commodity and 116 GWh in the gas commodity.

3. Customer care

3.1 Customers and consumption points

At the end of 2022, electricity and natural gas were supplied to a total of 17,719 supply points, including 11,623 supply points for electricity and 6,096 supply points for natural gas. Year-on-year, there was therefore a total decrease in the number of supply points by approx. 29%. In the case of electricity, there was a decrease in the number of supply points by approx. 24.9%. In the case of natural gas, there was a decrease in the number of supply points by approx. 35.8%. The decrease in the number of supply points results mainly from extraordinary price turbulences on the energy markets accompanied by massive price increases.

As of December 31, 2022, the company had a total of 13,920 customers, of which 1,669 were corporate and 12,251 in the household segment. The number of corporate customers and households has therefore decreased year-on-year.

3.2 Back Office

The year 2022 was once again marked by increasing and improving the pro-customer approach. Back Office received and processed 9,593 contracts, supplements to contracts or extensions of contracts. It solved 14,662 administrative steps, which arose either from our customers or from our business partners.

3.3 Front Office

Front Office in 2022 handled 26,700 incoming calls with an average duration of 3:38 minutes. In the form of electronic communication 17,126 e-mails were handled. In total Front Office processed 43,826 customer requests. In 2022 the number of calls significantly increased, which resulted from increase of energy prices and questions triggered by measurements adopted by the Czech Republic government to solve the energy crisis.

3.4 Development of Receivables

		2021 (mil. CZK)	2022 (mil. CZK)	Difference (+/-)
1	Average debt	22.8	28.3	5.5
2	Average advances receivable before collection activities	4.82	9.46	4.64
3	Average advances receivable after collection activities	0.73	2.87	2.14
4	Success rate of advances collection activities	84.69 %	71.47 %	(13.22%)

The year 2022 was significantly affected by several waves of price increases. Price changes were reflected in the amount of unpaid invoices and advances since January 2022.

The increase of debts on advances stopped and dropped for the first time in June 2022. The situation in the receivables area is now stabilized and the value of the debts remains at twice that of 2021, which is less compared to the price increase. The growth of invoiced debts stopped in May 2022 and in the following months we have seen fluctuations, declines alternated with growths.

In 2022 the Collection Agency was handed on average 14.6 invoices per month with the amount of CZK 341 thousand (in 2021 it was 10 invoices with the amount of CZK 86 thousand). In 2022 the Law office was handed on average 37.5 invoices per month with the amount of CZK 522 thousand (in 2021 it was 20.4 invoices with the amount of CZK 109 thousand).

4. Financial results

In 2022, the Company recorded loss caused by crisis on the energy market, but despite of that it was similarly to prior years financially stable. All obligations towards suppliers, customers, employees as well as state institutions were met in due dates.

Aggregated profit and loss statement '000 CZK

Indicator	2021	2022
Revenues from electricity, natural gas & distribution	792,735	1,131,152
Other revenues	9,061	29,669
Total revenues	801,796	1,160,821
Costs of purchasing electricity, natural gas & distribution	836,150	1,103,719
Other costs	69,175	88,797
Total costs	905,325	1,192,516
Loss before tax	(103,529)	(31,695)

Aggregated balance sheet in '000 CZK

Indicator	2021	2022
Fixed assets	3,944	2,995
Current assets	463,662	708,765
Total assets	467,606	711,760
Equity	(141,159)	(172,854)
Liabilities	608,765	884,614
Total liabilities and equity	467,606	711,760

The complete Company's financial results for 2022 are contained in the financial statements attached to this annual report.

5. Human resources

The Company fully complied with all statutory duties towards its employees in 2022. In case of need the Company searched suitable talents on the Czech job market. At the same time opportunity has been given to internal talents that have moved within the Company to the positions of Back Office and Front Office team leaders.

As at 31 December 2022, the company had 35 employees, out of which 4 were on maternity leave.

6. Other information

6.1 Investments of the Company

VEMEX Energie a.s. has no capital investments.

6.2 Expected development of the entity's activities

In 2022, the Company continues with the same business activity as before, i.e. the sale of natural gas and electricity. Given that the period of considerable instability on the energy market is partially easing, the company's main goal in 2023 is the acquisition of new customers, to whom the company offers reliable supplies at favorable price terms, and the active management of the existing customer portfolio.

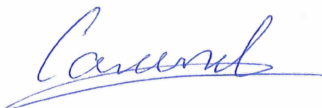
7. Subsequent events

No other events have occurred subsequent to year-end that would have a material impact on the Annual report as at 31 December 2022.


8. Information on persons responsible for preparing the Annual Report

Viacheslav Salychev, as the Chairman of the Board of Directors, and Oldřich Jandl, as a member of the Board of Directors, declare that the information contained in the Annual Report corresponds to the actual state of affairs and that no substantial circumstances have been omitted or concealed.

Prague, 26 May 2023



.....
Viacheslav Salychev
Chairman of the Board of Directors



.....
Ing. Oldřich Jandl
Member of the Board of Directors

Company contact details:

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E-mail: info@vemexenergie.cz
Web: www.vemexenergie.cz

Report on relations

of the company

VEMEX Energie a.s.

Pursuant to Section 82 of the Corporations Act

For the accounting period 2022

The Board of Directors of VEMEX Energie a.s., with its registered office at Prague 6 – Dejvice, Evropská 2591/33e, identification number: 289 03 765, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 15299 (in this Report also the “**Company**”), has prepared the following Report on Relations pursuant to Section 82 of Act No. 90/2012 Coll., the Corporations Act (the “**Corporations Act**”), for the accounting period of the calendar year 2022 (the “**Relevant period**”).

1. Structure of relations

In the Relevant period from 1 January 2022 to 31 December 2022 the Company formed a part of a group (the “**Group**”) in which the controlling party is VEMEX s.r.o. (the “**Controlling party**”). The Controlling party was further controlled by the following companies:

- SEFE Securing Energy for Europe GmbH with 67 % of share capital and voting rights;
- Centrex Europe Energy & Gas AG with 33 % of share capital and voting rights.

During the whole Relevant period the Controlling party was controlled by all shareholders who acted in conformity.

Information on the entities forming part of the Group is stated as at 31 December 2022 according to the information available to the statutory body of the Company acting with due managerial care.

2. Role of the Company in the Group

The Company trades in energy and its main activities consist of the supply and sale of electricity and natural gas to end consumers, in particular retail customers, throughout the whole territory of the Czech Republic.

3. Other linked companies

The Company requested that the aforementioned Controlling party provides a list of other companies which were controlled by the same Controlling party during the last accounting period. The Company prepared this report on the basis of the report from the Controlling party and other available information. The structure of relations within the Group is graphically illustrated on the last page of this report.

4. Methods and means of control

In the Relevant period the Controlling party controlled the Company through the ownership of 51% shareholdings in the Company’s share capital. The control of the Company occurs in particular through the decisions at the General Meeting.

5. Overview of concluded and valid contracts in the Relevant period

The contracts specified below were concluded between the Company and the Controlling party. The value of activities and considerations during the accounting period between the companies mentioned above is disclosed in notes to the 2022 Financial Statements.

Company	Contract subject
VEMEX s.r.o., Czech Republic	Sublease agreement dated 2 February 2022

6. Other legal acts implemented for the benefit of the Company

In the Relevant period the Company was using guarantees from the company SEFE Securing Energy for Europe GmbH for the purpose of purchase and distribution of electricity and gas.

In the Relevant period the Company had valid contracts with the companies SEFE Securing Energy for Europe GmbH and WINGAS GmbH. Although those are the companies, which do not form a part of the Group, contracts with those companies were significant for the Company and therefore the list of valid contracts with those two counterparties is stated below.

Company	Contract subject
SEFE Securing Energy for Europe GmbH, Germany	Agreement on provision of guarantees dated 15 April 2014
SEFE Securing Energy for Europe GmbH, Germany	Amendment 3, dated 27 October 2021 to the Loan Agreement concluded on 5 February 2019, which increases the amount of the loan and extends the contract until 31 October 2022
WINGAS GmbH, Germany	EFET frame agreement on purchase of gas dated 1 December 2015

7. Overview of performance made at the instigation of or in the interest of the Controlling party

During the Relevant period the Company made below mentioned acts, which would involve assets exceeding in value 10% of the Company's equity (equity of the Company as at 31 December 2021 was -141,159 ths. CZK, therefore all acts) on the basis of contracts listed in section 5.

8. Assessment of a detriment and its compensation

No detriment occurred to the Company on the basis of the agreements entered into and valid in the Relevant period between the Company and the Controlling party.

9. Evaluation of relations and risks within the Group

9.1. Evaluation of advantages and disadvantages of relations within the Group.

The Company benefits from its membership in the Group particularly in terms of shared renting of non-residential premises. No disadvantages have arisen to the Company from the participation within the Group.


9.2. No risks have arisen to the Company from the relations within the Group.

10. Final statement

This report was prepared by the Board of Directors of the Company and was submitted to the Supervisory Board and the auditor responsible for the audit of the Financial Statements. The Company will issue an Annual Report as required by law, an integral part of which will be the Company's Report on Relations.

The Annual Report will be registered in the Collection of Documents of the Commercial Register at the relevant Court.

26 May 2023

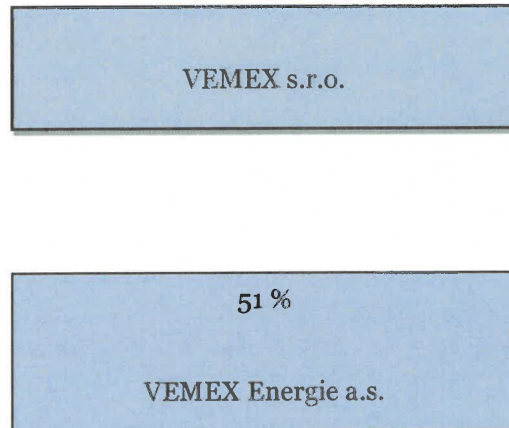


Viacheslav Salychev
Chairman of the Board of Directors



Ing. Oldřich Jandl
Member of the Board of Directors

The structure of relations of the Group as at 31 December 2022





Independent Auditor's Report

To the shareholders of VEMEX Energie a.s.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of VEMEX Energie a.s., with its registered office at Evropská 2591/33e, 160 00 Praha 6 (the "Company") as at 31 December 2022, and of the Company's financial performance and cash flows for the year ended 31 December 2022 in accordance with Czech accounting legislation.

What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2022,
- the income statement for the year ended 31 December 2022,
- the statement of changes in equity for the year ended 31 December 2022,
- the statement of cash flows for the year ended 31 December 2022, and
- the notes to the financial statements including significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic (together the "Audit regulations"). These standards consist of International Standards on Auditing as supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by the Chamber of Auditors of the Czech Republic and with the Act on Auditors. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Act on Auditors.

Other information

The board of directors is responsible for the other information. As defined in Section 2(b) of the Act on Auditors, the other information comprises the annual report but does not include the financial statements and our auditor's report thereon.

PricewaterhouseCoopers Audit, s.r.o., Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic
T: +420 251 151 111, www.pwc.com/cz

PricewaterhouseCoopers Audit, s.r.o., registered seat Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No. 021.



Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Company obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information has been prepared, in all material respects, in accordance with applicable legal requirements, i.e. whether the other information complies with the legal requirements both in terms of formal requisites and the procedure for preparing the other information in the context of materiality.

Based on the procedures performed in the course of our audit, to the extent we are able to assess it, in our opinion:

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

In addition, in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the other information. We have nothing to report in this regard.

Responsibilities of the board of directors and supervisory board of the Company for the financial statements

The board of directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with Czech accounting legislation and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The supervisory board of the Company is responsible for overseeing the financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors and supervisory board 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.

26 May 2023

PricewaterhouseCoopers Audit, s.r.o.
represented by Partner



Tomáš Bašta
Statutory Auditor, Licence No. 1966

VEMEX Energie a.s.

Financial statements

31 December 2022

Company name: VEMEX Energie a.s.
 Identification number: 28903765
 Legal form: Joint stock company
 Primary business: Sale of electricity and gas
 Balance sheet date: 31 December 2022
 Date of preparation of the financial statements: 27 May 2023

BALANCE SHEET
 (in thousand Czech crowns)

Ref.	ASSETS	Row	31.12.2022			31.12.2021
			Gross 1	Provision 2	Net 3	Net 4
a	b	c				
#	TOTAL ASSETS	001	748,593	(36,833)	711,760	467,606
B.	Fixed assets	003	18,657	(15,662)	2,995	3,944
B. I.	Intangible fixed assets	004	14,293	(12,660)	1,633	2,110
B. I. 2.	Royalties	006	14,293	(12,660)	1,633	2,110
B. I. 2. 1.	Software	007	14,293	(12,660)	1,633	2,110
B. II.	Tangible fixed assets	014	4,364	(3,002)	1,362	1,834
B. II. 1.	Land and constructions	015	348	(12)	336	-
B. II. 1. 2.	Constructions	017	348	(12)	336	-
B. II. 2.	Equipment	018	4,016	(2,990)	1,026	1,486
B. II. 5.	Advances paid and tangible fixed assets in the course of construction	024	-	-	-	348
B. II. 5. 2.	course of construction	026	-	-	-	348
C.	Oběžná aktiva	037	716,682	(21,171)	695,511	444,960
C. I.	Inventories	038	114,996	-	114,996	-
C. I. 3.	Finished goods and goods for resale	041	114,996	-	114,996	-
C. I. 3. 2.	Goods for resale	043	114,996	-	114,996	-
C. II.	Receivables	046	518,975	(21,171)	497,804	424,486
C. II. 1.	Long-term receivables	047	28,599	-	28,599	16,840
C. II. 1. 5.	Receivables - other	052	28,599	-	28,599	16,840
C. II. 1. 5. 2.	Long-term advances paid	054	28,599	-	28,599	16,840
C. II. 2.	Short-term receivables	057	490,376	(21,171)	469,205	407,646
C. II. 2. 1.	Trade receivables	058	111,912	(21,171)	90,741	53,895
C. II. 2. 4.	Receivables - other	061	378,464	-	378,464	353,751
C. II. 2. 4. 3.	Taxes - receivables from the state	064	-	-	-	14,732
C. II. 2. 4. 4.	Short-term advances paid	065	73,073	-	73,073	103,373
C. II. 2. 4. 5.	Estimated receivables	066	304,913	-	304,913	234,569
C. II. 2. 4. 6.	Other receivables	067	478	-	478	1,077
C. IV.	Cash	075	82,711	-	82,711	20,474
C. IV. 2.	Cash at bank	077	82,711	-	82,711	20,474
D.	Prepayments and accrued income	078	13,254	-	13,254	18,702
D. 1.	Prepaid expenses	079	13,051	-	13,051	18,646
D. 3.	Accrued income	081	203	-	203	56

Ref.	LIABILITIES AND EQUITY	Row	31.12.2022	31.12.2021
a	b	c	5	6
	TOTAL LIABILITIES AND EQUITY	082	711,760	467,606
A.	Equity	083	(172,854)	(141,159)
A. I.	Share capital	084	100,000	100,000
A. I. 1.	Share capital	085	100,000	100,000
A. III.	Reserves from profit	096	1,968	1,968
A. III. 1.	Other reserve funds	097	1,968	1,968
A. IV.	Retained earnings / Accumulated losses	099	(243,127)	(139,598)
A. IV. 1.	Retained earnings or (accumulated losses)	100	(243,127)	(139,598)
A. V.	Profit / (loss) for the current period	102	(31,695)	(103,529)
B. + C.	Liabilities	104	884,614	608,765
B. #	Provisions	105	3,965	6,950
B. 4.	Other provisions	109	3,965	6,950
C.	Payables	110	880,649	601,815
C. II.	Short-term payables	126	880,649	601,815
C. II. 3.	Short-term advances received	131	274,022	260,413
C. II. 4.	Trade payables	132	173,713	104,741
C. II. 6.	Liabilities - subsidiaries and controlling party	134	325,553	126,786
C. II. 8.	Liabilities - other	136	107,361	109,875
C. II. 8. 3.	Liabilities to employees	139	1,469	1,522
C. II. 8. 4.	Liabilities for social security and health insurance	140	808	903
C. II. 8. 5.	Taxes and state subsidies payable	141	9,848	992
C. II. 8. 6.	Estimated payables	142	91,197	102,170
C. II. 8. 7.	Other liabilities	143	4,039	4,288

Company name: VEMEX Energie a.s.
 Identification number: 28903765
 Legal form: Joint stock company
 Primary business: Sale of electricity and gas
 Balance sheet date: 31 December 2022
 Date of preparation of the financial statements: 27 May 2023

INCOME STATEMENT
 (in thousand Czech crowns)

označ.	TEXT	řád.	Skutečnost v účetním období		
			2022		
			1	2	
a	b	c			
I.		100000	01	451	262
II.	Sales of goods		02	1,131,152	792,735
A.	Cost of sales		03	1,132,095	865,022
A. 1.	Cost of goods sold		04	1,103,719	836,150
A. 2.	Raw materials and consumables used		05	571	1,128
A. 3.	Services		06	27,805	27,744
D.	Staff costs		09	27,582	33,288
D. 1.	Wages and salaries		10	20,324	24,933
D. 2.	Social security, health insurance and other costs		11	7,258	8,355
D. 2. 1.	Social security and health insurance costs		12	6,805	7,851
D. 2. 2.	Other costs		13	453	504
E.	Value adjustments in operating activities		14	3,237	(2,128)
E. 1.	Value adjustments of fixed assets		15	1,321	1,323
E. 1. 1.	Depreciation, amortisation and write off of fixed assets		16	1,321	1,323
E. 3.	Provision for impairment of receivables		19	1,916	(3,451)
III.	Operating income - other		20	3,151	2,154
III. 1.	Sales of fixed assets		21	10	40
III. 3.	Other operating income		23	3,141	2,114
F.	Operating expenses - other		24	(911)	4,604
F. 3.	Taxes and charges		27	1,603	50
F. 4.	Operating provisions and complex prepaid expenses		28	(2,985)	154
F. 5.	Other operating expenses		29	471	4,400
*	Operating result		30	(27,249)	(105,635)
VI.	Interest and similar income		39	3,022	80
VI. 2.	Other interest and similar income		41	3,022	80
J.	Interest and similar expenses		43	11,327	1,197
J. 1.	Interest and similar expenses - subsidiaries or controlling party		44	11,327	1,197
VII.	Other financial income		46	23,045	6,565
K.	Other financial expenses		47	19,186	3,342
*	Financial result		48	(4,446)	2,106
**	Net profit / (loss) before tax		49	(31,695)	(103,529)
**	Net profit / (loss) after tax		53	(31,695)	(103,529)
***	Net profit / (loss) for the financial period		55	(31,695)	(103,529)
*	Net turnover for the financial period		56	1,160,821	801,796

Company name: VEMEX Energie a.s.
 Identification number: 28903765
 Legal form: Joint stock company
 Primary business: Sale of electricity and gas
 Balance sheet date: 31 December 2022
 Date of preparation of the financial statements: 27 May 2023

STATEMENT OF CASH FLOWS
 (in thousand Czech crowns)

Ref.	TEXT	Accounting period	
		2022	2021
a	b	1	2
	100000		
	Net profit / (loss) before tax	(31,695)	(103,529)
A. 1.	Adjustments for non-cash movements:	8,547	2,644
A. 1. 1.	Depreciation and amortisation of fixed assets	1,321	1,323
A. 1. 2.	Change in provisions and provisions for impairment	(1,069)	(3,297)
A. 1. 3.	(Profit)/loss from sales of fixed assets	(10)	(40)
A. 1. 5.	Net interest expense/(income)	8,305	1,117
A. 1. 6.	Other non-cash movements	-	3,541
A *	Net cash flow from operating activities before tax and changes in working capital	(23,148)	(100,885)
A. 2.	Non-cash working capital changes:	(104,715)	3,219
A. 2. 1.	Change in receivables and prepayments	(69,786)	(70,376)
A. 2. 2.	Change in payables and accruals	80,067	73,595
A. 2. 3.	Change in inventories	(114,996)	-
A **	Net cash flow from operating activities before tax	(127,863)	(97,666)
A. 3.	Interest paid	(11,327)	(1,197)
A. 4.	Interest received	3,022	80
A ***	Net cash flow from operating activities	(136,168)	(98,783)
	Cash flows from investing activities		
B. 1.	Acquisition of fixed assets	(372)	(2,210)
B. 2.	Proceeds from sale of fixed assets	10	40
B ***	Net cash flow from investing activities	(362)	(2,170)
	Cash flows from financing activities		
C. 1.	Change in long- and short-term liabilities from financing activities	198,767	113,663
C ***	Net cash flow from financing activities	198,767	113,663
	Net increase/(decrease) in cash and cash equivalents	62,237	12,710
	Cash and cash equivalents at the beginning of the year	20,474	7,764
	Cash and cash equivalents at the end of the year	82,711	20,474

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STATEMENT OF CHANGES IN EQUITY

(in thousand Czech crowns)

	Share capital	Other reserve funds	Retained earnings or (accumulated losses)	Total
As at 1 January 2021	100,000	1,968	(139,598)	(37,630)
Net profit/(loss) for the current period	-	-	(103,529)	(103,529)
As at 31 December 2021	100,000	1,968	(243,127)	(141,159)
Net profit/(loss) for the current period	-	-	(31,695)	(31,695)
As at 31 December 2022	100,000	1,968	(274,822)	(172,854)

1. General information

1.1. Introductory information about the Company

VEMEX Energie a.s. (“the Company”) was incorporated on 26 May 2009 by the Municipal Court in Prague, Section B, Insert 15299 and has its registered office at Evropská 2591/33e, Dejvice, 160 00 Prague 6, Czech Republic. The Company’s primary business activity is retail of electricity and gas.

The Company is not a shareholder with unlimited liability in other legal entities.

1.2. Current economic situation

The current economic situation is being impacted mainly by the war in Ukraine which broke out on 24 February 2022, including the related sanctions against Russia, then by disrupted supply chains, an energy crisis, uncertainty on the commodities and financial markets and finally by negative trends in key macroeconomic indicators with consequences on business, such as the inflation rate, growth of interest rates, volatility of foreign exchange rates and others.

The Company’s management has evaluated the impact of the current economic situation on its business with the following conclusion: The Company regularly monitors the situation on the energy markets and flexibly adjusts prices of its products depending on market prices of commodities and prices of competitors.

2. Accounting policies

2.1. Basis of preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in the Czech Republic relevant for middle sized companies and have been prepared under the historical cost convention.

2.2. Tangible and intangible fixed assets

All intangible (and tangible) assets with a useful life longer than one year and a unit cost of more than CZK 60 thousand (CZK 60 thousand) are treated as intangible (and tangible) fixed assets.

Purchased intangible and tangible fixed assets are initially recorded at cost, which includes all costs related to their acquisition.

Intangible and tangible fixed assets are amortised/depreciated applying the straight-line method over their estimated useful lives.

The amortisation / depreciation plan is updated during the useful life of the intangible and tangible fixed assets in the case of change of expected useful life change.

A provision for impairment is created when the carrying value of an asset is greater than its estimated recoverable amount. The estimated recoverable amount is determined based on expected future cash flows generated by this asset.

Repairs and maintenance expenditures for tangible fixed assets are expensed as incurred. Technical improvements of intangible and tangible fixed assets are capitalised.

2.3. Receivables

Receivables are stated at nominal value less a provision for doubtful amounts. A provision for doubtful amounts is created on the basis of an ageing analysis and an individual evaluation of the credit worthiness of the customers. Receivables from related parties have not been provided for.

2.4. Foreign currency translation

Transactions denominated in a foreign currency are translated and recorded at the rate of exchange set by the Czech National Bank ruling as at day before the transaction date.

Cash, receivables and liabilities balances denominated in foreign currencies have been translated at the exchange rate published by the Czech National Bank as at the balance sheet date. All exchange gains and losses on cash, receivables and liabilities balances are recorded in the income statement.

The Company treats advances paid for the acquisition of fixed assets or inventories as part of these assets and therefore these assets are not translated as at the balance sheet date.

2.5. Provisions

Provisions are recognised when the Company has a present obligation, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

The Company recognises a provision for its income tax payable which is presented net of advances paid for the income tax. If advances paid are higher than the estimated income tax payable, the difference is recognised as a short-term receivable.

2.6. Revenue recognition

Sales are recognised upon the delivery of products and customer acceptance and are stated net of discounts and value added tax.

Revenues invoiced after the balance sheet date are recognized through estimated receivables (see Note 2.13).

Gas

Revenues from sales of gas are based on valuation of commodity on the principal of purchase price of gas and gross margin. Selling price for end costumers consists of price of delivered gas and other services (transportation, structuring), price of distribution and price of services of OTE (market operator).

Billing of delivered gas in category of wholesale customers (further as "VO") is processed monthly according to measured consumption. Billing of delivered gas in category of retail customers (further as "MOP") and households (further as "DOM") is performed periodically based on measurement of consumption at individual points of supply.

Revenues in category MOP and DOM consist of revenues actually invoiced and revenues from so called unbilled gas. The methodology for unbilled gas revenue recognition is described in Note 2.13. Revenues in category VO are represented by invoices actually issued.

Electricity

Revenues from sales of electricity are determined based on valuation of commodity on the principal of purchase price of electricity and the gross margin.

Billing of delivered electricity in category of wholesale customers (further as "VO") is performed on a monthly basis according to measured consumption. Billing of delivered electricity in category of retail customers (further as "MOP") and households (further as "DOM") is performed periodically based on measurement of consumption at individual points of supply.

Revenues in category MOP and DOM consist of revenues actually invoiced and revenues from so called unbilled electricity. The methodology for unbilled electricity revenue recognition is described in Note 2.13. Revenues in category VO are represented by invoices actually issued.

2.7. Related parties

The Company's related parties are considered to be the following:

- parties, which directly or indirectly control the Company, their subsidiaries and associates;
- parties, which have directly or indirectly significant influence on the Company;
- members of the Company's or parent company's statutory and supervisory boards and management and parties close to such members, including entities in which they have a controlling or significant influence; and/or
- subsidiaries.

Material transactions and outstanding balances with related parties are disclosed in Note 9.

2.8. Leases

The costs of assets held under both finance and operating leases are not capitalised as fixed assets. Lease payments are expensed evenly over the life of the lease. Future lease payments not yet due are disclosed in the notes but not recognised in the balance sheet.

2.9. Interest expense

All borrowing costs are expensed.

2.10. Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. A deferred tax asset is recognised if it is probable that sufficient future taxable profit will be available against which the asset can be utilised.

2.11. Cash-flow statement

The Company has prepared the Cash-flow statement using the indirect method. Cash equivalents represent short-term liquid assets, which are readily convertible for a known amount of cash.

2.12. Subsequent events

The effects of events, which occurred between the balance sheet date and the date of preparation of the financial statements, are recognised in the financial statements in the case that these events provide further evidence of conditions that existed as at the balance sheet date.

Where significant events occur subsequent to the balance sheet date but prior to the preparation of the financial statements, which are indicative of conditions that arose subsequent to the balance sheet date, the effects of these events are quantified and disclosed but are not themselves recognised in the financial statements.

2.13. Significant accounting estimates

Estimated receivables for unbilled gas and electricity supplies to customers

Unbilled gas and electricity supplies to customers are recognized on the line "Estimated receivables". Calculation of estimates is based on the anticipated payments for consumed gas and electricity for individual supply points as at the balance sheet date, adjusted for the consumption balance kept by OTE. Past customer behaviour experience is reflected in the estimate of consumption. The Company based its estimates on sales in kWh, the amount of the commodity and amount for distribution in CZK. The price entry for calculation of estimates is composition of prices from standard price lists and contracts prices with individual pricing, including the impact of potential discounts.

Estimated payables for unbilled gas and electricity supplies from suppliers

Unbilled gas and electricity deliveries from suppliers are recognized on the line “Estimated payables”. The Company determines the amount of accruals for unbilled purchases of commodities based on trade dispatching, purchase balance and sales balance kept by OTE and the offsetting of price variation from the previous month. Calculation of the commodity distribution accrual is based on anticipated payments for distribution in individual supply points as at the balance sheet date, adjusted for the consumption balance kept by OTE.

3. Intangible fixed assets

(CZK'000)	1 January 2022	Additions / transfers	Disposals	31 December 2022
Cost				
Software	13,921	372	-	14,293
Total	13,921	372	-	14,293
Accumulated amortisation				
Software	(11,811)	(849)	-	(12,660)
Total	(11,811)	(849)	-	(12,660)
Net book value	2,110			1,633

(CZK'000)	1 January 2021	Additions / transfers	Disposals	31 December 2021
Cost				
Software	12,158	1,763	-	13,921
Intangible fixed assets in the course of construction	184	(184)	-	-
Total	12,342	1,579	-	13,921
Accumulated amortisation				
Software	(11,102)	(709)	-	(11,811)
Total	(11,102)	(709)	-	(11,811)
Net book value	1,240			2,110

4. Tangible fixed assets

(CZK'000)	1 January 2022	Additions / transfers	Disposals	31 December 2022
Cost				
Constructions	-	348	-	348
Equipment	3,826	190	-	4,016
Advances paid and tangible fixed assets in the course of construction	348	(348)	-	-
Total	4,174	190	-	4,364
Accumulated depreciation				
Constructions	-	(12)	-	(12)
Equipment	(2,340)	(650)	-	(2,990)
Total	(2,340)	(662)	-	(3,002)
Net book value	1,834			1,362

(CZK'000)	1 January 2021	Additions / transfers	Disposals	31 December 2021
Cost				
Constructions	320	-	(320)	-
Equipment	3,977	673	(824)	3,826
Advances paid and tangible fixed assets in the course of construction	-	348	-	348
Total	4,297	1,021	(1,144)	4,174
Accumulated depreciation				
Constructions	(155)	(15)	170	-
Equipment	(2,325)	(839)	824	(2,340)
Total	(2,480)	(854)	994	(2,340)
Net book value	1,817			1,834

The information on operating lease commitments is disclosed in Note 8.

5. Receivables

Overdue receivables as at 31 December 2022 amounted to CZK 28,371 thousand (as at 31 December 2021: CZK 19,080 thousand).

The provision for doubtful receivables as at 31 December 2022 was CZK 21,171 thousand (as at 31 December 2021: CZK 19,255 thousand). The receivables from other companies within the consolidation group are presented in Note 9.

Estimated receivables include mainly unbilled deliveries of gas including distribution in the amount of CZK 138,143 thousand (as at 31 December 2021: CZK 103,545 thousand) and unbilled deliveries of electricity including distribution in the amount of CZK 166,770 thousand (as at 31 December 2021: CZK 131,024 thousand), refer to Note 2.13.

Prepaid expenses as at 31 December 2022 and as at 31 December 2021 include mainly deferred commission cost paid to agents for new clients' acquisitions.

Short-term and long-term advances paid as at 31 December 2022 and as at 31 December 2021 include mainly advances paid to suppliers of electricity and gas in relation to purchases and distribution of those commodities.

Unsettled receivables as at 31 December 2022 have not been covered by guarantees and none of them are due after more than 5 years.

The Company has no receivables nor provided any guarantees which are not included in the balance sheet.

6. Equity

Authorized and issued share capital:

	31 December 2022		31 December 2021	
	No. of pieces	Carrying value (CZK'000)	No. of pieces	Carrying value (CZK'000)
Ordinary shares of CZK 200 thousand, fully paid	500	100,000	500	100,000

Shareholders:

(in %)	31 December 2022	31 December 2021
VEMEX s.r.o.	51	51
GEEN Holding a.s.	49	49
Total	100	100

The Company VEMEX s.r.o. is no longer obliged to prepare the consolidated financial statements. At the same time the company SEFE Securing Energy for Europe GmbH (67 % shareholder of VEMEX s.r.o.) does not consolidate the company VEMEX s.r.o. and therefore the Company does not form any longer a part of any consolidation group.

The Company is fully governed by the new Corporations Act and used the option to create a reserve fund.

The Company continues to create a reserve fund and its use is governed by its Articles of Association and may be used to offset losses of the Company only.

The Company during the year ended 31 December 2022 recorded loss of CZK 31,695 thousand and at the same time the Company's negative equity amounted to CZK 172,854 thousand. This event represents material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. SEFE Securing Energy for Europe GmbH (current 67 % shareholder of VEMEX s.r.o.) has expressed its intention to support the Company in the letter of support dated 24 March 2023, including financial support in order to further continue in its business activities.

The general meeting of shareholders per rollam approved on 7 April 2023 the financial statements for 2021 and decided about the allocation of the loss generated in 2021 of CZK 103,529 thousand.

Up to the date of preparation of these financial statements the Company has not proposed allocation of the loss incurred in 2022.

7. Provisions

Other provisions as at 31 December 2022 included the provision for pending legal disputes in the amount of CZK 3,611 thousand (as at 31 December 2021: CZK 6,139 thousand) and the provision for untaken holiday in the amount of CZK 354 thousand (as at 31 December 2021: CZK 811 thousand).

8. Payables, commitments and contingent liabilities

Trade and other payables have not been secured against any assets of the Company and are not due after more than 5 years.

Total non-cancellable future commitments in respect of operating leases (not recorded in the balance sheet) amounted to CZK 3,644 thousand as at 31 December 2022 (as at 31 December 2021: CZK 2,905 thousand).

The Company did not provide any guarantees which were not recorded the in the balance sheet or disclosed in notes to financial statements.

The management of the Company is not aware of any contingent liabilities as at 31 December 2022.

Estimated payables include mainly uninvoiced purchases of electricity and distribution in the amount of CZK 3,784 thousand (as at 31 December 2021: CZK 9,484 thousand) and uninvoiced purchases of gas and distribution in the amount of CZK 78,802 thousand (as at 31 December 2021: CZK 91,164 thousand), refer to Note 2.13.

Short-term advances received as at 31 December 2022 include mainly advances received from customers in relation to deliveries of gas and electricity in the amount of CZK 274,018 thousand (as at 31 December 2021: CZK 260,413 thousand).

9. Related-party transactions

All material transactions with related parties are presented in this note.

(CZK'000)	2022	2021
Revenues		
Sales of services	240	440
Total	240	440
Costs		
Purchase of goods for resale - WINGAS GmbH	173,277	128,648
Purchase of services	27	43
Interest expense	11,327	1,197
Fees for guarantees received	5,766	1,383
Total	190,397	131,271

(CZK'000)	31 December 2022	31 December 2021
Receivables		
Trade receivables	-	49
Total	-	49
Liabilities		
Liabilities to related parties	334,786	158,429
Out of which:		
Trade payables	9,233	31,643
Loan payable	325,553	126,786
Total	334,786	158,429

Loans payable are subject to market interest rates and are payable as at 31 October 2023.

No loans were provided to the members of the Board of Directors and Supervisory Board as at 31 December 2022 and 31 December 2021.

Company cars are made available for use by Board of Directors and some managers.

10. Employees

	2022		2021	
	number	CZK'000	number	CZK'000
Emoluments to members of the Supervisory Board	3	492	3	923
Wages and salaries to management	5	6,158	5	9,928
Wages and salaries to other employees	30	13,674	35	14,082
Social security costs		4,979		5,358
Health insurance costs		1,826		2,493
Other social costs		453		504
Wages and salaries total	38	27,582	43	33,288

Company in accordance with §39b, par. 6d) of the Decree 500/2002 does not disclose the emoluments of Statutory Body separately. The emoluments of the Statutory Body are disclosed in total with other management.

The Company's management includes members of Board of Directors and senior staff members directly reporting to the Board of Directors.

Other transactions with the Company's management are described in Note 9 – Related-party transactions.

11. Income tax

The deferred tax was calculated at 19% (the rate enacted for 2022 and subsequent years).

The deferred tax asset / (liability) can be analysed as follows:

(CZK'000)	31 December 2022	31 December 2021
Deferred tax asset / (liability) arising from:		
Difference between accounting and tax net book value of fixed assets	(16)	(172)
Provisions	1,118	1,443
Tax losses carried forward	35,095	33,770
Net deferred tax asset	36,197	35,041

A potential net deferred tax asset of CZK 36,197 thousand as at 31 December 2022 (as at 31 December 2021: CZK 35,041 thousand) has not been recognised as it is not probable that future taxable profit will be available against which the unused tax credits can be utilised.

The Company has tax losses as at 31 December 2022 of CZK 27,879 thousand, which can be utilised up to 2023, tax losses in the amount of CZK 35,139 thousand, which can be utilized up to 2024, tax losses in the amount of CZK 100,664 thousand, which can be utilized up to 2026 and tax losses in the amount of CZK 21,027 thousand, which can be utilized up to 2027.

12. Other facts not presented in the financial statements

Guarantees issued for the Company (in CZK'000):

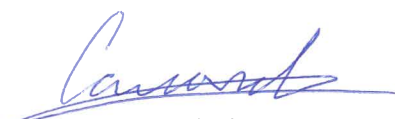
Counterparty	2022	2021
Commerzbank Praha	50,000	50,000
Commerzbank Berlin	11,800	11,800
SEFE Securing Energy for Europe GmbH	127,810	94,468
Total	189,610	156,268

Guarantees have been issued in relation with purchases of goods and services from major suppliers and distributors of electricity and gas. Bank guarantees from Commerzbank Praha and Commerzbank Berlin were issued based on counter guarantee from SEFE Securing Energy for Europe GmbH.

13. Subsequent events

No other events have occurred subsequent to year-end that would have a material impact on the financial statements as at 31 December 2022.

26 May 2023



Viacheslav Salychev
Chairman of the Board of Directors



Ing. Oldřich Jandl
Member of the Board of Directors