part of eex group

Annual Report 2021 POWER EXCHANGE CENTRAL EUROPE, a.s.

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1. Company profile

POWER EXCHANGE CENTRAL EUROPE, a.s. (PXE) is an energy exchange specialising in the energy markets of the Central and Southeastern Europe.

PXE was established on 8 January 2007 (under the name of the Prague Energy Exchange) and from 17 July 2007 it began offering electricity trading in the Czech Republic, including settlement. PXE then expanded its activities to other countries and also started to organise natural gas trading with a delivery point in the Czech Republic. In 2016, PXE became part of the EEX Group.

Within the EEX Group, PXE is responsible for the development of energy products and services in the region of Central and Southeastern Europe, where it also carries out acquisition activities and care for trading participants.

In addition to electricity products, in cooperation with CEGH Gas Exchange, EEX operates CEGH Czech Gas Exchange for gas trading in the form of spot and derivative products with delivery to a virtual trading point in the Czech Republic.

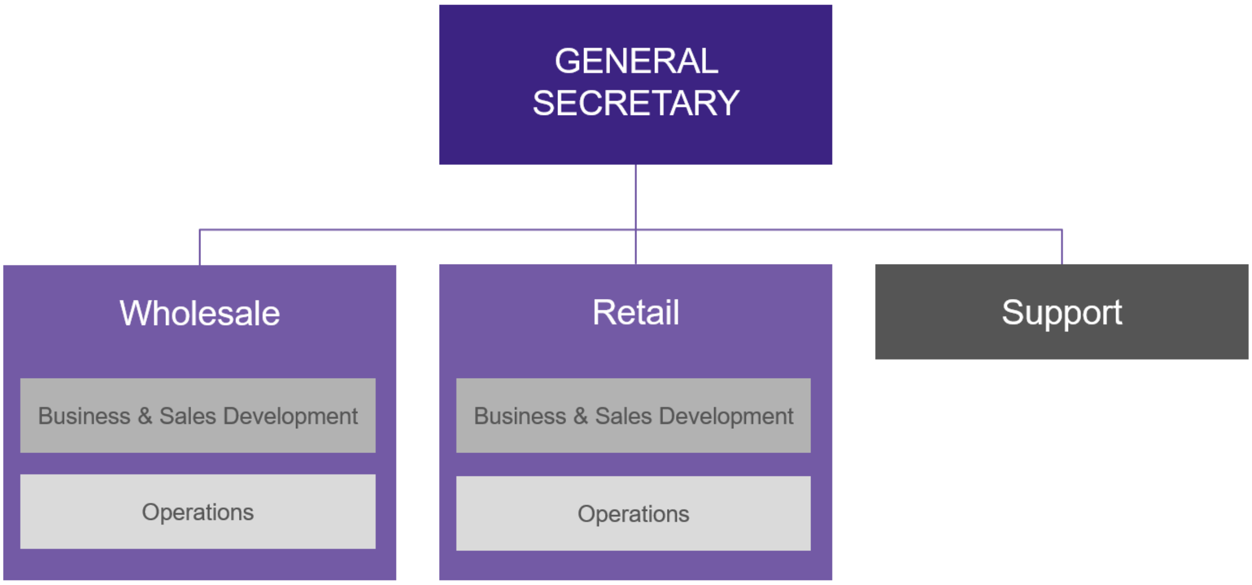
Derivative products ensured by PXE are traded under a license from the European Energy Exchange AG (EEX) and on the EEX platform (T7 trading system). PXE holds a commodity exchange license issued by the Ministry of Industry and Trade, under which it operates its PARC commodity platform.

Market participants have access to 20 European markets from a single location through EEX membership and a single group trading platform, making it possible to trade electricity and gas almost anywhere in Europe.

PXE also enables end customers – in particular municipalities, firms, government organisations and any large consumers in general – to find the most suitable electricity and natural gas supplier via electronic auctions.

PXE cooperates closely with entities of the PX group, which includes the Prague Stock Exchange (Burza cenných papírů Praha, PSE) – one-third owner of PXE, and the Central Securities Depository Prague (Centrální depozitář cenných papírů, CSD Prague) and Energy Clearing Counterparty a.s. (EnCC). PSE is the largest and oldest securities market organiser in the Czech Republic. CSD Prague, which has a dominant position in settlement of securities trades on the Czech capital market and maintains a central register of dematerialised securities issued in the Czech Republic. PXE has no branches abroad.

2. Organisational structure



3. Report of the exchange chamber on business activities and the state of assets

3.1 Introduction

Dear Madams, dear Sirs,

2021 was undoubtedly the most difficult year in the history of POWER EXCHANGE CENTRAL EUROPE, a.s. (hereinafter referred to as "PXE") in terms of external influences. The beginning of the year was marked by lower trading volumes as a result of the ongoing covid-19 pandemic, and the difficult market situation continued in the second half of 2021 with unprecedented increases in energy prices, which also had an overall negative impact on market efficiency. Thanks to these completely extraordinary events, the four-year growth in trading volumes of PXE derivative products was interrupted. Despite all these negative externalities, the trading volume achieved was the second best result in the company's history.

The volume of trading in PXE derivatives for electricity, i.e. transactions concluded under license and in cooperation with our majority shareholder, European Energy Exchange AG ("EEX"), reached a value of less than 214 TWh, which represents a 23% decrease compared to the previous year, however, due to market conditions, we rate the result as very good. The prices of electricity derivatives reached record levels in 2021 - for example, the annual contract for 2022 for Czech energy concluded on December 22 at a record of almost 327 EUR/MWh, while its opening price on January 2 was at the level of 52 EUR/MWh. This unprecedented rise in prices has put previously unseen pressure on all producers who have faced extraordinary financial demands to secure their trading positions due to this high prices. I can state with relief that no major European producer has gotten into existential difficulties as a result of this price development, which would cause further, undoubtedly significant, market shocks.

The situation in natural gas trading showed similar dynamics as the electricity market. PXE, in cooperation with its sister company CEGH, has long been striving for the development of Czech stock exchange trading in gas products, and this effort resulted in very surprising growth in 2021 – the total trading volume reached 28 TWh, which is more than double the previous year. In 2021, we became the most important trading platform for trading in Czech natural gas, which is undoubtedly the biggest success of PXE past year.

In the area of providing services to final consumers, similar results were achieved as in the previous year. This segment of PXE services was also strongly affected by the market situation, especially by the termination of deliveries by Bohemia Energy to end customers. This event caused the vast majority of suppliers to become extremely cautious and severely limited their participation in new stock auctions for the rest of the year. All this happened in a situation where many customers from the state administration had not yet secured supplies for 2022. Despite this very unfavorable market situation, PXE managed to find suppliers for all its clients, and we also did not find a single point of consumption that would turbulence ended in the institute of the supplier of last resort. The number of successful auctions stopped at 100 and the total auction volume reached 2.7 TWh.

In 2021, PXE expanded its activities in Poland. We set up our first subsidiary here and hired its first employee. Thus, the close cooperation established within the EEX Group, in which PXE has responsibility for Eastern European clients and markets, continues to develop. The cooperation with the second shareholder, the Prague Stock Exchange, a.s., which provides PXE with all the necessary organizational and administrative background, also continued.

We look towards 2022 with great respect, for energy markets are currently in the most difficult period of their development. We hope that the market situation will stabilize for the benefit of most market participants and that PXE will continue to improve its services to contribute to the desired market stabilization.

Thank you for your interest in PXE's activities and I look forward to the further development of the European energy market, of which PXE is an integral part.

David Kučera
General Secretary of PXE

3.2 Key data

	2021	2020
Number of exchange days	**258**	**253**
Power Futures		
Trading volume (MWh)	**213,587,068**	**277,807,753**
base load	212,461,240	274,273,489
peak load	1,125,828	3,534,264
Trading volume (MEUR)	**22,441**	**12,871**
base load	22,260	12,669
peak load	181	202
Number of contracts (MW)	**322,733**	**487,187**
base load	321,397	478,210
peak load	1,336	8,977
Number of trades	**40,356**	**53,908**
base load	40,190	53,343
peak load	166	565
Gas Futures		
Trading volume (MWh)	**9,547,575**	**3,900,843**
base load	9,575,575	3,900,843
peak load	0	0
Trading volume (MEUR)	**486**	**53**
base load	486	53
peak load	0	0
Number of contracts (MW)	**4,570**	**1,901**
base load	4,570	1,901
peak load	0	0
Number of trades	**400**	**179**
base load	400	179
peak load	0	0
Gas Spot		
Trading volume (MWh)	**18,643,802**	**8,967,600**
base load	18,643,802	8,967,600
peak load	0	0
Trading volume (MEUR)	**1,059**	**99**
base load	1,059	99
peak load	0	0
Number of contracts (MW)	**641,736**	**304,420**
base load	641,736	304,420
peak load	0	0
Number of trades	**11,412**	**6,159**
base load	11,412	6,159
peak load	0	0

3.3 Financial performance

In 2021, POWER EXCHANGE CENTRAL EUROPE, a.s. (PXE) generated revenues from its own services of TCZK 58,212 (2019: TCZK 87,456). The structure of revenues was as follows:

(TCZK)	2021	2020
Energy trading fees and related services	40,857	61,933
Gas trading fees and related services	3,622	2,815
Annual fixed fee to EEX	4,460	9,359
ECC transaction settlement	0	4,890
Auction fee charged to end participants	9,273	8,459
Other services	0	0
Revenue from own services	**58,212**	**87,456**

The Company's sales of provided services decreased by a total of TCZK 29,244, i.e. by 33.4 % compared to the previous period. The decrease in sales was mainly due to a decrease in trading volumes on the electricity futures market and the related fees.

In the current period of 2021, the Company recognised a profit after tax of TCZK 1,736 (2019: TCZK 24,193).

Total assets of the Company as at 31 December 2021 amounted to TCZK 51,269 (2019: TCZK 74,862). The structure of assets was as follows:

(TCZK)	2021	2020
Fixed assets (net)	20,153	13,607
Receivables and other current assets (net)	15,420	11,260
Short-term financial assets (net)	15,696	49,995
Total assets	**51,269**	**74,862**

In the current period of 2021, the general meeting of the Company held on 9 June 2021 decided on a share in profit of TCZK 24,000 to be paid out and on a transfer of the remaining portion to retained earnings.

The average FTE number of employees was 11.3 in 2020 (2019: 10.6).
The Company complies with all applicable labour laws and regulations.

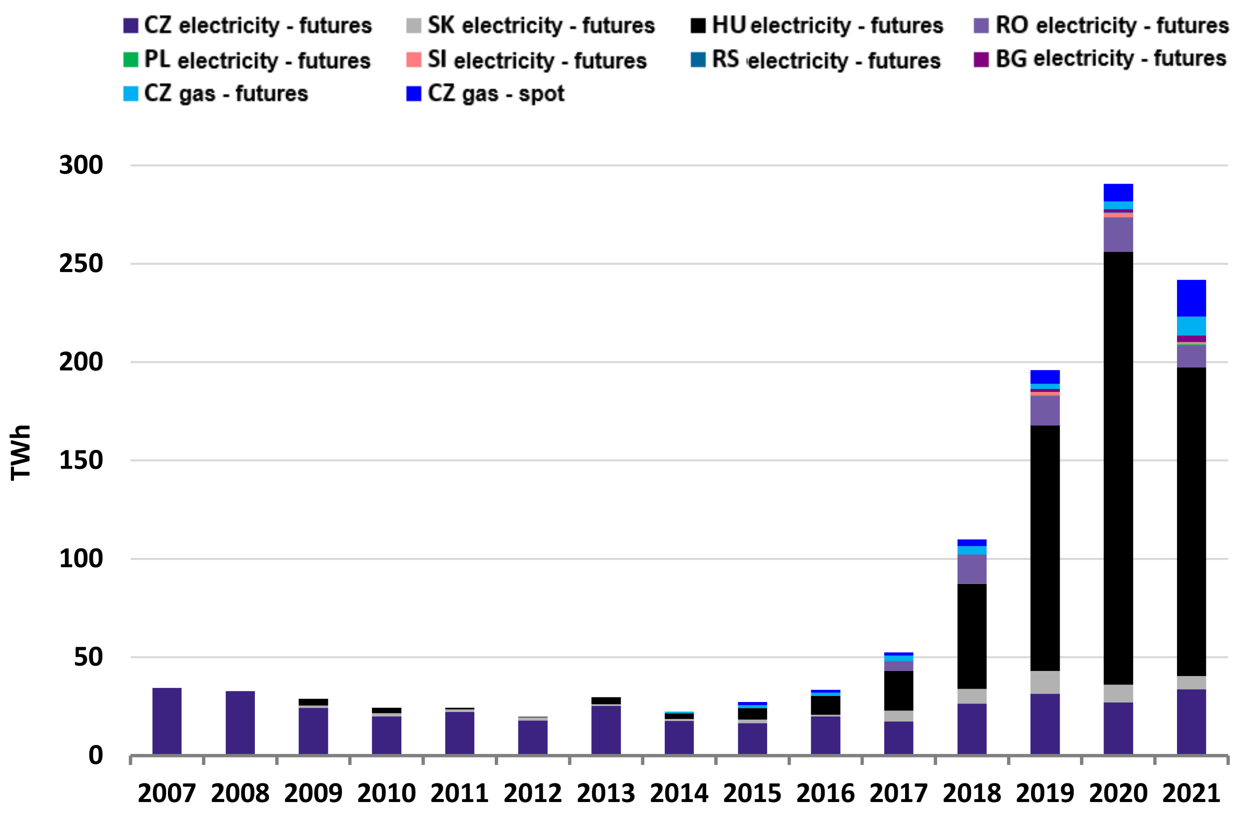
The Company does not conduct any research and development activity. All necessary services in this area are provided under an agreement on the provision of support services between related parties. As the Company's activity is inherently environmentally friendly, no special activities are conducted in this area. The Company did not acquire own shares in 2021. The Company does not have a branch or some other part of a business enterprise abroad.

4. Activities in 2021

4.1 Trading

In 2021, 213.59 TWh of electricity and 28.19 TWh of natural gas was traded on PXE. In the case of gas, this was the best result in the entire existence of PXE.

Development of annual trading volumes in individual markets:

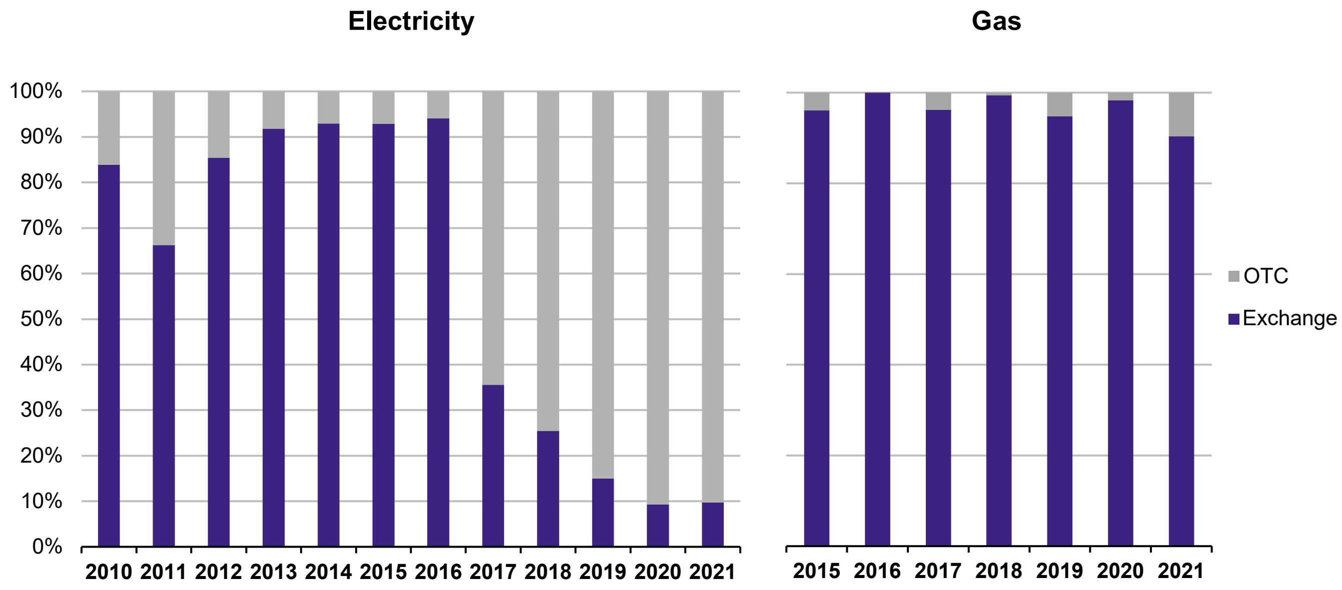


In 2021, PXE recorded a slight decrease in traded volumes on the EEX T7 platform, mainly due to large price fluctuations, while the financial volumes of trades exceeded all previous years due to higher prices.

The highest volume was reached on the Hungarian market. The volumes of electricity on the futures market in Hungary have approached 157 TWh. The increase was recorded on the Czech market with an annual volume of 33.8 TWh, in Bulgaria with 3.3 TWh and in Poland with 0.7 TWh.

Trading on the Slovak market took place without major changes and other Balkan markets lost slightly compared to 2020. Despite this fact, however, the Balkans, together with the Polish market, still represent great growth potential in the coming years. The total volume was largely represented by OTC registered trades, but due to strong volatility, we are seeing growing interest in trades directly on the stock exchange. The year 2021 was a record for spot gas markets, where the traded volume exceeded 18.64 TWh. 9.55 TWh was traded on the gas futures market in 2021 and this is again a record volume for the entire existence of the stock exchange.

Share of OTC registered trades in the total traded volume:



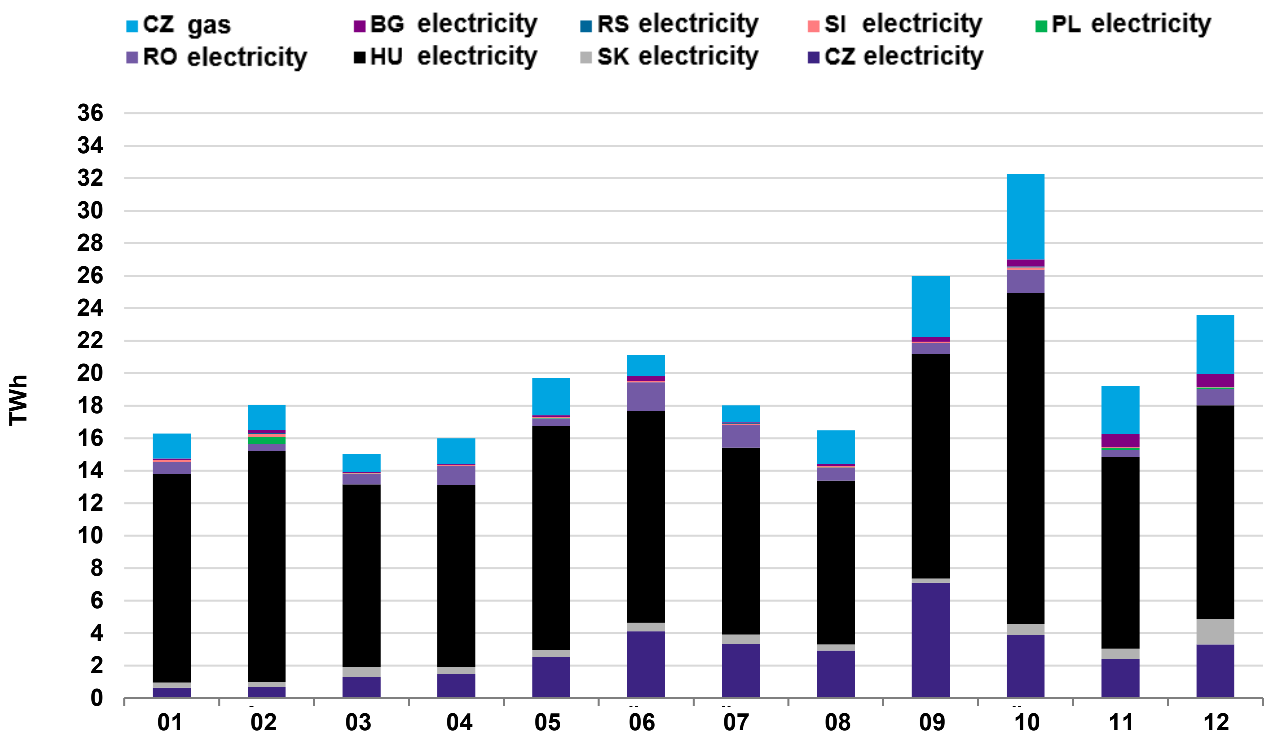
Past year, not only annual but also monthly record volumes were achieved on the gas market (spot 2.91 TWh and futures 3.26 TWh), as well as monthly records on the Czech market (7.11 TWh) and Polish (0.44 TWh) electricity.

Trading with local spreads continued to contribute to the increase in liquidity last year. The volume of 3.0 TWh, Hungarian-German spreads 2.4 TWh, Hungarian-Slovak 1.4 TWh and Slovak-German 1.2 TWh were traded on Czech-German spreads in 2021 (these data do not include volumes traded from implied prices from spreads and OTC registration). The Czech-Slovak, Hungarian-Italian, Hungarian-Slovenian and Hungarian-Bulgarian spreads were also represented in smaller volumes.

The year 2021 was very specific in terms of price development. After an unprecedented decline in 2020, which was caused by the start of the covid-19 pandemic, the reverse scenario came and we, together with several factors, experienced a sharp rise in prices across the commodity sector.

The first factor that was reflected in electricity prices on the verge of 2021 was the strong demand for input commodities, especially coal and gas. Demand continues to grow during the year, especially from the Asian region, where a large part of both energy and industrial commodities went. The price of emission allowances, which added almost 140 % in 2021, also recorded strong growth, thus significantly affecting input costs, especially for coal-fired power plants. Electricity prices were also affected by unusually low production from renewable sources.

Development of monthly traded volumes on individual markets in 2021:

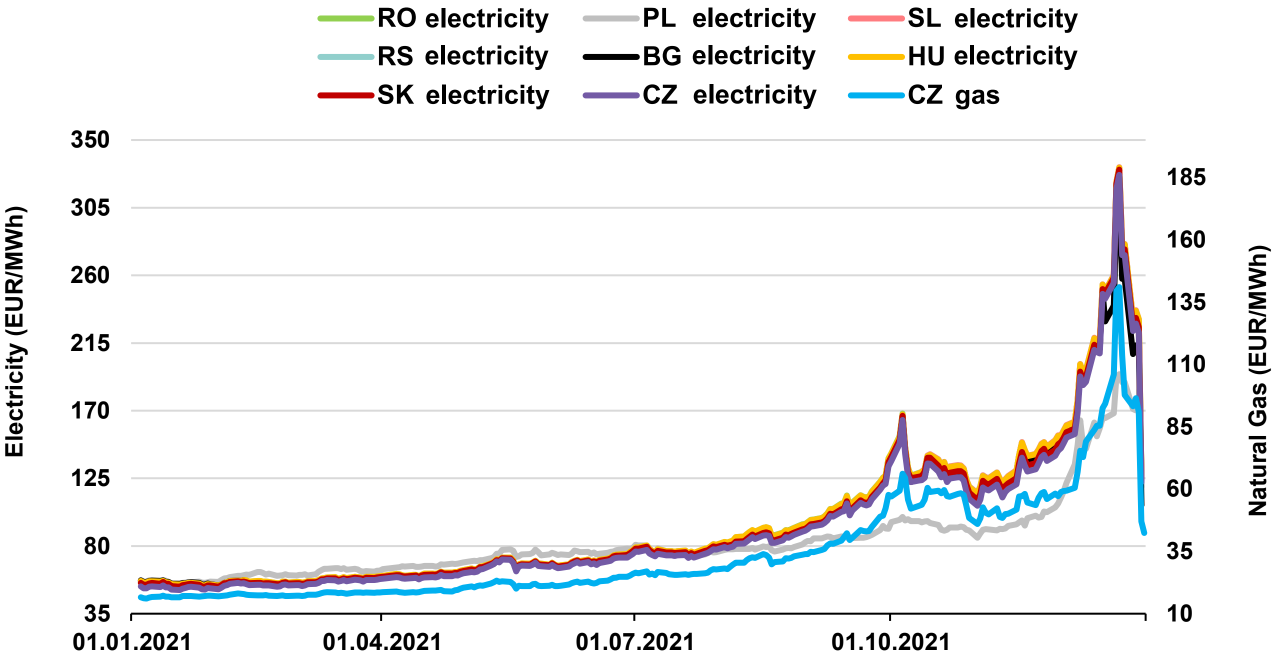


The Czech annual contract in the base load for the supply of electricity in 2022 (CAL-22) closed the first trading day in 2021 at 53.17 EUR/MWh, the gas contract CZ VTP (CAL-22) for the supply in 2022 at 16.63 EUR/MWh and the price of both contracts strengthened almost throughout the year. Apart from coal and emission allowances, one of the main reasons for the increase in electricity prices was mainly the lack of gas.

Thanks to strong demand, especially from the Asian region, at the beginning of October the price of CZ VTP gas (CAL-22) was around 66 EUR/MWh and the Czech annual contract (CAL-22) for electricity supply in 2022 climbed to 163.83 EUR/MWh. In the case of gas, it was an increase of almost 300 % and electricity prices have credited more than 200 % since the beginning of the year. During October, the market reacted several times to reports of the planned launch of gas supplies via Nord Stream 2. However, the pipeline was not launched until the end of the year. During November, European energy markets returned to a growth trend and, thanks to cold weather, unplanned shutdowns of nuclear reactors and low production from renewable sources, reached their historic highs on December 22, 2021. On this day, Czech electricity (CAL-22) was traded at 326.80 EUR/MWh and natural gas CZ VTP (CAL-22) at 140.991 EUR/MWh, which meant a year-on-year increase of almost 750 % in gas. After a slight correction in recent months, the annual contract for the supply of Czech electricity in 2022 (CAL-22) closed at EUR 221.88/MWh and the CZ VTP gas contract (CAL-22) at 90.902 EUR/MWh.

The supply of Czech electricity for 2023 (CAL-23) closed the first day of trading at 122.36 EUR/MWh, the gas contract CZ VTP (CAL-23) at 46.945 EUR/MWh.

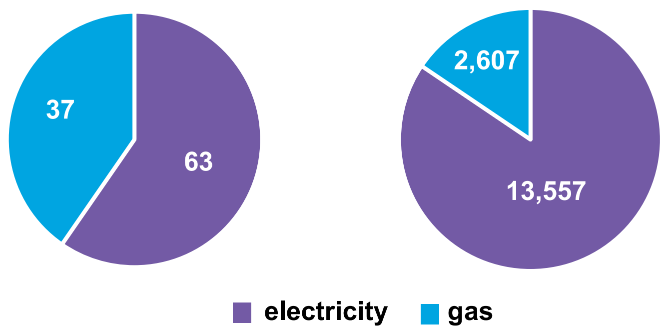
Development of the price of base load annual delivery in 2021:

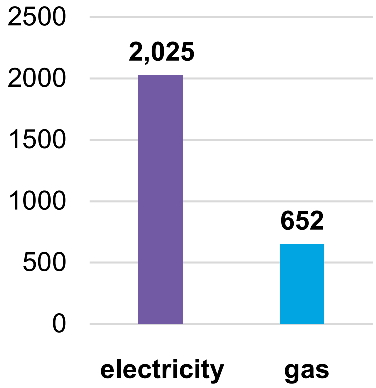


4.2 Electricity and natural gas auctions for end consumers (PXE auctions)

In 2021, a total of 63 electricity auctions and 37 natural gas auctions for end customers were successfully organised on the PXE in 52 exchange days. A total of 2,025,101 MWh of electricity and 651,517 MWh of natural gas was traded, accounting for 13,557 electricity withdrawal points and 2,607 gas withdrawal points. Customers purchased the two commodities primarily for 2022, but a significant portion of transactions related to 2023 – 2024 as well.

Number of auctions: *Number of withdrawal points:* *Volume in GWh:*





Most auction organisers were customers from the government sector, i.e. regions, cities and municipalities. By using PXE auctions, these entities comply with the tender conditions and requirements stipulated by the Public Procurement Act. In addition to these organisers, a number of commercial entities also utilised PXE's services.

In 2021, the major customer, with a total volume of MWh 1,500,242 achieved in a power auction and 155,861 MWh achieved in a gas auction, was Správa železnic (Railways Administration), making use of an option of gradual purchases to ensure the delivery of power until the end of 2022. Owing to gradual purchases, i.e. the division of purchases into more steps, customers may respond to changes in the market and minimise the risk of purchasing the commodity at the wrong time.

Despite the unfavorable situation on the wholesale energy market, great interest in end-user energy auctions organized by PXE on its PARC platform continued in 2021. Through its auctions, PXE secured the supply of energy for 965 customers in 100 auctions in total, and no customer was left without a supplier – commodity supplies. Due to the strict conditions for suppliers operating in the PXE commodity market, which include, among other things, the need to purchase energy immediately after the contact, no supplier was lost and no customer (supply point) ended up in the DPI mode.

5. List of exchange members

Exchange members as at 31 December 2021:

- Burza cenných papírů Praha, a.s., id.no.: 471 15 629, with its registered office at Rybná 14/682, 110 05 Praha 1 (founder, shareholder)
- European Energy Exchange AG, with its registered office at Augustusplatz 9, 04109 Leipzig, Germany, recorded under no. HRB 18409 in the Commercial Register B kept by the Leipzig Court (member admitted by the exchange chamber, shareholder)
- European Commodity Clearing AG, with its registered office at Augustusplatz 9, 04109 Leipzig, Germany, recorded under no. HRB 22362 in the Commercial Register B kept by the Leipzig Court (member admitted by the exchange chamber)
- doc. JUDr. Bohumil Havel PhD. (representative of the state in the exchange chamber)

6. Private and trading officers, exchange court of arbitration

PXE trading officers as at 31 December 2021:

- Lukáš Melichar
- Jana Horová
- Tomáš Krejčí
- Jolana Slifková
- Dina Lašová
- Tomáš Otáhal

Private officers do not operate on the PXE and there is no PXE exchange court of arbitration.

7. Activities assigned by PXE to third persons

As from 1 January 2016, the Prague Stock Exchange (PSE, Burza cenných papírů Praha, a.s.) ensures for the PXE the following activities:

- Bookkeeping
- Advisory and consulting services
- IT infrastructure development, support and maintenance
- Office management services
- PR
- Other communication and support services

8. Report on relations

Report on relations between the controlling entity and the controlled entity and between the controlled entity and other entities controlled by the same controlling entity for the 2021 accounting period

In accordance with Section 82 of Act No. 90/2012 Coll., Act on Corporations and Cooperatives (Act on Business Corporations), effective by 31.12.2021 ("BCA"), the Stock Exchange Chamber of **POWER EXCHANGE CENTRAL EUROPE, a.s.** has prepared this report on relations between

the controlling entity **European Energy Exchange AG**, with its registered office in Augustusplatz 9, 041 09 Leipzig, Germany, identification No. HRB 18409, recorded in the Commercial Register maintained by the Leipzig Court ("**EEX**" or the "**Controlling Entity**"),

and

the controlled entity **POWER EXCHANGE CENTRAL EUROPE, a.s.**, with its registered office in Praha 1, Rybná 682/14, identification No. 278 65 444, recorded in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 15362 (the "**Controlled Entity**" or "**PXE**")

for the 2021 accounting period.

EEX's parent company is **Deutsche Börse AG**, with its registered office in Frankfurt am Main, which can be considered as an entity indirectly controlling PXE due to its majority stake in the controlling entity. The Stock Exchange Chamber is not aware of any contractual relationships between PXE and the parent company EEX or any performance rendered on any other grounds for 2021.

The report also contains information on relations with other entities controlled by the same Controlling Entity. These were:

- **European Commodity Clearing AG,** with its registered address at Augustusplatz 9, 04109 Leipzig, Germany ("**ECC AG**"),
- **European Commodity Clearing Luxembourg S.á.r.l.,** with its registered address at 42, Avenue JF Kennedy, L-1855 Luxembourg, the Grand Duchy of Luxembourg ("**ECC Lux**"),
- **EEX CEGH Gas Exchange Services GmbH**, with its registered address at Floridsdorfer Hauptstrasse 1, 1210 Vienna, Austria ("**CEGH**").

The **structure of relations** between the above entities is characterised by the participation interest which EEX holds in
a) ECC AG, amounting to 100%; ECC AG also holds 100% in EEC Lux,
b) CEGH amounting to 51%.

Pursuant to Section 82 (2) (b) and (c) of BCA, **control was exercised** through a share in the voting rights representing no less than 66,67% of all votes in a business corporation (Section 75 (3) of BCA).

The Stock Exchange Chamber of PXE is aware that a shareholders' agreement was concluded between PXE shareholders (EEX and Burza cenných papírů Praha, a.s.) in 2016, containing, inter alia, an agreement on the majority of votes necessary for the general meeting of PXE to decide on individual matters of the Controlled Entity. The Stock Exchange Chamber of PXE is further aware that the content of the shareholders' agreement has been reflected in the statutes of the Controlled Entity.

The Controlled Entity can be considered an independent and highly autonomous company which is a controlled entity by definition and whose principal activity is stipulated by law.

Overview of acts and agreements

The report also includes:

a) information indicating the acts performed in the 2021 accounting period at the instigation or in the interest of the Controlling Entity or entities controlled by the Controlling Entity where such acts concern assets with a value exceeding 10% of the Controlled Entity's equity identified from the last financial statements (Section 82 (2) (d) of BCA; and
b) an overview of agreements concluded between the Controlled Entity and the Controlling Entity or between controlled entities (Section 82 (2) (e) of BCA).

Concerning a), the general meeting held on 9 June 2021 decided, inter alia, to approve the 2020 statutory financial statements of the Controlled Entity and the proposal to payoff profit share of TCZK 24 000.

No other acts pursuant to Section 82 (2) (d) of BCA were performed in the 2021 accounting period.

Concerning b), contracts and agreements were concluded under Section 82 (2) (e) of BCA.

Relations between EEX and the Controlled Entity were determined by the following agreements:

Agreements made with EEX:

Date of agreement	Name of agreement	Description of performance
5 May 2015	Non-disclosure Agreement	Bilateral non-disclosure agreement
1 October 2015	Letter of Intent	Strategic cooperation between BCPP, PXE and EEX
20 January 2016	Cooperation Agreement	Agreement on conditions for strategic cooperation between the parties
15 June 2017	Cooperation Agreement 2017 as amended by amendment No. 1 dated 29 July 2019	Subsequent provisions of support services by PXE to EEX market
30 August 2019	Data Processing Agreement according to Article 28 GDPR	Processing of personal data in the context of Cooperation Agreement 2017
25 March 2021	Market Data Interface Agreement	Providing of services of Public or Private Website Widgets

Agreements made with Powernext S.A.S (Powernext ceased to exist by a merger, EEX being the successor):

Date of agreement	Name of agreement	Description of performance
28 June 2017	Confidentiality Agreement	Bilateral non-disclosure agreement
22 December 2017	Agreement	Migration of gas products from PXE to Powernext
25 June 2018	Data Processing Agreement	Processing of personal data in the context of Amended and Restated Cooperation Agreement relating to Pegas CEGH Czech Gas Exchange Market

Relations between ECC AG and the Controlled Entity were determined by the following agreements:

Date of agreement	Name of agreement	Description of performance
16 February 2012	Confidentiality Agreement	Bilateral non-disclosure agreement
5 April 2013	Agreement on placement of the branch seat in the real property, as amended by Amendment No. 1 dated 1 July 2013	Provision of a registered office to branch of ECC AG at PXE's premises
8 December 2017	Agreement on Changes to the Clearing and Settlement Setup (between ECC AG, ECC Lux, PXE and EnCC*)	Provision of support service by PXE; provision of settlement services by ECC AG
5 March 2018	Agreement on Assumption of Liability	PXE commitment to indemnify ECC AG and ECC Lux in context of retention the current method of nominations of gas products

*EnCC means Energy Clearing Counterparty, a.s., with its registered office at Rybná 14/682, 110 05 Praha 1

Relations between ECC Lux and the Controlled Entity were determined by the following agreements:

Date of agreement	Name of agreement	Description of performance
7 March 2013	Agreement on placement of the branch seat in the real property – Luxembourg, as amended by Amendment No. 1 dated 1 July 2013	Provision of a registered office to branch of ECC Lux at PXE's premises
8 December 2017	Agreement on Changes to the Clearing and Settlement Setup (between ECC AG, ECC Lux, PXE and EnCC)	Provision of support service by PXE; provision of settlement services by ECC AG
5 March 2018	Agreement on Assumption of Liability	PXE commitment to indemnify ECC AG and ECC Lux in context of retention the current method of nominations of gas products

*EnCC means Energy Clearing Counterparty, a.s., with its registered office at Rybná 14/682, 110 05 Praha 1

Relations between CEGH and the Controlled Entity were determined by the following agreements:

Date of agreement	Name of agreement	Description of performance
6 December 2017	Amended and Restated Cooperation Agreement relating to Pegas CEGH Czech Gas Exchange Market	Provision of support services by PXE to PEGAS CEGH Czech Gas Market
30 October 2018	Data Processing Agreement	Processing of personal data in the context of Amended and Restated Cooperation Agreement relating to Pegas CEGH Czech Gas Exchange Market

Assessment of advantages and disadvantages arising from relations within the group of companies

No significant advantages or disadvantages or any potential risks arise from participation in any group. The possibility of sharing the expertise of the group and the group synergies in reducing costs can be considered an advantage.

The report is to be attached to the annual report pursuant to a special legal regulation (Section 84 (2) of BCA). No review of the report by an inspection body is required pursuant to Section 83 (3) of BCA.

Prague, 31 March 2022

....
Petr Koblic
Chairman of the Exchange Chamber

....
David Kučera
General Secretary (holder of procuration)

9. Financial section

9.1 Financial statements

FINANCIAL STATEMENTS

31 DECEMBER 2021

Name of the Business Corporation:	**POWER EXCHANGE CENTRAL EUROPE, a.s.**
Registered office:	**Praha 1, Rybná 682/14**
Legal Status:	**Joint Stock Company**
Identification Number:	**278 65 444**
Date:	**31 March 2022**

Translation note

This version of the accompanying documents is a translation from the original, which was prepared in Czech. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the financial statements takes precedence over this translation.

BALANCE SHEET					**POWER EXCHANGE CENTRAL EUROPE, a.s. IČ: 278 65 444**
as at 31.12.2021 (in TCZK)					Rybná 682/14 110 05 Praha 1
		31.12.2021			**31.12.2020**
		Gross	**Provision**	**Net**	**Net**
TOTAL ASSETS	**001**	**59,491**	**(8,222)**	**51,269**	**74,862**
B. Fixed assets	**003**	**28,375**	**(8,222)**	**20,153**	**13,607**
B.I. Intangible fixed assets	**004**	**28,015**	**(7,924)**	**20,091**	**13,544**
B.I.2. Royalties	**006**	**28,015**	**(7,924)**	**20,091**	**13,544**
B.I.2.1. Software	007	28,015	(7,924)	20,091	13,544
B.II. Tangible fixed assets	**014**	**332**	**(298)**	**34**	**63**
B.II.2. Equipment	018	332	(298)	34	63
B.III. Long-term investments	**027**	**28**	**-**	**28**	**-**
B.III.1. Interests – subsidiaries and controlling party	028	28	-	28	-
C. Current assets	**037**	**30,645**	**-**	**30,645**	**60,897**
C.II. Receivables	**046**	**14,949**	**-**	**14,949**	**10,902**
C.II.1. Long-term receivables	**047**	**23**	**-**	**23**	**30**
C.II.1.5. Receivables - other	**052**	**23**	**-**	**23**	**30**
C.II.1.5.2. Long-term advances paid	054	23	-	23	30
C.II.2. Short-term receivables	**057**	**14,926**	**-**	**14,926**	**10,872**
C.II.2.1. Trade receivables	058	780	-	780	182
C.II.2.4. Receivables - other	**061**	**14,146**	**-**	**14,146**	**10,690**
C.II.2.4.1. Receivables from shareholders	062	221	-	221	499
C.II.2.4.3. Taxes – receivables from the state	064	5,779	-	5,779	306
C.II.2.4.4. Short-term advances paid	065	1	-	1	-
C.II.2.4.5. Estimated receivables	066	8,145	-	8,145	9,885
C.IV. Cash	**075**	**15,696**	**-**	**15,696**	**49,995**
C.IV.1. Cash in hand	076	12	-	12	21
C.IV.2. Cash at bank	077	15,684	-	15,684	49,974
D. Prepayments and accrued income	**078**	**471**	**-**	**471**	**358**
D.1. Prepaid expenses	079	471	-	471	358

		31.12.2021	31.12.2020
TOTAL LIABILITIES AND EQUITY	**082**	**51,269**	**74,862**
A. Equity	**083**	**36,468**	**58,732**
A.I. Share capital	**084**	**30,000**	**30,000**
A.I.1. Share capital	085	30,000	30,000
A.IV. Retained earnings / Accumulated losses	**099**	**4,732**	**4,539**
A.IV.1. Retained earnings or (accumulated losses)	100	4,732	4,539
A.V. Profit / (loss) for the current period	**102**	**1,736**	**24,193**
B.+ C. Liabilities	**104**	**14,230**	**15,641**
B. Provisions	**105**	**788**	**2,202**
B.2. Income tax provision	107	-	1,559
B.4. Other provisions	109	788	643
C. Payables	**110**	**13,442**	**13,439**
C.I. Long-term payables	**111**	**643**	**113**
C.I.8. Deferred tax liability	121	643	113
C.II. Short-term payables	**126**	**12,799**	**13,326**
C.II.4. Trade payables	132	2,403	2,887
C.II.8. Liabilities - other	**136**	**10,396**	**10,439**
C.II.8.3. Liabilities to employees	139	6,099	6,030
C.II.8.4. Liabilities for social security and health insurance	140	2,309	2,231
C.II.8.5. Taxes and state subsidies payable	141	1,814	2,042
C.II.8.6. Estimated payables	142	45	42
C.II.8.7. Other liabilities	143	129	94
D. Accruals and deferred income	**147**	**571**	**489**
D.1. Accrued expenses	148	227	489
D.2. Deferred income	149	344	-

INCOME STATEMENT			**POWER EXCHANGE CENTRAL EUROPE, a.s.**
By category			**IČ: 278 65 444**
for the year ended 31.12.2021 (in TCZK)			Rybná 682/14 110 05 Praha 1
		Year ended 31.12.2021	**Year ended 31.12.2020**
I. Sales of products and services	001	58,212	87,456
A. Cost of sales	003	24,408	28,672
A.2. Raw materials and consumables used	005	425	337
A.3. Services	006	23,983	28,335
D. Staff costs	009	25,378	24,610
D.1. Wages and salaries	010	19,782	19,229
D.2. Social security, health insurance and other costs	011	5,596	5,381
D.2.1. Social security and health insurance costs	012	5,081	4,814
D.2.2. Other costs	013	515	567
E. Value adjustments in operating activities	014	4,395	1,852
E.1. Value adjustments of fixed assets	015	4,395	1,852
E.1.1. Depreciation and amortisation and write-off of fixed assets	016	4,395	1,852
III. Operating income - other	020	195	196
III.3. Other operating income	023	195	196
F. Operating expenses - other	024	1,416	2,318
F.3. Taxes and charges	027	42	89
F.4. Operating provisions and complex prepaid expenses	028	145	643
F.5. Other operating expenses	029	1,229	1,586
*** Operating result**	**030**	**2,810**	**30,200**
VI. Interest and similar income	039	9	80
VI.1. Interest and similar income – subsidiaries or controlling party	040	9	80
VII. Other financial income	046	272	1,228
K. Other financial expenses	047	715	1,113
*** Financial result**	**048**	**(434)**	**195**
**** Net profit / (loss) before tax**	**049**	**2,376**	**30,395**
L. Tax on profit or loss	050	640	6,202
L.1. Tax on profit or loss - current	051	110	6,089
L.2. Tax on profit or loss - deferred	052	530	113
**** Net profit / (loss) after tax**	**053**	**1,736**	**24,193**
***** Net profit / (loss) for the financial period**	**055**	**1,736**	**24,193**
Net turnover for the financial period	056	58,688	88,960

STATEMENT OF CHANGES IN EQUITY as at 31.12.2021 (in TCZK)					**POWER EXCHANGE CENTRAL EUROPE, a.s.** **IČ: 278 65 444** Rybná 682/14 110 05 Praha 1
	Share capital	**Funds from profit**	**Retained earnings or (accumulated losses)**	**Net profit / (loss) for the financial period**	**Total**
Balance as at 31.12.2019	**30,000**	**0**	**4,324**	**16,415**	**50,739**
Profit distribution	0	0	0	0	**0**
Dividends paid	0	0	215	(16,415)	**(16,200)**
Net profit / (loss) for the current period	0	0	0	24,193	**24,193**
Balance as at 31.12.2020	**30,000**	**0**	**4,539**	**24,193**	**58,732**
Profit distribution	0	0	0	0	**0**
Dividends paid	0	0	193	(24,193)	**(24,000)**
Net profit / (loss) for the current period	0	0	0	1,736	**1,736**
Balance as at 31.12.2021	**30,000**	**0**	**4,732**	**1,736**	**36,468**

1 GENERAL INFORMATION

1.1 Incorporation and description of the business corporation

POWER EXCHANGE CENTRAL EUROPE, a.s. (hereinafter the "Company" or "PXE"), with its registered office at Rybná 682/14, Prague 1, was incorporated by means of a Founding Contract dated 8 January 2007. The Company was registered in Commercial Register on March 5, 2007.

Types of commodity exchange transactions:

a) commodities transactions with prompt delivery;

b) term commodities transactions – transactions with commodity derivatives;

c) auxiliary exchange transactions related to exchange-traded commodities (especially insurance contracts, storage contracts, transportation contracts and shipping contracts);

d) advisory and consultancy activities, preparation of appraisals and studies on commodity and derivative trading;

e) intermediation of trade and services in commodity and derivative trading business.

The exchange transactions involve:

a) electric power;

b) gas;

c) indices derived from prices of commodities, except for the commodities which are not allowed for trading by law for reasons of security and state protection or for the purposes of regulation of the commodities market and protection of material reserves.

Registered capital

The registered capital recorded in the Commercial Register as at 31 December 2021 of TCZK 30,000 (2020: TCZK 30,000) comprises 60 registered ordinary shares in book-entry form will a nominal value of TCZK 500. Shares are convertible upon the approval of the board of directors.

<u>Shareholders of the Company:</u>

Burza cenných papírů Praha, a.s. (hereinafter „BCPP")	investment of TCZK 10,000
European Energy Exchange AG (hereinafter „EEX")	investment of TCZK 20,000

1.2 Year-on-year changes in the Commercial Register

As of 22 July 2021, the company Power Exchange Central Europe Poland, Sp.z.o.o. was established, with its registered office at Aleja Jana Pawła II 80 / 39 00-175 Warsaw, Poland (hereinafter referred to as "PXE Poland"), which aims to expand trade in commodities in Poland. The 100% owner of PXE Poland is the company POWER EXCHANGE CENTRAL EUROPE, a.s.

1.3 Corporate structure

The company is managed by the Secretary General.

The following departments are directly subordinated to the Secretary General:

- Trading Department,
- Business Development Department,
- Internal Security and Internal Audit Department,
- Services department.

1.4 Exchange Chamber and the Supervisory Board as at 31 December 2021.

	Position	Name
Exchange Chamber	Chairman	Ing. Petr Koblic
	Member	Doc. JUDr. Bohumil Havel, PhD.
	Member	Steffen Köhler
Supervisory Board	Chairman	Mgr. Radan Marek, LLM
	Member	Timothy Greenwood
	Member	Steffen Riediger
	Member	Dina Lašová

Two members of the Exchange Chamber acting jointly may represent the Company.

1.5 The impact of covid-19 on the company's business

The existence of the novel coronavirus causing the COVID-19 disease was confirmed in early 2020 and has spread globally. The pandemic and especially the restrictive measures taken in order to mitigate the health impacts have caused disruptions to businesses and economic activities. As a result of the adopted restrictions, which had an impact on economic activity including electricity and gas consumption, there was strong business activity in 2020 and resale of energy excess on the market. In 2021, following economic recovery and increased energy demand, market prices increased, which caused a decrease in trading volumes in 2021 to a certain extent.

2 ACCOUNTING POLICIES

2.1 Basis of preparation of the financial statements

The financial statements have been prepared based on the accounting records kept in compliance with the Act on Accounting and relevant regulations and decrees effective in the Czech Republic.

These financial statements have been prepared in compliance with Decree of the Czech Ministry of Finance No. 500/2002 Coll., implementing certain provision of Act No. 563/1991 Coll. on Accounting, as amended, for business entities using double-entry bookkeeping.

All figures are presented in thousands of Czech crowns (TCZK), unless indicated otherwise.

Management has considered the impact of the novel coronavirus causing the COVID-19 disease when assessing the valuation of assets and liabilities and going concern assumptions..

These financial statements are non-consolidated.

The consolidated financial statements of the narrowest group of entities to which the Company as a consolidated entity belongs are prepared by European Energy Exchange AG, with its registered office at Augustusplatz 9, 04109 Leipzig, Germany. The consolidated financial statements are available at the consolidating entity’s registered office. European Energy Exchange AG consolidates PXE using the full method.

The consolidated financial statements of the widest group of entities to which the Company as a consolidated entity belongs are prepared by Deutsche Börse AG, with its registered office at Mergenthalerallee 61, 65760 Eschborn, Germany. The consolidated financial statements are available at the consolidating entity’s registered office.

2.2 Tangible fixed assets

Tangible assets with useful life of more than one year and a unit cost of more than TCZK 80 per unit in 2021 and TCZK 60 in 2020, are treated as tangible fixed assets and assets with an acquisition cost of more than TCZK 40 in 2021 and TCZK 30 in 2020 is in the category of low-value tangible fixed assets.

Purchased tangible fixed assets are initially recorded at cost, which includes all costs related with its acquisition.

Tangible assets with useful life of more than one year and a unit cost below TCZK 40 per unit in 2021 and TCZK 30 in 2020, are not recognized in the balance sheet but are charged in the profit and loss account upon acquisition and recorded in the operating records.

Tangible fixed assets are depreciated applying the straight-line method over their estimated useful lives as follows:

Asset category	Accounting depreciation
Computer equipment	3-5 years
Furniture and equipment	5-10 years
Low-value tangible fixed assets	2-3 years

Creation of provision for impairment

A provision for impairment is created when the carrying value of an asset is greater than its estimated recoverable amount..

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

2.3 Intangible fixed assets

All intangible assets with a useful life longer than one year and a unit cost of more than TCZK 40 are treated as intangible fixed assets.

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

Intangible assets with useful life over 1 year and a unit cost not exceeding TCZK 40 are not reported in the balance sheet, but they are charged to the profit and loss account in the year of acquisition and reported in operating records.

Intangible fixed assets are amortized applying the straight-line method over their estimated useful lives as follows:

Assets category	Accounting depreciation
Software	3-5 years
Incorporation costs	3 years

Creation of provision for impairment

A provision for impairment is created when the carrying value of an asset is greater than its estimated recoverable amount.

2.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, stamps and vouchers and cash in banks, including bank overdrafts.

Cash equivalents are short-term highly liquid investments that can be exchanged for a predictable amount of cash and no significant changes of value over time are expected. Cash equivalents are, for example, deposits with a maturity of less than 3 months from the date of acquisition and liquid debt securities traded in public markets..

2.5 Foreign currency translastion

Transactions denominated in a foreign currency are translated and recorded at the rate of exchange of the Czech National Bank at the date of transaction.

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. .

2.6 Receivables and liabilities

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.

The Company classifies as short-term any part of long-term liabilities, bank loans and overdrafts that is due within one year of the balance sheet date.

2.7 Provisions

Provisions are recognized 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..

2.8 Income tax

Income tax for the period comprises current tax and the change in deferred tax assets / liability. Current tax comprises an estimate of tax payable calculated based on the taxable income, having the tax rate valid as at first day of the accounting period, and any adjustments to taxes for previous periods.

2.9 Deffered tax

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

2.10 Related parties

The Company's related parties are the following:

- shareholders, of which the Company is a subsidiary or an associate, directly or indirectly, and subsidiaries and associates of these shareholders;
- members of the Exchange Chamber and parties close to such members, including entities in which they have a controlling or significant influence;
- subsidiaries and associates and joint ventures.

Material transactions with related parties are disclosed in Note 3.4.4, 3.8.5 and 3.17.

2.11 Revenue recognition

Sales are recognized as at the date the services are rendered and are stated net of discounts and value added tax.

2.12 Leasing

The Company used assets purchased through operative leasing. The purchase price of the assets acquired by operative leasing in not capitalized in fixed assets. Leasing instalments are booked into expenses equally over the lease term.

2.13 Group VAT registration

Effective from 1 January 2009, Burza cenných papírů Praha, a.s., POWER EXCHANGE CENTRAL EUROPE, a.s. and Centrální depozitář cenných papírů, a.s. (hereinafter "CDCP") created a Value Added Tax group according to Act no. 235/2004. As at 1 January 2011, Energy Clearing Counterparty, a.s. has become a member of the Group. The companies that are part of the Group have the only and joint tax identification number.

As at 1 January 2021, the Group used an advance coefficient of 88 % (at 1 January 2020: 87 %). The Group applied this coefficient for calculating a proportional VAT deduction on acquired supplies in 2021. In the VAT return for December 2021 a settlement coefficient of 100% was calculated and represents the advance coefficient for 2022. The Company had no acquired supplies in 2021 which would not be subject of VAT deduction.

The VAT return for the Group is filed by its representative member BCPP. Other members of the Group charge their own part of the tax liability or excess deduction of taxes, where appropriate, and they have receivables or payables from BCPP in their accounting books.

2.14 Use of estimates

The preparation of financial statements requires the use of estimates and forecasts that influence reported values of assets and liabilities at the date of financial statements and the reported amount of revenues and expenses for the accounting period. The Company's management is convinced that the applied estimates and forecasts will not be significantly different from real values in the next accounting periods.

2.15 Subsequent events

The effects of events which occurred between the balance sheet date and the date of preparation of the financial statements are recognized in the financial statements if 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 recognized in the financial statements..

2.16 Changes to accounting methods and procedures

The company has not changed any of its accounting methods and procedures during 2021 and 2020.

3 ADDITIONAL INFORMATION ON THE BALANCE SHEET AND INCOME STATEMENT

3.1 Fixed assets

3.1.1 Intangible fixed assets

(in TCZK)

Acquisition costs	Software	Intangible fixed assets in the course of construction	Total
Balance as at 1 January 2020	**1,777**	**8,474**	**10,251**
Additions	15,325	6,851	22,176
Disposals	-	(15,325)	(15,325)
Balance as at 31 December 2020	**17,102**	**-**	**17,102**
Additions	10,913	10,913	21,826
Disposals	-	(10,913)	(10,913)
Balance as at 31 December 2021	**28,015**	**-**	**28,015**

(in TCZK)

Accumulated amortization	Software	Intangible fixed assets in the course of construction	Total
Balance as at 1 Jauary 2020	**1,777**	**-**	**1,777**
Additions	1,781	-	1,781
Disposals	-	-	-
Balance as at 31 December 2020	**3,558**	**-**	**3,558**
Additions	4,366	-	4,366
Disposals	-	-	-
Balance as at 31 December 2021	**7,924**	**-**	**7,924**

(in TCZK)

Net book value	Software	Intangible fixed assets in the course of construction	Total
Balance as at 1 January 2020	-	8,474	8,474
Balance as at 31 December 2020	13,544	-	13,544
Balance as at 31 December 2021	20,091	-	20,091

Depreciation of intangible fixed assets charged to the profit and loss account amounted to:

(in TCZK)

	Depreciation
2021	4,366
2020	1,781

3.1.2 Tangible fixed assets

(in TCZK)

Acquisition cost	Computer equipment	Low-value tangible fixed assets	Total
Balance as at 1 January 2020	**70**	**295**	**365**
Additions	68	-	68
Disposals	-	-	-
Balance as at 31 December 2020	**138**	**295**	**433**
Additions	-	-	-
Disposals	(70)	(31)	(101)
Balance as at 31 December 2021	**68**	**264**	**332**

(in TCZK)

Accumulated depreciation	Computer equipment	Low-value tangible fixed assets	Total
Balance as at 1 January 2020	**70**	**230**	**300**
Additions	10	60	70
Disposals	-	-	-
Balance as at 31 December 2020	**80**	**290**	**370**
Additions	24	5	29
Disposals	(70)	(31)	(101)
Balance as at 31 December 2021	**34**	**264**	**298**

(in TCZK)

Net book value	Computer equipment	Low-value tangible fixed assets	Total
Balance as at 1 January 2020	-	65	65
Balance as at 31 December 2020	58	5	63
Balance as at 31 December 2021	34	-	34

Depreciation of tangible fixed assets charged to the profit and loss account amounted to:

(in TCZK)

	Depreciation
2021	29
2020	70

3.1.3 Long - term financial assets

(in TCZK)

Net amount	31 December 2021	Additions	Disposals	31 December 2020
Power Exchange Central Europe, Sp.z.o.o.	28	28	-	-
Balance as at 31 December 2021	**28**	**28**	**-**	**-**

The company recognizes long-term financial assets in the amount of 28 thousand CZK since 2021. CZK, which represents share in the company Power Exchange Central Europe Poland, Sp.z.o.o.

(in TCZK)

31 December 2021	Carrying value	Share capital (%)	Net profit/(loss)	Net assets	Dividend income
Power Exchange Central Europe, Sp.z.o.o.	28	100%	(65)	(38)	-
Total	**28**		**(65)**	**(38)**	**-**

3.2 Leased assets

The Company has an operating lease for one car and payments for the rent of premises as at 31 December 2021. Total lease payments including operating leases paid in 2021 excluding VAT were TCZK 1,817 (2020: TCZK 1,826).

The Company is committed to contractual payables under operating leases as follows:

(in TCZK)

	As at 31 December 2021	As at 31 December 2020
Due within 1 year	1,447	1,693
Due in 1 to 5 year	1,943	3,370
Due after 5 years	-	-
Total	**3,390**	**5,063**

3.3 Short-term financial assets

(in TCZK)

Short-term financial assets	As at 31 December 2021	As at 31 December 2020
Cash, thereof:	**12**	**21**
- cash in hand	12	21
Bank accounts	**15,684**	**49,974**
Short-term financial assets total	**15,696**	**49,995**

3.4 Short-term receivables

3.4.1 Trade receivables

(in TCZK)

	As at 31 December 2021	As at 31 December 2020
Short-term		
- trade receivables	780	182
Trade receivables total	**780**	**182**

The Company does not report receivables more than 180 days after due date, therefore no provision for doubtful receivables was recognized (2020: 0 TCZK).

Unsettled receivables as at 31 December 2020 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.

3.4.2 Ageing analysis of short-term trade receivables

(in TCZK)

Year	Category	Due	Day to due date					Receivables Total
			1 - 90	91 - 180	181 - 365	1 - 2 years	2 years >	
2021	Short term	445	335	-	-	-	-	**780**
	Impairment provision	-	-	-	-	-	-	**-**
	Total	**445**	**335**	**-**	**-**	**-**	**-**	**780**
2020	Short term	182	-	-	-	-	-	**182**
	Impairment provision	-	-	-	-	-	-	**-**
	Total	**182**	**-**	**-**	**-**	**-**	**-**	**182**

3.4.3 Taxes – receivables from the state

(in TCZK)

	As at 31 December 2021	As at 31 December 2020
VAT	253	306
Income tax refund	5,526	-
Tax receivables total	**5,779**	**306**

3.4.4 Receivables from related parties

(in TCZK)

Company name	As at 31 December 2021	As at 31 December 2020
Trade receivables		
European Commodity Clearing AG	7	-
European Commodity Clearing Luxembourg S.a.r.l.	7	-
EEX CEGH Gas Exchange Services GmbH	-	180
Total	**14**	**180**

Trade receivables represent fees for support services in connection with the clearing of trading participants and from electricity and gas trading.

(in TCZK)

Company name	As at 31 December 2021	As at 31 December 2020
Receivables due from shareholders		
Burza cenných papírů Praha, a.s.	221	499
Total	**221**	**499**

Receivables due from shareholders are represented by VAT receivable.

(in TCZK)

Company name	As at 31 December 2021	As at 31 December 2020
Estimated receivables		
Burza cenných papírů Praha, a.s.	9	20
European Energy Excgange AG	4,522	7,033
EEX CEGH Gas Exchange Services GmbH	3,614	2,832
Total	**8,145**	**9,885**

The Company reports estimated revenues for monthly services in connection with commodity derivative trading and settlement on the EEX T7 platform and from gas trading on the Powernext platform.

3.5 Prepayments and accrued income

(in TCZK)

Company name	As at 31 December 2021	As at 31 December 2020
Prepaid expenses	**471**	**358**
Lease payments BCPP	160	209
IT	168	31
Insurance	94	62
Other	49	56
Total	**471**	**358**

3.6 Equity

3.6.1 Share capital

Share capital recorded in the Commercial Register amounts to TCZK 30,000 (2019: TCZK 30,000). Share capital comprises 60 registered shares with a nominal value of TCZK 500 each (2019: 60 registered shares with a nominal value of TCZK 500 each).

3.6.2 Distribution of the 2020 profit and planned distribution of profit 2021

The proposal for the distribution and transfer of the 2020 profit was approved by the General meeting on 9 June 2021. The Company paid out TCZK 24,000 as a dividend and distributed TCZK 4,732 into retain earnings.

3.7 Provisions

(in TCZK)

	Income tax provision	Other provisions
As at 1 January 2021	**1,559**	**643**
Utilization	(1,505)	-
Release	(54)	(643)
Additions	-	788
As at 31 December 2021	**-**	**788**

(in TCZK)

	2021	2020
Income tax provision	-	1,559
Other provisions	788	643
As at 31 December	**788**	**2,202**

The Company reported, in accordance with its accounting policies, provision for untaken holiday of TCZK 788 (2020: TCZK 643).

The income tax provision was reduced by paid income tax advances.

3.8 Payables

3.8.1 Trade payables

(in TCZK)

Short-term trade payables and received advances	As at 31 December 2021	As at 31 December 2020
Short-term		
- suppliers	2,403	2,887
Total short-term trade payables	**2,403**	**2,887**

The Company has no trade payables due after more than 5 years or secured against any assets of the Company.

3.8.2 Liabilities for social security and health insurance

As at December 31, 2021 the Company recognizes social security and health insurance liabilities of TCZK 2,309 (2020: TCZK 2,231).

Liabilities for social security and health insurance are not overdue.

3.8.3 Tax and state subsidies payable

Tax liabilities as at 31 December 2021 were TCZK 1,814 (2020: TCZK 2,042), they consist of income tax on wages (prepaid and withheld) for December 2021.

These liabilities are not overdue.

3.8.4 Estimated payables

Estimated payables of TCZK 45 (2020: TCZK 42) are made up of estimates for uninvoiced services related to 2021.

3.8.5 Liabilities – related parties

(in TCZK)

Company name	As at 31 December 2021	As at 31 December 2020
Short-term trade payables		
Burza cenných papírů Praha, a.s.	135	145
Energy Clearing Counterparty, a.s.	177	239
Total	**312**	**384**

The Company has no liabilities towards its shareholders.

(in TCZK)

Company name	As at December 2021	As at December 2020
Estimated payables		
Burza cenných papírů Praha, a.s.	1	3
European Energy Exchange AG	19	-
Energy Clearing Counterparty, a.s.	19	-
Total	**39**	**3**

3.9 Accruals and deferred income

(in TCZK)

Company name	As at December 2021	As at December 2020
Accrued expenses	**227**	**489**
Others	227	489
Deferred income	**-**	**-**
Others	-	-
Total accruals and deferred income	**227**	**489**

3.10 Deffered tax

(in TCZK)

Deferred tax title	As at December 2021	As at December 2020
Difference between the tax and net book value of fixed assets	(793)	(235)
Provisions	150	122
Social and health insurance	-	-
Differed tax asset (+) / liability (-)	**(643)**	**(113)**
Revenue (+) / Expanse (-) from deffered asset change	**(530)**	**(113)**

Deferred tax as at 31 December 2021 is calculated at a tax rate of 19% (tax rate for 2020 and beyond) depending on the period in which the temporary differences are expected to be settled.

3.11 Income tax on ordinary activities

(in TCZK)

	2021	2020
Profit before tax	2,376	30,395
Theoretical income tax using the domestic tax rate of 19% (2020: 19%)	451	5,775
Tax impact of tax non-deductible expenses	(287)	284
Tax impact of tax non-taxable revenues	-	-
Total tax liability	**164**	**6,059**
Prior years' tax refund	(54)	30
Current tax	**110**	**6,089**
Deferred tax change	530	113
Total income tax on ordinary activities	**640**	**6,202**

(in TCZK)

	2021	2020
Total tax liability	**164**	**6,059**
Advance payment on income tax (incl. withholding taxes)	5,690	4,500
Provision for income tax	**-**	**1,559**

3.12 Revenue analysis

(in TCZK)

	2021		
	Domestic	**Foreign**	**Total**
Commodity exchange fee			
Trading fees – electricity	**-**	**45,317**	**45,317**
Annual fixed fee	-	4,460	4,460
Variable fees	-	40,857	40,857
Trading fees – gas	**-**	**3,622**	**3,622**
Variable fees	-	2,222	2,222
Participation fee	-	1,400	1,400
Fee for auctions for end customers	9,273	-	9,273
Commodity exchange information	-	-	-
Tržby z prodeje služeb celkem	**9,273**	**50,550**	**58,212**

(in TCZK)

	2020		
	Domestic	**Foreign**	**Total**
Commodity exchange fee			
Trading fees – electricity	**-**	**71,292**	**71,292**
annual fixed fee	-	9,359	9,359
variable fees	-	61,933	61,933
Trading fees – gas	**-**	**2,815**	**2,815**
variable fees	-	1,356	1,356
participation fee	-	1,459	1,459
ECC transaction settlement	-	4,890	4,890
Fee for auctions for end customers	8,459	-	8,459
Commodity exchange information	-	-	-
Total revenue from the sale of services	**8,459**	**78,997**	**87,456**

3.13 Costs of services

(in TCZK)

	2021	2020
Audit	480	330
Travel expenses	91	186
Rent and services	1,415	1,468
Representation costs	187	162
Operating leasing – cars	974	965
Repair and maintenance	12	28
Other services	3,033	3,284
Supporting services BCPP	7,762	7,522
Supporting services PXE Poland	1,076	-
Advisory and legal services	3,669	4,656
Promotion	2,454	2,671
Servicing	2,758	7,179
IT services from settlement fees	-	(153)
Training, workshops, conferences	72	37
Total	**23,983**	**28,335**

3.14 Other operating expenses

(in TCZK)

	2021	2020
Other operating expenses	334	477
Insurance	209	184
Fee for the operation of the OTE clearing system upon the registration of gas supplies	180	195
Settlement EnCC – justified expenses	506	730
Total other operating expenses	**1,229**	**1,586**

3.15 Financial income

(in TCZK)

	2021	2020
Interest income:	**9**	**80**
- from bank accounts	9	80
Foreign exchange gains	**272**	**1,228**
Total financial income	**281**	**1,308**

3.16 Financial expenses

(in TCZK)

	2021	2020
Banking charges:	**94**	**68**
- other banking charges	75	53
- other financial expenses	19	16
Foreign exchange losses	**621**	**1,045**
Total financial expenses	**715**	**1,113**

3.17 Related party transactions

All significant transactions are carried out at arm’s length.

Effective from 1 January 2015, the Company has been applying a Transfer pricing documentation to related party transactions comprising the manner of determining financially justifiable valuation of the so-called support services. In accordance with this documentation, a Contract for providing support services between related parties was signed.

3.17.1 Revenues from related parties

2021 (in TCZK)

Entity	Relation to the Company	Revenue from own services	Other operating income	Financial income	Total
Burza cenných papírů Praha, a.s.	Shareholder – member of BCPP	-	-	1	1
Energy Clearing Counterparty, a.s.	Member of BCPP	-	-	6	6
European Energy Exchange AG	Member of EEX	45,317	-	244	45,561
EEX CEGH Gas Exchange Services GmbH	Member of EEX	3,622	180	-	3,802
European Commodity Clearing Lux. S.a.r.l.	Member of EEX	-	8	-	8
European Commodity Clearing, AG	Member of EEX	-	7	-	7
Total income		**48,939**	**195**	**251**	**49,385**

2020 (in TCZK)

Entity	Relation to the Company	Revenue from own services	Other operating income	Financial income	Total
Energy Clearing Counterparty, a.s.	Member of EEX	-	-	7	7
European Energy Exchange AG	Member of EEX	71,292	-	512	71,804
EEX CEGH Gas Exchange Services GmbH	Member of EEX	2,815	180	7	3,002
European Commodity Clearing Lux. S.a.r.l.	Member of EEX	-	8	-	8
European Commodity Clearing, AG	Member of EEX	4,890	8	77	4,975
Total income		**78,997**	**196**	**603**	**79,796**

Revenues from European Energy Exchange AG comprise a share in annual fixed fees of TCZK 4,460 (2020: TCZK 9,359) variable fees of TCZK 40,857 (2020: TCZK 61,933).

Revenues from EEX CEGH Gas Exchange Services GmbH represent variable fees of TCZK 3,622 (2020: TCZK 2,815), following from the contract on cooperation and related to gas spot trading on the Powernext platform valid from 8 December 2017.

Financial income is represented by foreign exchange gains.

3.17.2 Expenses from related parties

2021 (in TCZK)

Entity	Relation to the Company	Services	Operating expenses	Financial expenses	Total
Burza cenných papírů Praha, a.s.	Shareholder – member of BCPP	8,863	-	1	8,864
Centrální depozitář cenných papírů, a.s.	Member of BCPP	7	-	-	7
Energy Clearing Counterparty, a.s.	Member of BCPP	913	506	1	1,420
European Commodity Clearing, AG	Member of EEX	-	-	-	-
European Energy Exchange, AG	Member of EEX	-	-	74	74
EEX CEGH Gas Exch. Services GmbH	Member of EEX	36	-	32	68
Power Exchange Central Europe Poland, Sp.z.o.o.	Member of BCPP	1,076	-	28	1,104
Total		**10,895**	**506**	**136**	**11,537**

2020 (in TCZK)

Entity	Relation to the Company	Services	Operating expenses	Financial expenses	Total
Burza cenných papírů Praha, a.s.	Shareholder – member of BCPP	8,661	-	2	8,663
Centrální depozitář cenných papírů, a.s.	Member of BCPP	6	-	-	6
Energy Clearing Counterparty, a.s.	Member of BCPP	1,262	730	2	1,994
European Commodity Clearing, AG	Member of EEX	-153	-	39	-114
European Energy Exchange, AG	Member of EEX	354	-	783	1,137
EEX CEGH Gas Exch. Services GmbH	Member of EEX	-	-	2	2
Total		**10,130**	**730**	**828**	**11,688**

Expenses incurred in relation to transactions with Burza cenných papírů Praha, a.s. comprise support services of TCZK 7,762 (2020: TCZK 7,522), lease of non-residential premises including lease-related services TCZK 1,101 (2020: TCZK 1,139).

Expenses incurred in relation to transactions with Centrální depozitář cenných papírů, a.s. comprise administration of emission records and LEI management of TCZK 7 (2020: TCZK 6).

Expenses incurred in relation to transactions with Energy Clearing Counterparty, a.s. comprise central counterparty services of TCZK 913 (2020: TCZK 1,262) and payment of justified expenses of TCZK 506 (2020: TCZK 730).

Expenses incurred in relation to transactions with Power Exchange Central Europe Poland, Sp.z.o.o. comprise supporting services to a newly established company of TCZK 1,076.

4 EMPLOYEES, MANAGEMENT AND STATUTORY BODIES

4.1 Staff costs and number of employees (without benefits to members of the Company's bodies)

2021	Average recalculated headcount	Total staff costs (in TCZK)
Employees	11	24,160
Total	**11**	**24,160**

2020	Average recalculated headcount	Total staff costs (in TCZK)
Employees	11	23,458
Total	**11**	**23,458**

Personnel expenses relating to employees and executives do not include performance provided to members of the Company's bodies, contributions to employees' pension and life assurance schemes and other social benefits.

In accordance with employee benefit policies, the Company contributes to employees' pension and life assurance schemes and provides other social benefits totaling TCZK 604 (2020: in TCZK 567).

4.2 Loans, credits and other benefits provided to the members Company's bodies

In 2021 and 2020, total personnel expenses and other benefits provided to members of statutory bodies amounted to:

(in TCZK)

2021	Exchange chamber	Total
Remuneration of the statutory body's members	585	585
Total	**585**	**585**

(in TCZK)

2020	Exchange chamber	Total
Remuneration of the statutory body's members	585	585
Total	**585**	**585**

Values correspond to internal background materials and rules of the Company.

5 CONTINGENT LIABILITIES

The management of the Company is not aware of any potential liabilities as at 31 December 2021.

6 SUBSEQUENT EVENTS

The military conflict caused by the Russian Federation and the economic sanctions adopted by the European Union and the United States of America do not have a direct impact on the Company's business activity. The overall impact and possible indirect effects of the military conflict and subsequent sanctions on the Company's business and its revenues, which are directly affected by the development of market prices for gas and electricity, are currently unknown.

Company's management is not aware of any other events that have occurred since the balance sheet date.

Prague, 31 March 2022

Petr Koblic

Chairman of the Exchange Chamber

David Kučera

General Secretary (holder of procuration)

10. Auditor’s report on the financial statements and annual report

English translation

Independent auditor's report

to the shareholders of POWER EXCHANGE CENTRAL EUROPE, a.s.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of POWER EXCHANGE CENTRAL EUROPE, a.s., with its registered office at Rybná 682/14, Prague 1 (the "Company") as at 31 December 2021 and of the Company's financial performance for the year ended 31 December 2021 in accordance with Czech accounting legislation.

What we have audited

The Company´s financial statements comprise:

- the balance sheet as at 31 December 2021,
- the income statement for the year ended 31 December 2021,
- the statement of changes in equity for the year ended 31 December 2021, 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 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 auditor's report thereon.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the 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 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 controls.
- obtain an understanding of internal controls 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 controls.
- 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 notes, 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.

31 March 2022

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

Eva Loulová
Statutory Auditor, Licence No. 1981

Translation note

This version of our report is a translation from the original, which was prepared in the Czech language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the Czech version of our report takes precedence over this translation.

11. Contact information

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