

**NAFTA a.s.**

**INDEPENDENT AUDITOR'S REPORT  
AND CONSOLIDATED FINANCIAL  
STATEMENTS (PRESENTED  
IN ACCORDANCE WITH IFRS AS ADOPTED  
BY THE EU)**

**Year ended 31 December 2024**

**Company ID No. (IČO): 36 286 192**  
**Tax ID No. (DIČ): 2022146599**

## **CONTENTS**

	<b>Page</b>
<b>Independent Auditor's Report</b>	<b>2</b>
<b>Consolidated Financial Statements</b> <b>(presented in accordance with IFRS as adopted by the EU):</b>	
<b>Consolidated Statement of Financial Position</b>	<b>4</b>
<b>Consolidated Statement of Profit or Loss</b>	<b>5</b>
<b>Consolidated Statement of Other Comprehensive Income</b> <b>and Notes on Income Tax Related to Other Comprehensive Income</b>	<b>6</b>
<b>Consolidated Statement of Changes in Equity</b>	<b>7</b>
<b>Consolidated Statement of Cash Flows</b>	<b>8</b>
<b>Notes to the Consolidated Financial Statements</b>	<b>9 – 43</b>

## NAFTA a.s.

## INDEPENDENT AUDITOR'S REPORT

61E8787B2C5E0EED465AEC48F98B16E0

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

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### Opinion

We have audited the consolidated financial statements of NAFTA a.s. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit and loss, the consolidated statement of other comprehensive income and income tax note related to other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

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

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended, as amended (hereinafter the "Act on Statutory Audit") related to independence and ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to Notes 3.b, 3.f and 4 to the consolidated financial statements describing significant estimates made by Company management in relation to the fair value estimates for property, plant and equipment and related uncertainties. As stated in Notes 3.b, 3.f and 4, the Company updated the fair value estimates for property, plant and equipment, which resulted in a significant increase in the amount of non-current tangible assets as at 31 December 2024. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see [www.deloitte.com/sk/en/about](http://www.deloitte.com/sk/en/about) to learn more.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Report on Information Disclosed in the Consolidated Annual Report**

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

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

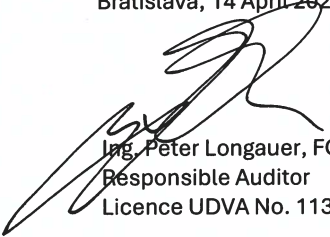
As at the issuance date of the auditor's report on the audit of consolidated financial statements, the consolidated annual report was not available to us.

When we obtain the consolidated annual report, we will assess whether the Group's annual report includes information whose disclosure is required under the Act on Accounting, and based on procedures performed during the audit of the consolidated financial statements, we will express an opinion on whether:

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

Furthermore, we will disclose whether material misstatements were identified in the consolidated annual report based on our understanding of the Group and its position, obtained in the audit of the consolidated financial statements.

Bratislava, 14 April 2025



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

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

**NAFTA a.s.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2024 and 31 December 2023**  
**(Thousands of EUR)**

	<i>Note</i>	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>ASSETS:</b>			
NON-CURRENT ASSETS:			
Property, plant and equipment	4	1 535 882	830 539
Right-of-use assets	13	7 435	7 203
Intangible and other assets		12 869	12 000
Investments in joint ventures	5	244 160	140 089
Other financial investments	6	5 357	6 116
Long-term loans provided	9	-	558
Total non-current assets		1 805 703	996 505
CURRENT ASSETS:			
Inventories	7	5 175	6 316
Trade and other receivables	8	14 430	17 220
Tax assets		24 895	-
Financial receivables from group companies	9,12	28 483	129 313
Cash and cash equivalents		170 918	121 181
Total current assets		243 901	274 030
<b>TOTAL ASSETS</b>		<b>2 049 604</b>	<b>1 270 535</b>
<b>EQUITY AND LIABILITIES:</b>			
EQUITY:			
Share capital	10	107 235	107 235
Treasury shares, at cost	10	(4 745)	(4 745)
Other capital funds	10	21 447	21 447
Translation reserve	10	(186)	(173)
Hedging derivatives reserve and other reserves	10	1 039	872
Revaluation reserve	10	1 067 441	446 561
Profit from previous years		155 810	136 680
Profit for the current year		117 805	175 324
TOTAL EQUITY		1 465 846	883 201
NON-CURRENT LIABILITIES:			
Long-term loans received	11	-	-
Provision for abandonment and restoration and other provisions	14	193 410	177 721
Retirement payments and other long-term employee benefits	15	14 496	14 488
Deferred tax liability	20.3	319 061	109 433
Financial liabilities	13	6 565	6 293
Deferred income		261	1 492
Other non-current liabilities	16	1 631	1 829
Total non-current liabilities		535 424	311 256
CURRENT LIABILITIES:			
Trade and other payables	16	27 686	35 256
Current provisions	14	4 619	7 458
Tax liabilities		14 889	32 233
Other financial liabilities	13	1 140	1 131
Total current liabilities		48 334	76 078
<b>TOTAL LIABILITIES</b>		<b>583 758</b>	<b>387 334</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2 049 604</b>	<b>1 270 535</b>

**NAFTA a.s.**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**for the year ended 31 December 2024 and 31 December 2023**  
**(Thousands of EUR)**

	<i>Note</i>	<i>Year ended 31 December 2024</i>	<i>Year ended 31 December 2023</i>
REVENUES:			
Natural gas storage revenues and hydrocarbon sales	23.1	273 526	369 382
Other revenues		9 360	8 165
Total revenues		<u>282 886</u>	<u>377 547</u>
OPERATING EXPENSES:			
Own work capitalised		2 291	4 466
Consumables and services		(41 757)	(50 040)
Personnel expenses	18	(36 576)	(38 176)
Depreciation and amortisation		(76 206)	(83 302)
Other operating income/(expenses), net	19.1	(329)	(3 375)
Total operating income/(expenses), net		<u>(152 577)</u>	<u>(170 427)</u>
FINANCE INCOME/(COSTS):			
Interest income		9 172	9 139
Interest expense		(5 121)	(6 937)
Income/(loss) from joint venture after tax	5	18 248	18 012
Other finance income/(costs), net	19.2	(542)	(274)
Total finance income/(costs), net		<u>21 757</u>	<u>19 940</u>
PROFIT BEFORE INCOME TAXES		<u>152 066</u>	<u>227 060</u>
INCOME TAXES	20	(34 261)	(51 736)
<b>NET PROFIT</b>		<u><b>117 805</b></u>	<u><b>175 324</b></u>



**NAFTA a.s.**  
**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**AND INCOME TAX NOTE RELATED TO OTHER COMPREHENSIVE INCOME**  
**for the year ended 31 December 2024 and 31 December 2023**  
**(Thousands of EUR)**

	<b>Note</b>	<b>Year ended 31 December 2024</b>	<b>Year ended 31 December 2023</b>
PROFIT FOR THE YEAR AFTER INCOME TAXES		117 805	175 324
OTHER COMPREHENSIVE INCOME			
<i>Items that may be reclassified subsequently to the statement of profit or loss:</i>			
Translation reserve		(13)	(29)
Hedging derivatives		-	(286)
Other comprehensive income/(loss) for the year before income taxes		(13)	(315)
Tax		-	60
Tax related to items of other comprehensive income/(loss)		-	60
<i>Items that will not be subsequently reclassified to the statement of profit or loss:</i>			
Revaluation reserve		865 320	(26 034)
Actuarial gains/(losses)		247	(602)
Other comprehensive income/(loss) for the year before income taxes		865 554	(26 636)
Tax		(182 759)	6 216
Tax effect of a change to the tax rate from 21% to 24% in Slovakia		(28 920)	-
Tax related to items of other comprehensive income/(loss)		(211 679)	6 216
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>771 680</b>	<b>154 649</b>

	<b>Year ended 31 December 2024</b>			<b>Year ended 31 December 2023</b>		
	<b>Before taxation</b>	<b>Tax</b>	<b>After taxation</b>	<b>Before taxation</b>	<b>Tax</b>	<b>After taxation</b>
Hedging derivatives	-	-	-	(286)	60	(226)
Revaluation reserve	865 320	(211 629)	653 691	(26 034)	6 051	(19 983)
Actuarial gains/(losses)	247	(50)	197	(602)	165	(437)
Translation reserve	(13)	-	(13)	(29)	-	(29)
<b>Total other comprehensive income for the year</b>	<b>865 554</b>	<b>(211 679)</b>	<b>653 875</b>	<b>(26 951)</b>	<b>6 276</b>	<b>(20 675)</b>

**NAFTA a.s.**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 31 December 2024 and 31 December 2023**  
**(Thousands of EUR)**

	<i>Share capital</i>	<i>Treasury shares, at cost</i>	<i>Other capital funds</i>	<i>Revaluation reserve</i>	<i>Translation reserve</i>	<i>Hedging derivatives reserve and other reserves</i>	<i>Profit from previous years</i>	<i>Profit for the current year</i>	<i>Total equity</i>
<b>At 1 January 2023</b>	<b>107 235</b>	<b>(4 745)</b>	<b>21 447</b>	<b>510 215</b>	<b>(144)</b>	<b>1 535</b>	<b>73 832</b>	<b>217 621</b>	<b>926 996</b>
Transfer of profit for the current year	-	-	-	-	-	-	217 621	(217 621)	-
Dividends*	-	-	-	-	-	-	(198 444)	-	(198 444)
Net profit for the year	-	-	-	-	-	-	-	175 324	175 324
Transfer of revaluation reserves	-	-	-	(43 671)	-	-	43 671	-	-
Other comprehensive income for the year	-	-	-	(19 983)	(29)	(663)	-	-	(20 675)
<b>At 31 December 2023</b>	<b>107 235</b>	<b>(4 745)</b>	<b>21 447</b>	<b>446 561</b>	<b>(173)</b>	<b>872</b>	<b>136 680</b>	<b>175 324</b>	<b>883 201</b>
Transfer of profit for the current year	-	-	-	-	-	-	175 324	(175 324)	-
Dividends*	-	-	-	-	-	-	(189 035)	-	(189 035)
Net profit for the year	-	-	-	-	-	-	-	117 805	117 805
Transfer of revaluation reserves	-	-	-	(33 021)	-	-	33 021	-	-
Other comprehensive income for the year	-	-	-	653 901	(13)	167	(180)	-	653 875
<b>At 31 December 2024</b>	<b>107 235</b>	<b>(4 745)</b>	<b>21 447</b>	<b>1 067 441</b>	<b>(186)</b>	<b>1 039</b>	<b>155 810</b>	<b>117 805</b>	<b>1 465 846</b>

\*Dividends in the amount of EUR 107 752 thousand were not paid out but were offset against a cash pooling receivable (31 December 2023: EUR 113 213 thousand).



**NAFTA a.s.**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the year ended 31 December 2024 and 31 December 2023**  
**(Thousands of EUR)**

	<b>Year ended 31 December 2024</b>	<b>Year ended 31 December 2023</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Profit before income taxes and minority interests	152 066	227 060
Adjustments to reconcile profit before income taxes to net cash provided by operating activities:		
Depreciation and amortisation	76 206	83 302
Interest income, net	(4 051)	(2 202)
Unrealised exchange rate differences	(1)	19
Loss allowances and provisions	4 509	10 228
Profit from the sale of non-current assets	(3 725)	(1)
Income from financial investments	(712)	(845)
Profit/(loss) from joint venture after tax	(18 248)	(18 012)
Retirement payments and other long-term employee benefits	676	1 281
Other non-cash items	(4 268)	(1 333)
Changes in assets and liabilities:		
Inventories	1 168	731
Trade and other receivables	2 867	68
Trade and other payables	(9 101)	(2 537)
Provision for abandonment and restoration and other provisions	(801)	(1 803)
Employee benefits	(835)	(921)
Operating cash flows, net	195 757	295 035
Interest received	8 961	6 074
Interest paid	(167)	(1 644)
Income tax	(78 540)	(82 509)
Net cash flows from operating activities	126 011	216 956
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Additions to non-current tangible and intangible assets	(15 093)	(24 133)
Proceeds from sale of non-current assets	4 971	2
Net change in financial investments	(83)	(2 945)
Dividends received	22 973	23 464
Net cash flows from investing activities	12 768	(3 612)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net change in loans and borrowings received	-	(43 500)
Net change in loans and borrowings provided	440	(1 259)
Net change in cash pooling	(7 500)	(215 610)
Dividends paid	(80 903)	(84 938)
Leasing payments	(1 078)	(1 091)
Net cash flows from financing activities	(89 041)	(346 398)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>49 738</b>	<b>(133 054)</b>
<b>NET CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>121 181</b>	<b>254 239</b>
<b>EXCHANGE RATE DIFFERENCES ON CASH AND CASH EQUIVALENTS</b>	<b>(1)</b>	<b>(4)</b>
<b>NET CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>170 918</b>	<b>121 181</b>

**1. GENERAL****1.1. Description of the Parent Company and the Group**

The NAFTA Group comprises the parent company, NAFTA a.s., and the companies defined in Notes 3d and 3e (hereinafter the "Group").

NAFTA a.s. is a joint stock company based in the Slovak Republic. The registered office of the Company is in Bratislava at Votrubova 1. The Company was established on 1 March 2006, and registered in the Commercial Registry of the Slovak Republic on 16 March 2006.

The Group is involved in the underground storage of natural gas, hydrocarbon exploration and production, and geological works. The underground storage of natural gas is the primary source of revenue. The storage services are offered under transparent and non-discriminatory principles. The Group provides storage services mainly in the form of seasonal flexibility (injecting natural gas into underground storage structures during the summer, which is consumed during the winter) and supports the security of supply. The Group stores gas for significant Slovak and international companies.

As at 31 December 2024, the parent company's shares were held by SPP Infrastructure, a.s. (56.2%, EUR 60 217 thousand), Czech Gas Holding Investment B.V. (40.4%, EUR 43 375 thousand), other minority shareholders (1.9%, EUR 2 050 thousand) and NAFTA (treasury shares 1.5%, EUR 1 593 thousand). Because the Company holds its own shares the share of voting rights is as following: SPP Infrastructure, a.s. 57.0%, Czech Gas Holding Investment B.V. 41.1% and minority shareholders 1.9%. The ultimate shareholders of SPP Infrastructure, a.s. are Energetický a průmyslový holding, a.s. ("EPH") holding a 34% share and management control, Slovenský plynárenský priemysel, a.s. ("SPP") holding a 51% share and a consortium of global institutional investors represented by Macquarie Infrastructure and Real Assets holding a 15% share. Czech Gas Holding Investment B.V. is controlled by EPH (through its subsidiary, EP Infrastructure, a.s.). An ultimate consolidating reporting entity of NAFTA a.s. is EP Investment S.à r.l.

**1.2. Legal Basis for Preparing the Financial Statements**

These consolidated financial statements have been prepared as the ordinary consolidated financial statements for the accounting period from 1 January until 31 December 2024 pursuant to Article 22 of Act No. 431/2002 Coll. on Accounting, as amended.

The accounting policies described in Note 3 were applied in preparing these consolidated financial statements and the comparatives stated in these consolidated financial statements.

**1.3. Approval of the 2023 Consolidated Financial Statements**

The consolidated financial statements of NAFTA a.s. for 2023 in accordance with International Financial Reporting Standards were approved by the Annual General Meeting held on 27 June 2024.

**1.4. Comparative Information for Previous Reporting Periods**

Some comparatives for the previous reporting periods were reclassified in order to comply with the current year's presentation.

## **2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS**

### ***New and amended IFRS Accounting Standards that are effective for the current year***

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

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

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

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

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

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

At present, IFRS Accounting Standards as adopted by the EU do not significantly differ from IFRS Accounting Standards issued by the International Accounting Standards Board (IASB), except for the following new accounting standards and amendments to the existing accounting standards, which were not adopted by the EU as at 14 April 2025:

- **Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments** issued by the IASB on 30 May 2024. The amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features. The amendments also clarify the date on which a financial asset or financial liability is derecognised and introduce additional disclosure requirements regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features.
- **Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity** issued by the IASB on 18 December 2024. The own-use requirements in IFRS 9 are amended to include the factors an entity is required to consider when applying IFRS 9:2.4 to contracts to buy and take delivery of renewable electricity for which the source of production of the electricity is nature-dependent. The hedge accounting requirements in IFRS 9 are amended to permit an entity using a contract for nature-dependent renewable electricity with specified characteristics as a hedging instrument to designate a variable volume of forecast electricity transactions as the hedged item if specified criteria are met and to measure the hedged item using the same volume assumptions as those used for the hedging instrument. The amendments to IFRS 7 and IFRS 19 introduce disclosure requirements for contracts for nature-dependent electricity with specified characteristics.

- **Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 – Annual Improvements to IFRS Accounting Standards – Volume 11** issued by the IASB on 18 July 2024. The amendments include clarifications, simplifications, corrections and changes in the following areas: (a) hedge accounting by a first-time adopter (IFRS 1); (b) gain or loss on derecognition (IFRS 7); (c) disclosure of deferred difference between fair value and transaction price (IFRS 7); (d) introduction and credit risk disclosures (IFRS 7); (e) lessee derecognition of lease liabilities (IFRS 9); (f) transaction price (IFRS 9); (g) determination of a 'de facto agent' (IFRS 10); (h) cost method (IAS 7).
- **IFRS 18 Presentation and Disclosures in Financial Statements** issued by the IASB on 9 April 2024 will replace IAS 1 Presentation of Financial Statements. This standard introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analysing and comparing companies. The main changes in the new standard compared with IAS 1 comprise: (a) The introduction of categories (operating, investing, financing, income tax and discontinued operations) and defined subtotals in the statement of profit or loss; (b) The introduction of requirements to improve aggregation and disaggregation; (c) The introduction of disclosures on Management-defined Performance Measures (MPMs) in the notes to the financial statements.
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** issued by the IASB on 9 May 2024. This standard permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements. IFRS 19 is optional for eligible subsidiaries and sets out the disclosure requirements for subsidiaries that elect to apply it.
- **IFRS 14 Regulatory Deferral Accounts** issued by the IASB on 30 January 2014. This standard is intended to allow entities that are first-time adopters of IFRS Accounting Standards and that currently recognise regulatory deferral accounts in accordance with their previous GAAP to continue to do so upon transition to IFRS Accounting Standards.
- **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures –Sale or Contribution of Assets between an Investor and its Associate or Joint Venture** issued by the IASB on 11 September 2014. The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.



**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***a. Basis of Accounting*

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted for use in the EU. IFRS as adopted for use in the EU do not currently differ from IFRS as issued by the International Accounting Standards Board (IASB), except for portfolio hedge accounting under IAS 39, which has not been approved by the EU. The Group has identified that portfolio hedge accounting under IAS 39 will have no material impact on consolidated financial statements if approved by the EU.

The financial statements were prepared under the historical cost convention, except for the revaluation of property, plant and equipment to fair value. The principal accounting policies adopted are set out below. The reporting and functional currency of NAFTA is the euro (EUR). These consolidated financial statements were prepared under the going-concern assumption.

The principal accounting policies adopted are set out below.

*b. Critical Accounting Judgements and Key Sources of Estimation Uncertainty*

In the process of applying the Group's accounting policies, which are described in this note, the Group has made the following judgements and key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year or that have the significant effect on the amounts recognised in the financial statements.

*(i) Energy Legislation Related to Natural Gas Storage and Price Regulation*

In the Slovak Republic, energy legislation as regards the gas industry is primarily represented by Act No. 251/2012 Coll. on Energy and Act No. 250/2012 Coll. on Regulation in Network Industries. The purpose of these laws is, inter alia, to ensure common rules for the internal market with natural gas. In accordance with the current energy legislation, the Company is required, inter alia, to provide non-discriminatory access to underground gas storage facilities and the use of natural gas storage services. Natural gas storage within the NAFTA Group was not subject to price regulation in 2024; however, legislative changes adopted in 2024 introduced price regulation for access to storage facilities and for gas storage as of 2025. In line with the applicable decree of the Regulatory Office for Network Industries, price regulation for access to storage facilities and for gas storage will be made by directly setting the maximum price for access to storage facilities and for gas storage based on comparing prices for access to storage facilities and for gas storage in the Slovak Republic with those in the EU Member States.

In Germany, energy legislation as regards the gas industry is primarily represented by the Energy Act and the applicable implementing decrees. Access to storage facilities is established based on the agreed access. In relation to Regulation (EU) 2022/1032 of the European Parliament and of the Council, in the Energy Act Germany established filling target levels for German gas storage facilities, including an obligation for storage system operators to offtake unused storage facility capacity from their customers and make it available to the market segment administrator.

*(ii) Revaluation of Property, Plant and Equipment*

As at 31 December 2024, property, plant and equipment are stated at fair value in accordance with the revaluation accounting model under IAS 16, representing their fair value as at the remeasurement date.

The Group opted to use this model as it believes that as a result, the financial statements will provide more reliable and relevant information about the Group's non-current assets used for natural gas storage.

The initial remeasurement was recognised as at 31 December 2022. The income approach was used to determine the fair value of cushion gas, while the cost approach was used to determine the fair value of other assets, taking into account the physical wear and tear of the assets and their technological and economic obsolescence.

As at 31 December 2024, the Group concluded that the remeasured values of property, plant and equipment need to be updated and performed a new remeasurement, as stated in Notes 3b, 3f and 4.

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

In accordance with the fair value estimates for property, plant and equipment under IFRS 13 as at 31 December 2024, the Group determined two different values using:

- (i) Cost approach of the relevant assets; and
- (ii) Income approach for the measurement of the business unit as a whole (ie the method of economic performance of assets).

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

*Cost approach:*

An independent expert performed the valuation of the Group's assets in line with the cost approach using the New Replacement Costs less Depreciation methodology, except for assets where the market approach could be applied (eg an administration building and land).

When determining the fair value of individual components of assets measured in 2022 using the cost approach, the expert used the indexation of values obtained from the initial remeasurement of assets as at 31 December 2022, where a detailed analysis was performed and the physical wear and tear of the assets and their technological and economic obsolescence were taken into account. The expert determined the value of assets previously measured using the income approach (cushion gas) using the cost approach based on the gas forward price.

*Income approach:*

The Group also used the method of economic performance of assets to determine the fair value of assets. This method requires that the companies make significant judgements and choose appropriate calculation input estimates.

The income approach is based on long-term plans approved by Company management. These plans are based on the assumption that the demand for storage capacity will remain at the same level in the medium- and long-term, taking into account the existing and expected position of natural gas in the overall energy mix.

For tests of the economic performance of assets, the Group assumes that gas storage facilities will have a significant role in ensuring the flexibility and safety of natural gas supplies in Slovakia, Germany, and the EU. In light of the above, during the undertaken tests the Group expects to regularly allocate all of its available storage capacity determined based on tender results and will thus ensure transparent and non-discriminatory access to storage capacity. For the undertaken tests of the economic performance of assets, the Group used the market price levels determined by an independent expert based on the mathematical-statistical models, which are expected to be achieved in transparent tenders.

Based on the comparison of the above approaches, the Group concluded that the measurement of its property, plant and equipment as at 31 December 2024 using the lower of the values determined by (i) the cost approach and (ii) the income approach represents their fair value most truly and fairly.

Based on this methodology, individual companies measured the respective assets as follows:

- Parent company: using the cost approach, which was 17% lower than the value of assets determined using the income approach;
- German companies: using the income approach, which was 10% lower than the value of assets determined using the cost approach;
- Pozagas: using the income approach, which was 15% lower than the value of assets determined using the cost approach. Pozagas is included in the Group's consolidated financial statements using the equity method, as stated in Note 5.
- 

The values recognised as at 31 December 2023 were estimated using a different method, which combined the income and cost approaches. As a result, the year-on-year values are not directly comparable.



**Key judgements related to fair value measurement of property, plant and equipment in Slovakia**

When determining the fair value of individual components of assets, the expert used the indexation of values obtained from the initial remeasurement of assets as at 31 December 2022, where a detailed analysis was performed and the physical wear and tear of the assets and their technological and economic obsolescence were taken into account.

For the indexation of values, indices obtained from Eurostat and Slovstat were used. To determine the fair value of cushion gas, forward prices obtained from Trading Hub Europe were used.

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

	<b>Effect on fair value of assets (in EUR '000)</b>
Fair value determined using the cost approach as at 31 December 2024	1 183 010
Cushion gas – change in the gas forward price per MWh by 5%	30 567
Other remeasured assets – change in the price of other assets by 5%	27 092

**Key judgements related to fair value measurement of property, plant and equipment in Germany**

When calculating economic performance, the Company used average weighted costs of own capital and/or a 7.60% discount rate, which is comparable to discount rates applied in the industry. The discount rate calculation was determined by an independent external expert.

When estimating natural gas prices, for which cushion gas can be extracted and realised in the period from 2047 to 2050, the Company used its expectation of the development in forward prices of natural gas (the expectation is in line with the expected development in natural gas prices on international markets for 2025-2029 ranging from EUR 29.5 to EUR 38.0 per MWh and the subsequent growth factor and/or expected inflation at 2% p.a.). The future development in natural gas prices is affected by several factors beyond the Company's control, including geopolitical and demand-supply factors.

The new remeasurement presented in these consolidated financial statements resulted in a significant increase in the value of property, plant and equipment as at 31 December 2024. Refer to Note 3c for additional information. This increase in asset value in 2024 reflects the positive impact of gas storage market stabilisation and positive information derived from sale transactions of companies operating gas storage facilities in 2023 and 2024.

There are uncertainties related to future economic conditions, changes in technology and the business environment in the industry, which may lead to future possible adjustments of the estimated remeasured values and useful lives of assets that may significantly change the reported financial position, equity and profit.

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

		<b>WACC</b>		
		6.60%	7.60%	8.60%
<b>Inflation</b>	1.50%	20 757	(16 000)	(47 520)
	2.00%	39 309	0	(33 660)
	2.50%	59 529	17 412	(18 604)

**(iii) Estimated Useful Lives**

The estimated useful lives of non-current asset items are subject to Company management's judgement, based on its experience with similar assets. When determining the useful lives of assets, management takes into account the expected usage based on estimates of use, estimated technical obsolescence, physical wear and tear and physical environment where the assets are operated. Changes to any of these conditions or estimates may result in adjustments to future depreciation rates.

**(iv) Legal Disputes**

With respect to legal disputes, management estimates a probable loss, which may result in certain finance costs. In making this assessment, the Group relies on the advice of external legal counsel, the latest available information on the status of the court proceedings, and an internal evaluation of the likely outcome. Details of the individual legal cases are included in Note 23.2.

*(v) Provision for Abandonment and Restoration*

These financial statements include significant amounts as a provision for abandonment and restoration of storage, other and production wells and sites. The provision is based on estimates of the future costs and is also significantly impacted by the estimate of the timing of cash flows and the Group's estimate of the discount rate used. The provision takes into account the costs estimated for the abandonment of storage, other and production wells and sites and for the restoration of sites to their original condition based on previous experience and estimates of costs. In 2021, the Group prepared a new detailed estimate of abandonment and restoration. Refer to Note 14 for further details.

*(vi) Unaudited Subsidiaries and Associate Undertakings*

Certain subsidiaries and associate undertakings included in these consolidated financial statements were not audited. Unaudited subsidiaries represent less than 1% of the total consolidated assets, liabilities, income and expenses.

*c. Basis of Consolidation*

NAFTA consolidates the financial statements of all significant subsidiaries.

Business undertakings in which NAFTA, directly or indirectly, has an interest of usually more than one-half of the voting rights or otherwise has the power to exercise control over the operations, are defined as subsidiary undertakings ("subsidiaries") and their financial statements have been consolidated using full consolidation method. Subsidiaries are consolidated from the date on which effective control is transferred to NAFTA and are no longer consolidated from the date when such control ceases.

All transactions, balances, and unrealised surpluses and deficits on transactions within the NAFTA Group have been eliminated upon consolidation.

Minority interests of other investors in the net assets of consolidated subsidiaries are identified as a separate item in the equity in accordance with IFRS 3. Minority interests represent the other investors' proportionate share of the fair value at the acquisition date of the assets and liabilities of the relevant subsidiary, amended for the minority's share of subsequent profits and losses. Losses arising on minority interest exceeding the amount of the minority interest in the equity of the subsidiary are incorporated in NAFTA's equity. Since the Company owns 100% of the consolidated subsidiaries, there are no non-controlling interests of minority shareholders in the net assets as at 31 December 2024.

*d. Subsidiaries and Business Combinations*

Business undertakings in which NAFTA, directly or indirectly, has an interest of more than one-half of the voting rights or otherwise has the power to exercise control over their operations, are defined as subsidiary undertakings ("subsidiaries").

The acquisition of subsidiaries is accounted for using the purchase method.

Goodwill arising on consolidation is recognised as an asset and represents the positive difference between acquisition cost of a business combination and the share of the NAFTA Group's interest in the net realisable value of the identifiable assets, liabilities, and contingent liabilities recognised. The negative difference between the acquisition cost of a business combination and the share of the NAFTA Group's interest in the net realisable value of the identifiable assets, liabilities, and contingent liabilities is recognised immediately in profit or loss.

Goodwill is initially recorded at cost and is subsequently measured at cost less accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if there is an indication that it may be impaired. An impairment loss recognised for goodwill is not reversed in a subsequent period.

**NAFTA a.s.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2024**  
**(Thousands of EUR)**

The following subsidiaries have been consolidated:

<i><b>Name of Company</b></i>	<i><b>Seat</b></i>	<i><b>Principal activity</b></i>	<i><b>Effective ownership</b></i>	<i><b>Ownership status</b></i>
NAFTA E&P Holding Company a.s.	Mlynské nivy 44/c, Bratislava, Slovak Republic	holding company	100%	subsidiary
NAFTA Production s.r.o.	Mlynské nivy 44/c, Bratislava, Slovak Republic	exploration and production	100%	subsidiary of NAFTA E&P Holding Company a.s.
NAFTA International B.V.	Schiphol Boulevard 477, Toren C-4, 1118 BK Schiphol, Netherlands	holding company	100%	subsidiary
NAFTA RV	04116, Kyiv, Starokyivska, 10-G, Ukraine	exploration and production	100%	subsidiary of NAFTA International B.V.
NAFTA Germany GmbH	Moos 7, 83135 Schechen, Germany	holding company	100%	subsidiary of NAFTA International B.V.
NAFTA Speicher Management GmbH	Moos 7, 83135 Schechen, Germany	general partner	100%	subsidiary of NAFTA Germany GmbH
NAFTA Speicher GmbH & Co. KG	Moos 7, 83135 Schechen, Germany	natural gas storage	100%	subsidiary of NAFTA Germany GmbH
NAFTA Speicher Inzenham GmbH	Moos 7, 83135 Schechen, Germany	natural gas storage	100%	subsidiary of NAFTA Speicher GmbH & Co. KG
Slovakian Horizon Energy, s.r.o.	Mlynské Nivy 44/c, Bratislava, Slovak Republic	exploration and production	100%	subsidiary

The following subsidiaries are recognised in consolidated financial statements at cost, as using the full method of consolidation would not have had a significant impact on the consolidated financial statements:

<i><b>Name of Company</b></i>	<i><b>Seat</b></i>	<i><b>Effective ownership</b></i>	<i><b>Principal activity</b></i>
Karotáž a cementace, s.r.o.	Velkomoravská 83, 695 01 Hodonín, Czech Republic	100%	logging and cementation
CNG Holdings Netherlands B.V.	Schiphol Boulevard 477, 1118BK Schiphol, Netherlands	100%	holding company
CNG LLC	5th km, Taynya street, Vovkove, Uzgorod, 89452 Ukraine	100%	exploration and production

In 2024, the following changes were made:

- NAFTA established a subsidiary, NAFTA E&P Holding Company, a.s., in which it holds a 100% share,
- NAFTA E&P Holding Company, a.s. established a subsidiary, NAFTA Production s.r.o. As a result, NAFTA obtained a 100% ownership of the said company,
- NAFTA Germany GmbH and NAFTA Bavaria GmbH merged,
- NAFTA Services s.r.o. (subsidiary) was deconsolidated as at 31 December 2024 due to its liquidation.



**NAFTA a.s.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2024**  
**(Thousands of EUR)**

---

In 2023, the following changes were made:

- The Company acquired a 49% share in Karotáž a cementace, s.r.o., thus acquiring a 100% ownership in the company.

In accordance with Note 3f, the Company created a 100% loss allowance for financial investments in CNG Holdings Netherlands B.V. and CNG LLC.

*e. Investments in Associates and Joint Ventures*

Associates and joint ventures are companies where NAFTA has, directly or indirectly, a substantial, but not controlling influence.

Investments in associates and joint ventures are accounted for using the equity method.

Associates are such entities over which NAFTA has between 20% and 50% of the voting rights, and over which NAFTA has the power to exercise significant influence, but which it does not control. Joint ventures are entities in which NAFTA has jointly controlled interest. Loss allowances are recorded for long-term impairment.

The equity method of accounting involves recognising in the Group's statement of profit or loss and other comprehensive income the share of profit or loss after tax of its associates and joint ventures and the share of the revaluation reserve. The interest of the Group in associates and joint ventures is recognised in the statement of financial position in the amount that reflects its share of the net assets of the associates and joint ventures and includes goodwill on acquisition.

The following joint ventures have been recognised using the equity method:

<i><b>Name of Company</b></i>	<i><b>Seat</b></i>	<i><b>Principal activity</b></i>	<i><b>Effective ownership</b></i>
POZAGAS a.s.	Malé námestie 1, 901 01 Malacky, Slovak Republic	natural gas storage	65%

*f. Property, Plant and Equipment and Intangible Assets*

As at 31 December 2024, property, plant and equipment were recognised in the statement of financial position at remeasured value representing their fair value as at the remeasurement date, less accumulated depreciation and subsequent accumulated impairment losses, in accordance with the revaluation accounting model under IAS 16.

When estimating fair values, the Group adheres to the IFRS 13 requirements. Fair values are determined with sufficient regularity to ensure the net book value of assets does not significantly differ from the value that would be recognised as at the reporting date using fair values.

The initial remeasurement was recognised as at 31 December 2022. The Group performed a subsequent remeasurement as at 31 December 2024. The procedure applied to determine estimated fair values and related uncertainties are described in Note 3b.

The remeasurement as at 31 December 2024 resulted in an increase in the value of remeasured assets by EUR 757 236 thousand, an increase in a deferred tax liability by EUR 182 709 thousand, an increase in the revaluation reserve in equity, as well as in a decrease in the value of property, plant and equipment by EUR 11 755 thousand recognised in the statement of profit or loss under Depreciation, amortisation and impairment losses, net, and in a decrease in a deferred tax liability by EUR 3 140 thousand.

As at 31 December 2024, property, plant and equipment in the joint venture, Pozagas, were remeasured, resulting in an increase in the value of a joint venture investment by EUR 108 085 thousand and an increase in the revaluation reserve in equity in these financial statements by EUR 108 085 thousand.

Any revaluation increase arising on the revaluation of property, plant and equipment is credited to the assets revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss in the previous period, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the net book value arising on the revaluation of such property, plant and equipment is charged as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the assets revaluation reserve relating to a previous revaluation of that asset. Depreciation on revalued property, plant and equipment is recognised as an expense in profit

or loss. On the subsequent sale or disposal of a revalued asset, the attributable revaluation surplus remaining in the asset revaluation reserves is transferred directly to retained earnings.

Intangible assets are recognised at cost less accumulated amortisation and accumulated impairment losses.

For wells and sites, the estimated cost of dismantling and removing the asset and restoring the site ("dismantling asset") are stated at the initial recognition at the present value based on discounted future cash flows. Changes in the provision for abandonment and restoration as a result of changes in the estimated timing of cash flows and discount rates are credited or debited, with a counter-entry, to the dismantling asset.

Production wells and related sites are depreciated over the life of the proved producible reserves on a unit-of-production basis. Other items of property, plant and equipment are depreciated on the straight-line basis over estimated useful lives.

The estimated useful lives for the major classifications of property, plant, and equipment and intangible non-current assets are as follows:

	<b>Year ended</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
Buildings, halls and structures used in natural gas storage	40 – 80 years	40 – 80 years
Cushion gas	1 000 years	1 000 years
Other buildings, halls and structures	25 – 40 years	25 – 40 years
Machines and equipment used in natural gas storage	4 – 40 years	4 – 40 years
Other machines, equipment and vehicles	4 – 30 years	4 – 30 years
Intangible assets	4 – 30 years	4 – 30 years

Expenditures related to hydrocarbon reserves exploration are accounted for in accordance with the successful effort method. Under this method, exploration expenditures (exploration wells) are capitalised into assets under construction when incurred and certain expenditures, such as geological and geophysical exploration costs, are expensed. A review is carried out at least annually, on a field-by-field basis, to ascertain whether proven reserves have been confirmed. When proven reserves are determined and production commenced, the relevant expenditures are transferred from assets under construction to the relevant category of property, plant, and equipment. The loss allowance in the full amount is created for exploration wells.

Gains and losses on the disposal of property, plant, and equipment are fully recognised in the statement of profit or loss.

Expenditures relating to the items of property, plant, and equipment after they are put into use are added to the carrying amount of the asset when they meet criteria for the recognition of property, plant, and equipment, and the Group may expect future economic benefits, in excess of the original performance. All other subsequent expenditures are treated as repairs and maintenance and are expensed in the period in which they are incurred.

Intangible assets primarily include a connection fee to the transmission system related to the project Gajary – Baden.

*g. Cushion Gas*

Cushion gas represents gas needed to run the underground reservoirs of natural gas. Its permanent production would affect the operability of underground reservoirs. The cushion gas is recognised at remeasured values as per Note 3b as part of land, buildings and structures.

*h. Financial Assets*

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

The Group presents in financial assets the following financial instruments: cash and cash equivalents, trade receivables, loan receivables with fixed or variable payments, investments in subsidiaries which are not consolidated due to insignificance, other financial investments and derivative financial instruments.

The Group recognises the following categories of financial assets:

*Financial assets subsequently measured at amortised cost*

Financial assets are subsequently measured at amortised cost using the effective interest rate method less any impairment and include cash and cash equivalents, trade receivables, loan receivables with fixed or variable payments and investments in subsidiaries.

Interest income is recognised by applying the effective interest rate, except for current receivables when the recognition of interest would be immaterial.

*Financial assets subsequently measured at fair value through profit or loss (FVTPL)*

Financial assets subsequently measured at fair value through profit or loss and revaluation gains and losses are included in Other finance income/(costs), net in the statement of profit or loss. The Group includes in this category other financial investments and derivative financial instruments.

Dividends, when representing a return on such investments, are recognised in profit or loss as Other finance income/(costs), net when the right to receive payments is established and the receipt of such funds is probable.

*(1) Cash and Cash Equivalents*

Cash and cash equivalents consist of cash in hand and balances with banks, and highly liquid investments with insignificant risk of changes in value and original maturities of three months or less at the date of acquisition.

*(2) Derivative Financial Instruments*

The Group enters into a number of derivative contracts in order to manage the risk of changes in commodity prices and interest rates.

Derivative financial instruments are contracts: (i) whose value changes in response to a change in one or more identifiable variables; (ii) that require no significant net initial investment; and (iii) that are settled at a certain future date.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

*Hedge Accounting*

The Group designates hedging instruments that include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

*Cash Flow Hedges*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in other comprehensive income and accumulated in equity are recognised as follows:

- If an expected hedged transaction subsequently leads to the recognition of a non-financial asset or a non-financial liability, or if a forecast hedged transaction with a non-financial asset or a non-financial liability becomes a firm commitment, the amounts accumulated in other comprehensive income are derecognised and directly included in the initial measurement of such an asset or a liability.
- For other instances, amounts accumulated in other comprehensive income are reclassified from the hedging reserve to profit or loss in the periods when the hedged item is recognised in profit or loss in the same income statement line as the recognised hedged item.



Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

#### Impairment of Financial Assets

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

As at 31 December 2024 and 31 December 2023, the Group assessed the impairment of loan receivables from borrowings provided to the Group (refer to Note 9) and except for receivables in accordance with Note 3f concluded that the 12-month expected credit losses approximated zero given the low risk of default and expected loss, and given the method of settling the borrowing by offsetting against the payable from dividends paid.

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

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

#### Derecognition of Financial Assets

The Group derecognises a financial asset only when the contractual rights to cash flows from the asset expire or when it transfers the financial asset and all substantial risks and rewards of ownership of the asset to another entity.

##### *i. Fair Value Estimates*

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

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

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

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

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

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

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

As at 31 December 2024, the Group recognised the following items at fair value:

- Property, plant and equipment (Note 3b, 3f, 4) – Level 3
- Derivative financial instruments (Note 24) – Level 2
- Financial assets at fair value through profit or loss (Note 6) – Level 3

*j. Inventories*

Raw materials and supplies are stated at the lower of cost or net realisable value. Cost includes raw materials, other direct costs and related overheads. Net realisable value is an estimate of the selling price in the ordinary course of business, less selling expenses.

*k. Accruals and Deferrals*

Expenses and liabilities are recorded in the accounting records and reported in the financial statements of the periods to which they relate.

*l. Financial Liabilities*

Financial liabilities are classified as either financial liabilities at amortised costs or financial liabilities 'at fair value through profit or loss' (FVTPL).

The Group only recognises financial liabilities in category "Financial liabilities at amortised costs". Financial liabilities at amortised costs (including borrowings) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

*m. Provisions*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The Group estimates costs relating to the abandonment of its wells (including related sites and pipelines) and any related restoration costs. Estimated abandonment and restoration costs are based on current legislation, technology, and price levels. The provision for abandonment and restoration is measured in an amount that includes all anticipated future costs related to abandonment and restoration discounted to their present value and reflecting the inflation. The discount rate used reflects current market assessments of the time value of money and the risks specific to the liability.

*n. Revenue Recognition*

The Group records revenues from the underground storage of natural gas, revenues from the sale of hydrocarbons and other activities on the accrual basis. Revenue is measured at the fair value of the consideration received or receivables and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and value added tax. The Group recognises revenues from the underground gas storage and revenues from the sale of natural hydrocarbons in one segment due to the relatively low share of revenues from sales of natural hydrocarbons in this segment and total operating income.

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

Revenues from the sale of hydrocarbons are recognised when the commodity is transferred to the customer at the fair value of the consideration received or receivable.

Revenues from other services include, in particular, revenues from operator services related to the storage of natural gas that are recognised in the course of providing the service to the customer and revenues related to drilling and workover that are recognised as revenue during the service delivery according to the level of completion.

*o. Current and Deferred Income Taxes*

Income taxes in Slovakia are provided on accounting profit as determined under the applicable legislation at a rate of 21%, after adjustments for certain items for taxation purposes. Taxation for other jurisdictions is calculated at rates prevailing in the respective jurisdictions. As required by International Financial Reporting Standards, income tax also includes a special levy on business in regulated industries. Refer also to Note 20.

Under applicable legislation, the Company is required to pay a monthly special levy on business in regulated industries. The levy rate for 2024 is 0.00363 per month and the levy amount is calculated from the profit/loss determined in accordance with Slovak Accounting Standards.

Deferred income tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is recognised in the statement of profit or loss, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also recorded in equity. Due to a change in the tax rate valid from 1 January 2025, the deferred tax balance as at 31 December 2024 is recalculated using the tax rate of 24% valid in the Slovak Republic and 27% valid in Germany (31 December 2023: 21% and 27%, respectively).

The most significant temporary differences arise as a result of differences between net tax value and the net book value of property, plant, and equipment and due to the provision for abandonment and restoration. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax is also recognised in the case of temporary differences arising on investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference cannot be controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred special levy on business is recognised from temporary differences between the net book value of assets and liabilities and the amount of assets and liabilities recognised in accordance with Slovak Accounting Standards. The deferred special levy on business is calculated by applying the special levy rate that is expected to apply to the period when the relevant asset is expected to be realised or the liability settled. The deferred special levy is recognised in the income statement. The annual rate of the special levy on business used to recalculate the deferred special levy is 4.356%.

The most significant temporary differences arise as a result of differences between the net book value of property, plant and equipment determined under International Accounting Standards and their amount determined under Slovak Accounting Standards.

The Group is a member of a multinational group of companies (the EPH Group) which has been, since 2024, subject to new rules on a minimum 15% rate of taxation for multinational groups implemented in line with the BEPS 2.0 Pillar II rules. The Pillar II rules stipulate that if the effective tax rate (calculated as the ratio of adjusted accounting profit/loss and adjusted corporate income tax in the respective jurisdiction) in the jurisdictions where the Group operates falls below 15%, the Group is required to pay a top-up tax to achieve the minimum 15% rate.

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

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

*p. Transactions in Foreign Currencies*

Transactions in foreign currencies are translated at the exchange rate in effect on the day of the transaction. Resulting exchange differences are recognised as an expense or as income in the statement of profit or loss. At the reporting date, assets and liabilities denominated in foreign currencies are converted to EUR using the exchange rates of the European Central Bank on the reporting date.

Unrealised gains and losses due to fluctuations in exchange rates are fully recognised in the statement of profit or loss.



On consolidation, the assets and liabilities of the Company's foreign subsidiaries are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising are classified as equity and transferred to the Company's exchange differences reserve. Such exchange differences are recognised as income or as expenses in the period in which the subsidiary is disposed of.

*q. Borrowing Costs*

Borrowing costs are recognised as expenses in the period in which they are incurred, except for borrowing costs directly attributable to the acquisition, construction or production of qualifying non-current assets. Such costs are recognised in cost until the relevant assets are put into use.

*r. Social Security and Pension Schemes*

Contributions are made to the government's health, retirement benefit and unemployment schemes at the statutory rates in force during the year, based on gross salary payments. The cost of social security payments is charged to the statement of profit or loss in the same period as the related salary cost. The Group has no obligation to contribute to these schemes beyond the statutory rates in force. The Group also makes contributions to a supplementary pension fund for employees.

*s. Retirement Payments and Other Long-term Employee Benefits*

The Group operates un-funded long-term defined benefit programmes comprising lump-sum post-employment. According to IAS 19, employee benefits costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the statement of profit or loss so as to spread the regular cost over the service lives of employees. The benefit obligation is measured as the present value of the estimated future cash outflows discounted by the market yields on government bonds, the maturity term of which approximates the term of the related liability. Changes in the reserve due to changes in actuarial estimates are recognised in the statement of other comprehensive income.

*t. Leases*

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability in accordance with IFRS 16 with respect to lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease or another systematic basis.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and loss allowances.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

*u. Emission Rights*

Emission quotas issued free of charge are accounted at zero book value. Transactions that have been made on the market are recorded at cost. The liabilities resulting from potential differences between available emission quotas and emission quotas to be delivered are accounted for as a liability, at fair market value.

*v. Government and European Union Grants*

Grants are not recognised until there is reasonable assurance that (i) the Group will comply with the conditions associated with receiving the grants, and (ii) the grants will be received.

Grants are recognised in the statement of profit or loss on a systematic basis over the periods in which the Group has recognised costs that are intended to be compensated by the grants. Specifically, government grants the primary condition of which is that the Group should purchase, construct, or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and accounted in the profit or loss on a systematic and rational basis over the economic useful lives of the related assets.

**NAFTA a.s.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2024**  
**(Thousands of EUR)**

**4. PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment comprise the following:

<i>Year ended 31 December 2023</i>	<i>Land, buildings &amp; structures</i>	<i>Plant, machinery &amp; equipment</i>	<i>Dismantling assets</i>	<i>Assets under construction</i>	<i>Total</i>
<b>Carrying amount as at 1 January 2023</b>	<b>488 987</b>	<b>366 246</b>	<b>40 436</b>	<b>11 978</b>	<b>907 647</b>
Additions	-	-	-	16 474	16 474
Transfers	2 426	8 531	-	(10 957)	-
Disposals	(198)	(237)	(45)	-	(480)
Depreciation	(35 346)	(32 392)	(2 959)	-	(70 697)
Exchange rate differences	-	(1)	-	-	(1)
Changes to provisions recognised in assets	-	-	10 913	-	10 913
(Creation)/Reversal of loss allowance in profit or loss	(42)	(64)	(4 700)	(4 598)	(9 404)
(Creation)/Reversal of loss allowance in equity	(12 530)	(11 383)	-	-	(23 913)
<b>Carrying amount as at 31 December 2023</b>	<b>443 297</b>	<b>330 700</b>	<b>43 645</b>	<b>12 897</b>	<b>830 539</b>
Fair value of assets (gross) as per most recent revaluation	491 195	374 346	51 303	17 495	934 339
Accumulated depreciation and loss allowances since most recent revaluation	(47 898)	(43 646)	(7 658)	(4 598)	(103 800)
<b>Carrying amount as at 31 December 2023</b>	<b>443 297</b>	<b>330 700</b>	<b>43 645</b>	<b>12 897</b>	<b>830 539</b>
<b>Net book value using historical cost as at 31 December 2023</b>	<b>126 864</b>	<b>152 772</b>	<b>43 645</b>	<b>12 897</b>	<b>336 178</b>



**NAFTA a.s.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2024**  
**(Thousands of EUR)**

<i>Year ended 31 December 2024</i>	<i>Land, buildings &amp; structures</i>	<i>Plant, machinery &amp; equipment</i>	<i>Dismantling assets</i>	<i>Assets under construction</i>	<i>Total</i>
<b>Carrying amount as at 1 January 2024</b>	<b>443 297</b>	<b>330 700</b>	<b>43 645</b>	<b>12 897</b>	<b>830 539</b>
Additions	1 781	596	-	10 918	13 295
Transfers	3 125	7 730	-	(10 855)	-
Disposals	(828)	(75)	-	(1 159)	(2 062)
Depreciation	(25 451)	(29 842)	(2 712)	-	(58 005)
Exchange rate differences	-	(1)	-	-	(1)
Changes to provisions recognised in assets	-	-	10 312	-	10 312
Changes to measurement due to revaluation through revaluation reserves	627 214	130 022	-	-	757 236
Changes to measurement due to revaluation through profit or loss	(11 432)	(323)	(1 759)	(1 918)	(15 432)
<b>Carrying amount as at 31 December 2024</b>	<b>1 037 706</b>	<b>438 807</b>	<b>49 486</b>	<b>9 883</b>	<b>1 535 882</b>
Fair value of assets (gross) as at 31 December 2024	1 037 706	438 807	49 486	9 883	1 535 882
Accumulated depreciation and loss allowances as at 31 December 2024	-	-	-	-	-
<b>Carrying amount as at 31 December 2024</b>	<b>1 037 706</b>	<b>438 807</b>	<b>49 486</b>	<b>9 883</b>	<b>1 535 882</b>
<b>Net book value using historical cost as at 31 December 2024</b>	<b>126 593</b>	<b>149 845</b>	<b>49 486</b>	<b>9 883</b>	<b>335 807</b>

The classification of fair value measurement levels of property, plant and equipment in the amount of EUR 1 535 882 thousand: Level 3 (31 December 2023: EUR 830 539 thousand: Level 3) (Note 3i).

As at 31 December 2024, the Group performed a subsequent remeasurement of property, plant and equipment to fair value in line with IAS 16. Refer to Notes 3b and 3f for additional information.

The carrying amount of assets under construction is as follows:

	<i>Year ended</i>	
	<i>31 December 2024</i>	<i>31 December 2023</i>
Exploration wells	-	-
Other	9 883	12 897
<b>Total</b>	<b>9 883</b>	<b>12 897</b>

As at 31 December 2024, the revaluation model under IAS 16 was applied for assets under construction.

As at 31 December 2023, the Group created a loss allowance for exploration wells, whose success was uncertain or which were impaired, and for facilities whose construction was suspended. As at 31 December 2024, the exploration wells are recognised at fair value as stated in Note 3c. In 2024, the Group capitalised the costs of geological exploration for hydrocarbon reserves in the amount of EUR 1 679 thousand (31 December 2023: EUR 3 603 thousand).

The cost of fully depreciated items of property, plant and equipment that were still in use as at 31 December 2024 amounts to EUR 0 thousand due to the application of the revaluation model under IAS 16 (31 December 2023: EUR 1 767 thousand).

The net book value of property, plant and equipment that are temporarily unused amounts to EUR 0 thousand (31 December 2023: EUR 1 219 thousand), for which a loss allowance of EUR 0 thousand (31 December 2023: EUR 1 219 thousand) was created; thus, such items are stated at a zero net book value as at 31 December 2024 and 31 December 2023.

The Group's non-current tangible assets are insured against all significant risks under the "ALLRISK" insurance policy. The insured amount is EUR 1 365 918 thousand.

As at 31 December 2024 and 31 December 2023, the Group had no limited right to handle non-current tangible assets.

## 5. INVESTMENTS IN JOINT VENTURES

NAFTA has a substantial influence in the following companies. Refer also to Note 3e:

<i>Name of Company</i>	<i>Seat</i>	<i>Effective interest</i>	<i>Principal activity</i>
POZAGAS a.s.	Malé námestie 1, Malacky, Slovak Republic	65%	natural gas storage

POZAGAS a.s. is controlled by SPP Infrastructure, a.s., and thus, NAFTA recognises the investment using the equity method.

The revaluation accounting model under IAS 16 (Note 3f) was also applied in the measurement of investments in joint ventures.

	<i>31 December 2024</i>	<i>31 December 2023</i>
Cost of acquisition including goodwill:	22 033	22 033
Share of post-acquisition profit, net of dividends received:	47 854	48 203
Revaluation surplus	174 273	69 853
<b>Net book value</b>	<b>244 160</b>	<b>140 089</b>

**NAFTA a.s.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2024**  
**(Thousands of EUR)**

The following amounts represent the NAFTA Group's share of the assets, liabilities, revenues, and expenses of POZAGAS:

	<i>Year ended</i>	
	<i>31 December 2024</i>	<i>31 December 2023</i>
Non-current assets	261 745	110 299
Current assets	63 075	67 086
	<u>324 820</u>	<u>177 385</u>
Non-current liabilities	(77 451)	(32 739)
Current liabilities	(3 209)	(4 557)
	<u>(80 660)</u>	<u>(37 296)</u>
<b>Net assets</b>	<b><u>244 160</u></b>	<b><u>140 089</u></b>
Revenues	37 156	50 449
Profit/(loss) before tax	28 710	23 567
Income tax including deferred tax	(10 462)	(5 555)
<b>Profit /(loss) after tax</b>	<b><u>18 248</u></b>	<b><u>18 012</u></b>
Other comprehensive income	108 085	-
<b>Total comprehensive income for the year</b>	<b><u>126 333</u></b>	<b><u>18 012</u></b>

## 6. OTHER FINANCIAL ASSETS

Other financial assets comprise the following financial investments:

	<i>Year ended</i>	
	<i>31 December 2024</i>	<i>31 December 2023</i>
Non-consolidated subsidiaries	2 660	2 660
Other financial investments	2 697	3 456
<b>Total other financial assets</b>	<b><u>5 357</u></b>	<b><u>6 116</u></b>

Financial investments comprise the following shareholdings:

<i>Name of Company</i>	<i>Seat</i>	<i>Effective ownership</i>	<i>Principal activity</i>
EP Ukraine B.V.	Schiphol Boulevard 477, Toren C-4, 1118 BK Schiphol, Netherlands	10%	exploration and production
EP Hungary s.r.o.	Pařížská 130/26, Josefov, 110 00 Praha 1, Czech Republic	10%	holding company
EP Lower Saxony GmbH	Triftstraße 25, 31249 Hohenhameln, Germany	10%	exploration and production
HHE GroupVentures Kft.	1026 Budapest, Pasaréti út 46., Hungary	5%	holding company
HHE DrávaP Koncesszios Kft.	1026 Budapest, Pasaréti út 46., Hungary	5%	exploration and production
Pusztaszer Koncesszios Kft.	1026 Budapest, Pasaréti út 46., Hungary	5%	exploration and production
Darany Energy Kft.	1026 Budapest, Pasaréti út 46., Hungary	5%	exploration and production

In 2024, the following changes were made:

- The Company acquired a 10% share in EP Lower Saxony GmbH.

In 2023, the following changes were made:

- HHE GROUP Ventures Kft. acquired a share in HHE DrávaP Koncesszios Kft., Pusztaszer Koncesszios Kft. and Darany Energy Kft.

Financial assets subsequently measured at fair value through profit or loss are classified as Level 3 (31 December 2023: Level 3) and their movements are as follows:

	<i>Year ended</i>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Financial assets at fair value as at 1 January</b>	<b>3 456</b>	<b>2 142</b>
Gain/(loss) recognised in profit or loss	165	284
Purchase	903	1 030
Sale	-	-
Other	(1 827)	-
<b>Financial assets at fair value as at 31 December</b>	<b>2 697</b>	<b>3 456</b>

## 7. INVENTORIES

Net inventories comprise the following:

	<b>31 December 2024</b>	<b>31 December 2023</b>
Materials and supplies	7 160	7 072
Finished goods	98	1 381
Less: loss allowance for old and obsolete items	(2 083)	(2 137)
<b>Total inventories, net</b>	<b>5 175</b>	<b>6 316</b>

The Group's inventories are insured against all significant risks under the "ALLRISK" insurance policy.

## 8. TRADE AND OTHER RECEIVABLES

Net trade and other receivables comprise the following:

	<b>31 December 2024</b>	<b>31 December 2023</b>
Trade receivables		
Domestic customers	4 700	2 273
Foreign customers	6 056	12 425
Total trade receivables	<u>10 756</u>	<u>14 698</u>
Less: loss allowances for doubtful receivables	<u>(113)</u>	<u>(304)</u>
Total trade receivables, net	10 643	14 394
Other receivables	5 475	4 192
Less: loss allowances for doubtful receivables	<u>(1 688)</u>	<u>(1 366)</u>
<b>Trade and other receivables, net</b>	<b><u>14 430</u></b>	<b><u>17 220</u></b>

Trade receivables also comprise advance payments for the acquisition of non-current assets.

The average maturity period for receivables from the sale of finished goods and services is 17 days (2023: 16 days).

For trade and other receivables, the Group applies the so-called simplified model for accounting for impairment losses. Loss allowances for trade receivables with low credit risk are recognised on the basis of an estimate of total expected credit losses resulting from previous experience of defaults and future developments.

The Group has created 100% loss allowances for all receivables overdue by more than 365 days because previous experience suggests that receivables that are past due beyond 365 days are generally unrecoverable.

Movements in loss allowances for irrecoverable and doubtful receivables:

	<b>Year ended 31 December 2024</b>	<b>31 December 2023</b>
<b>Balance at the beginning of the year</b>	<b>(1 670)</b>	<b>(422)</b>
Creation, reversal	(131)	(1 248)
Use	-	-
<b>Balance at the end of the year</b>	<b><u>(1 801)</u></b>	<b><u>(1 670)</u></b>

**NAFTA a.s.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2024**  
**(Thousands of EUR)**

**9. LOANS PROVIDED**

Loans provided as at 31 December 2023:

Company	Currency	Interest method	Effective interest rate %	Final maturity	Receivable (gross)	Loss allowance	Receivable (net)	Note
CNG Holdings Netherlands B.V.	EUR	fixed	6.5	2023	11 127	(11 127)	-	Note A
EP Hungary s. r. o.	USD	variable	SOFR + 3.1	2025	558	-	558	Note B
<b>Total</b>					<b>11 685</b>	<b>(11 127)</b>	<b>558</b>	

Loasn provided as at 31 December 2024:

Company	Currency	Interest method	Effective interest rate %	Final maturity	Receivable (gross)	Loss allowance	Receivable (net)	Note
CNG Holdings Netherlands B.V.	EUR	fixed	6.5	2023	11 976	(11 976)	-	Note A
<b>Total</b>					<b>11 976</b>	<b>(11 976)</b>	<b>-</b>	

*Note A:* The purpose of providing the loan is to finance a hydrocarbon reserve exploration, to which a 100% loss allowance was created in accordance with Note 3f.

*Note B:* The purpose of providing the loan was to finance the Company's other activities. The loan was repaid early in July 2024.



## 10. EQUITY

The share capital includes certificate-form registered shares. As at 31 December 2024, the total number of issued and fully paid shares was 3 230 960, with nominal value of EUR 33.19 per share (31 December 2023: 3 230 960 shares with nominal value of EUR 33.19 per share).

As at 31 December 2024 and 31 December 2023, NAFTA held 48 013 own shares at cost of EUR 4 745 thousand. This amount of shares held is in no way limited by law.

Other capital funds comprise the legal reserve fund, which amounts to EUR 21 447 thousand as at 31 December 2024 (31 December 2023: EUR 21 447 thousand). Under the Company's Articles of Association, the legal reserve fund is not available for distribution and can be used to cover losses and to increase the share capital.

For profit distribution purposes, the separate financial statements of the Company prepared under IFRS as at 31 December 2024 are relevant. The amount of retained earnings under the Company's separate financial statements prepared as at 31 December 2024, distributable to shareholders is EUR 133 295 thousand. In 2024, the dividend payment to shareholders from profit for 2023 was approved in the amount of EUR 59.39 per share.

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

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss when the hedged transaction impacts the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy. Other reserves represent actuarial gains and losses related to a change in estimates used to calculate retirement payments and other long-term employee benefits.

Changes to the hedging derivatives reserve and other reserves can be summarised as follows:

	<i>Year ended</i>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Balance at beginning of the year</b>	<b>699</b>	<b>1 391</b>
Profit/(loss) recognised on cash flow hedges:		
Commodity swap contracts	-	226
Forward currency contracts	-	-
Actuarial losses	247	(602)
Translation reserve	(13)	(29)
Income tax related to profit/loss recognised in equity	(50)	117
Income tax related to the transfer of an actuarial loss to equity	(30)	-
Transfer to profit or loss:		
Commodity swap contracts	-	(512)
Forward currency contracts	-	-
Income tax related to profit/loss recognised in profit or loss	-	108
<b>Balance at end of the year</b>	<b>853</b>	<b>699</b>

## 11. LOANS RECEIVED

As at 31 December 2024, the parent company had an open credit line of EUR 200 000 thousand bearing interest at Euribor + 1.35%. The final maturity of the loan is 23 February 2029. In addition, the parent company had an open credit line of EUR 2 000 thousand, comprising a short-term loan of EUR 2 000 thousand bearing interest at 3M Euribor + 0.7% (the final maturity has not been set) or an overdraft facility of EUR 2 000 thousand bearing interest at 1M Euribor + 0.45% (the final maturity has not been set). Refer also to Note 24.2 (e).

As at 31 December 2024, the parent company did not draw any credit line.

In 2023, the parent company repaid a long-term bank loan in the amount of EUR 43 500 thousand before its maturity date. The loan was denominated in EUR with a variable interest rate. The average effective interest rate for bank loan was 3.8% p.a. and the bank loan was not secured by any assets.

Under the loan agreements, the Group is obliged, *inter alia*, to comply with certain financial covenants as at the end of a calendar half-year (30 June and 31 December). The Group complied with the financial covenants as at 31 December 2024.

## 12. FINANCIAL RECEIVABLES FROM AND FINANCIAL LIABILITIES TO GROUP COMPANIES

Group companies have concluded a cash pooling contract with other EPH Group companies. In accordance with the contract, the Group recorded a receivable of EUR 28 483 thousand as at 31 December 2024 (31 December 2023: EUR 129 313 thousand). The cash pooling receivable bears interest at € STR - 0.2%.

## 13. LEASES

As at 31 December 2024, the Group recognises the right to use the leased assets with a residual value of EUR 7 435 thousand (31 December 2023: EUR 7 203 thousand). The Group leases land, office premises and cars. The average remaining lease period is 18 years (2023: 20 years).

As at 31 December 2024 and 31 December 2023, the Group recognised the following lease liabilities:

	31 December 2024	31 December 2023
Non-current portion	6 565	6 293
Current portion	1 140	1 131
<b>Total</b>	<b>7 705</b>	<b>7 424</b>

The Group is not exposed to a significant liquidity risk with regard to its lease liabilities.

Short-term rental costs where the Group applied an exception to IFRS 16 Leases were immaterial as at 31 December 2024 and 31 December 2023.

## 14. PROVISION FOR ABANDONMENT AND RESTORATION

The Group estimates the costs of abandonment of storage, other and production wells (including the related sites and pipes) and other related costs of restoration.

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

<b>Balance as at 1 January 2023</b>	<b>168 790</b>
Creation/(Reversal) of the provision to assets	10 913
Creation/(Reversal) of the provision through profit or loss	(827)
Unwinding of discount	4 850
Utilisation of the provision	(1 803)
<b>Balance as at 31 December 2023</b>	<b>181 923</b>
Creation/(Reversal) of the provision to assets	10 312
Creation/(Reversal) of the provision through profit or loss	(77)
Unwinding of discount	4 541
Utilisation of the provision	(801)
<b>Balance as at 31 December 2024</b>	<b>195 898</b>

Currently, the Group has 282 storage wells, 32 other wells and 84 production wells. Storage wells are expected to be abandoned after the end of their useful lives. Other wells will be abandoned once the Group determines that they will not be used for other purposes. Production wells that are currently in production will be abandoned after reserves have been fully produced. To the extent stipulated by the law, the Group is required to dismantle the wells, remediate contaminated soil, restore the surrounding area and return the site to its original condition.

The provision for abandonment and restoration has been estimated using existing technology and reflects expected future inflation (1.40% – 2.78%) in Slovakia and/or (1.63% – 1.94%) in Germany. The present value of these costs was calculated using a discount rate, which reflects the current market assessment of the time value of money and risks specific to the liability (2.09% – 2.99%). The provision takes into account the costs estimated for the abandonment of storage, other and production wells and sites, and for the restoration of the site to its original condition. These costs are expected to be incurred between 2025 and 2093 as follows:

Costs incurred	Within 1 Year	1 – 5 Years	5 – 20 Years	More than 20 Years	Total
Present value	3 939	50 374	49 305	92 280	195 898

**15. RETIREMENT PAYMENTS AND OTHER LONG-TERM EMPLOYEE BENEFITS**

The long-term employee benefits programme at the Group is a defined benefit programme, under which employees are entitled to a payment upon old age or disability retirement. In Slovakia, it is a lump-sum payment calculated as a multiple of the employee's average salary and subject to vesting conditions. In Germany, it is a gradual payment of the benefit, subject to vesting conditions of the pension plan. As at 31 December 2024, there were 632 employees at the Group covered by the programme. To date it has been an unfunded programme, with no separately allocated assets to cover the programme's liabilities.

A change in long-term employee benefits can be summarised as follows:

	<b>Year ended</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Liabilities as at 1 January, net</b>	<b>14 488</b>	<b>13 085</b>
Net change in provisions (actuarial estimate), included in the statement of profit or loss	676	1 281
Unwinding of discount	414	441
Actuarial gains/(losses) included in other comprehensive income	(247)	602
Employee benefits paid	(835)	(921)
<b>Liabilities as at 31 December, net</b>	<b>14 496</b>	<b>14 488</b>

Key assumptions used by the Group in estimating the actuarial assessment for Slovakia resp. Germany:

	<b>31 December 2024</b>	<b>31 December 2023</b>
Discount rate	2.6 resp. 3.5%	2.3 resp. 3.1%
Future expected annual rate of salary increases	2.2 resp. 2.0%	2.2 resp. 2.0%
Expected fluctuation	5.0 resp. 2.8%	5.0 resp. 2.8%
Retirement age in years	64 resp. 63	64 resp. 63

**16. TRADE AND OTHER PAYABLES**

Trade and other payables consist of the following:

	<b>31 December 2024</b>	<b>31 December 2023</b>
Trade payables	14 761	9 375
Contractual liabilities	-	7 875
Payables to employees	6 269	9 692
Other tax liabilities	2 053	1 997
Social security liabilities	1 180	1 162
Other payables	3 684	6 647
<b>Total trade and other payables</b>	<b>27 947</b>	<b>36 748</b>

The average maturity period for liabilities is 34 days (2023: 32 days). The Group has financial risk management policies in place to ensure that all payables are paid when due.

The Group records no payables overdue as at 31 December 2024 (31 December 2023: EUR 0).

The change on Social Fund liabilities recognised in the statement of financial position as at 31 December 2024 and 31 December 2023 is analysed as follows:

	<b>Year ended</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
<b>Payables as at 1 January</b>	<b>547</b>	<b>557</b>
Total creation:	286	197
From expenses	286	197
From profit	-	-
Total drawing:	(196)	(207)
Catering services	(99)	(98)
Other	(97)	(109)
<b>Payables as at 31 December</b>	<b>637</b>	<b>547</b>

## **17. CURRENT PROVISIONS**

Current provisions comprise a provision for abandonment and restoration, refer to Note 14.

## **18. PERSONNEL EXPENSES**

Personnel expenses comprise the following:

	<i>Year ended</i>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
Wages and salaries	(26 640)	(27 518)
Social security costs and other social expenses	(9 936)	(10 658)
<b>Total personnel expenses</b>	<b>(36 576)</b>	<b>(38 176)</b>

Personnel expenses also comprise changes in the provision for retirement payments and other long-term employee benefits recognised in the statement of profit or loss. Refer also to Note 15. The average number of employees for the year ended 31 December 2024 was 644, of which 9 were managers (year ended 31 December 2023: 653, of which 9 were managers).

## **19. OTHER OPERATING INCOME/(EXPENSES) AND FINANCE INCOME/(COSTS)**

### **19.1. Other Operating Income/(Expenses), Net**

Other operating income/(expenses), net comprise the following items:

	<i>Year ended</i>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
Profit/(loss) from the sale of non-current assets and inventories	3 870	74
Provision for abandonment and restoration and other provisions	77	827
Write-off and loss allowances for receivables, net	(153)	(1 248)
Insurance charges	(974)	(836)
Taxes and charges	(1 826)	(2 867)
Other income/(expenses), net	(1 323)	675
<b>Total other operating income/(expenses), net</b>	<b>(329)</b>	<b>(3 375)</b>

### **19.2. Other Finance Income/(Costs), Net**

Other finance income/(costs), net comprise the following items:

	<i>Year ended</i>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
Loss allowance for borrowings	(849)	(1 376)
Exchange rate differences, net	34	38
Income/(costs) from revaluation of financial investments, net	165	284
Other finance income/(costs), net	108	780
<b>Total other finance income/(costs), net</b>	<b>(542)</b>	<b>(274)</b>



## **20. INCOME TAX**

### **20.1. Income Tax Reconciliation**

Reconciliation between the income tax calculated at the statutory tax rate of 21% (2023: 21%) and income tax expenses is as follows:

	<b>Year ended</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
Profit before income taxes	152 066	227 060
Tax at a domestic income tax rate of 21%	(31 934)	(47 683)
Special levy on business in regulated industries	(5 299)	(6 837)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(1 367)	(1 957)
Tax effect of tax non-deductible expenses, non-taxable income and tax related to previous periods: (3.29%) (2023: (2.09%))	4 996	4 741
Tax effect of a tax rate change from 21% to 24%	(657)	-
<b>Total income tax</b>	<b>(34 261)</b>	<b>(51 736)</b>

The overall effective tax rate differs from the statutory tax rate primarily due to differences in the classification of certain expense and revenue items for accounting and tax purposes and tax rules for group of companies compiling the consolidated financial statements.

Currently, companies must submit tax returns separately and it is not possible to prepare a consolidated tax return for a group of companies.

### **20.2. Income Tax**

Income tax expenses comprise the following:

	<b>Year ended</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>
Current income tax	(30 971)	(61 487)
Deferred income tax	2 009	16 588
Related to the current year	2 666	-
Adjustment to deferred tax due to a tax rate change from 21% to 24%	(657)	-
Current special levy on business	(5 340)	(8 210)
Deferred special levy on business	41	1 373
<b>Total income taxes</b>	<b>(34 261)</b>	<b>(51 736)</b>

### **20.3. Deferred Income Tax**

The following is an analysis of the deferred tax asset and deferred tax liability as presented in the statement of financial position:

	<b>31 December 2024</b>	<b>31 December 2023</b>
Deferred tax asset	199	-
Deferred tax liability	(319 260)	(109 433)
<b>Total</b>	<b>(319 061)</b>	<b>(109 433)</b>



**NAFTA a.s.****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2024  
(Thousands of EUR)**

The following are the major deferred tax liabilities and assets including a special levy on business recognised by the Group, and the movements thereon, during the current and prior reporting periods:

	<b>1 January 2023</b>	<b>Charge (credit) to equity</b>	<b>Charge (credit) to profit</b>	<b>31 December 2023</b>
Property, plant and equipment	(163 959)	6 051	11 520	(146 388)
Provision for abandonment and restoration	35 205	-	2 422	37 627
Retirement payments and other long-term employee benefits	2 023	165	138	2 326
Inventories	497	-	(48)	449
Derivatives	(60)	60	-	-
Other	(7 376)	-	3 929	(3 447)
<b>Total</b>	<b>(133 670)</b>	<b>6 276</b>	<b>17 961</b>	<b>(109 433)</b>

	<b>1 January 2024</b>	<b>Charge (credit) to equity</b>	<b>Charge (credit) to profit</b>	<b>31 December 2024</b>
Property, plant and equipment	(146 388)	(211 629)	6 523	(351 494)
Provision for abandonment and restoration	37 627	-	(3 227)	34 400
Retirement payments and other long-term employee benefits	2 326	(50)	(173)	2 103
Inventories	449	-	52	501
Derivatives	-	-	-	-
Other	(3 447)	-	(1 124)	(4 571)
<b>Total</b>	<b>(109 433)</b>	<b>(211 679)</b>	<b>2 051</b>	<b>(319 061)</b>

As at 31 December 2024, the Group did not recognise a deferred tax asset due to caution, as its future utilisation is uncertain. The unrecognised deferred tax asset is related to loss allowances for financial investments in the amount of EUR 398 thousand and to loss allowances for loan receivables in the amount of EUR 2 878 thousand.

**21. COSTS OF SERVICES PROVIDED BY THE COMPANY'S AUDITOR**

Costs of services provided by the audit firm comprise the audit of financial statements in the amount of EUR 202 thousand (2023: 118 thousand).

**22. SIGNIFICANT TRANSACTIONS WITH THIRD PARTIES AND RELATED PARTIES****22.1. Significant Transactions**

NAFTA provides the underground storage of natural gas for Slovenský plynárenský priemysel a.s. and other significant international companies. NAFTA performs operation services of underground storage facilities of natural gas at POZAGAS (joint venture).

NAFTA participates in joint projects for hydrocarbon reserves exploration and production with a company from the Vermillion Energy Inc. Group, and with POZAGAS a.s. since 2023.

**22.2. Related Parties**

Related parties of the Group have been identified as unconsolidated subsidiaries and associates (refer to Notes 5 and 6), companies under common ownership (SPP Infrastructure Group, Energetický a průmyslový holding, a.s.), shareholders, directors, and management of the Company.

Transactions between the Group and related parties are performed under the arm's length principle.

As at 31 December 2024, receivables and loans from related parties amounted to EUR 43 600 thousand (31 December 2023: EUR 143 512 thousand).

As at 31 December 2024, payables to related parties amounted to EUR 3 395 thousand (31 December 2023: EUR 6 548 thousand).

Revenues and other considerations from transactions with related parties for the year ended 31 December 2024 amounted to EUR 135 440 thousand (year ended 31 December 2023: EUR 143 954 thousand).

Expenses and other deliveries from transactions with related parties for the year ended 31 December 2024 amounted to EUR 15 342 thousand (year ended 31 December 2023: EUR 24 974 thousand).

Transactions with related parties mainly represent activities related to the underground storage, sale and purchase of natural gas especially with companies in the group of direct and indirect shareholders and POZAGAS a.s. (joint venture).

Amounts related to each separate entity have not been disclosed, as the management of the Company believes that this would breach confidentiality and/or trade secrets and/or may cause damage to the Company.

NAFTA, its subsidiaries, joint ventures and associates are not involved in any transactions with the Company's management and members of their statutory bodies, except for employment relationship transactions.

### **22.3. Remuneration of Board Members and Directors**

Remuneration to board members and directors recorded during the year ended 31 December 2024 and 31 December 2023 was as follows:

	<i>Year ended</i>	
	<i>31 December 2024</i>	<i>31 December 2023</i>
Salaries	2 185	2 491
Discretionary bonuses	-	-
<b>Total</b>	<b>2 185</b>	<b>2 491</b>

Salaries and bonuses are included in personnel expenses.

## **23. COMMITMENTS AND CONTINGENCIES**

### **23.1. Capital Expenditures**

As at 31 December 2024, capital expenditures in the amount of EUR 5 523 thousand (31 December 2023: EUR 7 155 thousand) have been committed under contractual arrangements that are not recognised in these financial statements and relate primarily to the construction and modernisation of non-current assets related to the underground storage facility of natural gas.

### **23.2. Litigation**

The Company is involved in legal disputes arising in the normal course of business and it is not expected, either individually or in aggregate, that such legal disputes would have a significant adverse impact on the accompanying financial statements.

### **23.3. Taxes**

The tax environment under which the NAFTA Group operates in the Slovak Republic is dependent on the prevailing tax legislation and practice with relatively little existing precedent. As the tax authorities are reluctant to provide official interpretations with respect to the tax legislation, there is an inherent risk that the tax authorities may require adjustments of the corporate income tax base. Corporate income tax in the Slovak Republic is levied on each individual legal entity and, as a consequence, there is no concept of group taxation or relief. The Tax Authorities in the Slovak Republic have broad powers of interpretation of tax laws, which could result in unexpected results of tax examinations. The amount of any potential tax liabilities related to these risks cannot be estimated. The Company applies a multi-level control during the preparation of tax returns. Tax declarations remain open and subject to inspection for at least a five-year period. The fact that a year has been reviewed does not close that year, or any tax declaration applicable to that year, from further review during the next five-year period. Consequently, the Company's tax declarations for the years 2019 through 2023 are open and subject to review.

### **23.4. Bank Guarantees**

As at 31 December 2024, the Group provided no bank guarantees (as at 31 December 2023: EUR 476 thousand).

**24. FINANCIAL INSTRUMENTS****24.1. Capital Risk Management**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern with the aim to achieve an optimum debt and equity balance. The Group's overall strategy remains unchanged from 2023.

The gearing ratio at year-end was as follows:

	<b>31 December 2024</b>	<b>31 December 2023</b>
Debt (i)	-	-
Cash and cash equivalents	(170 918)	(121 181)
<b>Net debt</b>	<b>(170 918)</b>	<b>(121 181)</b>
Equity (ii)	1 465 846	883 201
<b>Net debt to equity ratio</b>	<b>(11.66%)</b>	<b>(13.72%)</b>

(i) Debt is defined as long-term and short-term borrowings.

(ii) Note 10.

**24.2. Categories of Financial Instruments**

	<b>31 December 2024</b>	<b>31 December 2023</b>
Cash and cash equivalents (at amortised costs)	170 918	121 181
Loan receivables (at amortised costs)	28 483	129 871
Trade and other receivables (at amortised costs)	9 609	13 374
Investments in joint ventures	244 160	140 089
Investments in non-consolidated subsidiaries (at amortised costs)	2 660	2 660
Other financial investments (at fair value)	2 697	3 456
<b>Financial assets</b>	<b>458 527</b>	<b>410 631</b>
Loans (at amortised costs)	-	-
Lease liabilities (at amortised costs)	7 705	7 424
Interest free liabilities (at amortised costs)	13 970	8 407
<b>Financial liabilities</b>	<b>19 710</b>	<b>14 170</b>

Financial liabilities do not comprise provisions for unbilled supplies, payables to employees, social fund payables, payables to social security and health insurance authorities, and deferred income.

**(1) Financial Risk Factors**

The Group's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates, fluctuations of commodity prices, and loan interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

The use of derivative financial instruments is governed by the Group's policies approved by the Board of Directors, which provide principles of management of foreign exchange risk, commodity price fluctuation risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments, and the investment of excess liquidity. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

**NAFTA a.s.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended 31 December 2024**  
**(Thousands of EUR)**

*a. Foreign exchange risk*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. The Group uses derivative instruments to reduce this risk.

Carrying amounts of monetary assets and monetary liabilities (in thousands of EUR) denominated in a foreign currency at the reporting date are as follows:

	<b>Assets</b>		<b>Liabilities</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
CZK	1 499	613	57	9
USD	1 257	1 110	37	2
UAH	26	59	-	-

The following table shows the Group's sensitivity to a 2% increase or decrease of EUR against CZK (2023: 3%), a 6% increase or decrease of EUR against USD (2023: 4%) and a 4% increase or decrease of EUR against UAH (2023: 8%). The sensitivity analysis includes foreign currency denominated monetary items and adjusts their translation at the period end for the aforementioned change in foreign currency rates. A positive number below indicates an increase in profit in the case of a decrease in EUR against the relevant currency. Where EUR strengthens against the relevant currency, there would be an opposite impact on the profit, and the balances below would be negative.

	<b>CZK</b>		<b>USD</b>		<b>UAH</b>	
	<b>31 December 2024</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Profit or loss (i)	29	18	73	44	1	5

(i) This is mainly attributable to the exposure outstanding on CZK and USD receivables, payables and cash at the year-end.

As at 31 December 2024 and 31 December 2023, the Group has no open forward currency contracts designated and evaluated as effective hedging instruments.

*b. Commodity Price Risk*

The Group is a party to framework agreements for the purchase of services and material related to underground storage facilities of natural gas and natural gas and oil production. In addition, the Group enters into contracts for oil, natural gas and gas condensate sales and underground storage of natural gas. The Group uses commodity derivative instruments to reduce risks related to changes in oil, natural gas and gas condensate prices.

As at 31 December 2024 and 31 December 2023, the Group had no open commodity swap contracts. Refer also to Note 24.2.e.

*c. Interest Rate Risk*

The Group's operating income and operating cash flows are independent of changes in market interest rates. In addition to cash and cash equivalents, the Group has other interest-bearing assets. The Group manages interest rate risk by maintaining an appropriate ratio and structure between the interest rates for provided and received loans.

As at 31 December 2024 and 31 December 2023, the Group had no open interest rate derivatives.

*d. Credit Risk*

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of only dealing with credit-worthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Derivative counter-parties and cash transactions, if any, are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to financial institutions.

A significant part of trade receivables and loan receivables are concentrated against the shareholders of the parent company operating in the energy industry in the Slovak Republic and Czech Republic and group companies.



## e. Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit lines, funds from cash pooling and the ability to close out market positions. The Group maintains sufficient cash and credit lines and has no significant open market positions.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

	<b>Weighted average effective interest rate</b>	<b>Less than 1 month</b>	<b>1 – 3 months</b>	<b>3 months to 1 year</b>	<b>1 – 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>2024</b>							
Variable interest rate instruments	-	-	-	-	-	-	-
Fixed interest rate instruments	1.82%	105	210	942	2 923	5 213	9 393
Non-interest bearing	-	11 156	2 487	66	261	-	13 970
<b>2023</b>							
Variable interest rate instruments	-	-	-	-	-	-	-
Fixed interest rate instruments	1.82%	104	207	823	2 347	5 475	8 956
Non-interest bearing	-	7 270	885	10	242	-	8 470

The Group has access to credit facilities. The total unused amount of such facilities is EUR 202 000 thousand as at the reporting date (2023: EUR 60 000 thousand). The Group expects to meet its other obligations from operating cash flows, maturing financial assets, funds from cash pooling and funds from an unused credit facility.



**25. SUPPLEMENTARY INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS  
ACCORDING TO THE STATUTORY REQUIREMENTS****25.1. Consolidated Financial Statements**

NAFTA prepares consolidated financial statements for the consolidated group which includes NAFTA as a parent company and other business companies in which NAFTA holds at least a 20% share in their registered capital, except for non-consolidated subsidiaries stated in Note 3d. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted for use in the European Union.

After the consolidated financial statements are approved by Company's bodies and the General Meeting, the financial statements will be available at the Company's registered office (Votrubova 1, Bratislava) and at the Commercial Registry of the District Court Bratislava I, administered by the Registration Court (Záhradnícka 10, Bratislava).

NAFTA is a direct subsidiary of SPP Infrastructure, a.s. with the registered office in Bratislava, Mlynské nivy 44/a, which holds a 56.2% share in the Company's share capital. SPP Infrastructure a.s. prepares consolidated financial statements in accordance with International Financial Reporting Standards as adopted for use in the EU. The consolidated financial statements of SPP Infrastructure a.s., after being approved by the Company's bodies and the General Meeting, will be available at SPP Infrastructure a.s. registered office (Mlynské nivy 44/a, Bratislava) and at the Commercial Registry of the District Court Bratislava I, administered by the Registration Court (Záhradnícka 10, Bratislava).

The consolidated financial statements of EP Investment S.à.r.l., after being approved by the Company's bodies and General Meeting, will be available at its registered office (2 Place de Paris, L - 2314 Luxembourg, Luxembourg) and at the Luxembourg Business Registers G.I.E., Luxembourg.

**25.2. Unlimited Guarantee**

NAFTA is not a partner with unlimited guarantee in any business company.

**25.3. Members of the Company's Bodies as at the Reporting Date*****Board of Directors:***

Chair	Ing. Martin Bartošovič
Vice-Chair	Ing. Jozef Pagáč
Member	Ing. Robert Bundil
Member	Ing. Peter Kamenický
Member	Ing. Eduard Veselovský

***Supervisory Board:***

Chair	Mgr. Lenka Balog Ferenčáková
Vice-Chair	Gary Wheatley Mazzotti
Member	PhDr. Pavol Kašpar
Member	Ing. Daniel Kujan
Member	Ing. Peter Šefara
Member	Ing. Marek Vanko , PhD. MBA

***Top Management:***

General Director	Ing. Ladislav Goryl
Director of Underground Gas Storage Division	Ing. Martin Jarábek
Director of Exploration and Operations Division	Ing. Jozef Levoča, MBA
Director of Economic Section	Mgr. Jana Cinová
Director of Sales Section	Ing. Mgr. Ladislav Barkoci

**26. EVENTS AFTER THE END OF THE REPORTING PERIOD**

From 31 December 2024 up to the issue date of these financial statements, no significant events occurred that would significantly impact the Group's financial statements.

**27. PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements on pages 4 to 43 were signed on 14 April 2025 on behalf of the Board of Directors by:



**Ing. Martin Bartošovič**  
**Chairman of Board of Directors**



**Ing. Robert Bundil**  
**Member of Board of Directors**



Signature of the person responsible for preparing the financial statements:  
Mgr. Jana Cinová – Director of Economic Section



Signature of the person responsible for bookkeeping:  
Ing. Ivana Kocáková – Head of Financial Accounting Department