



# Annual Report 2022

innogy Energetika Plhov - Náchod

Powered  
by MVM

**Key Ratios (according to CAS)**

	2022
Total sales (CZK m)	246.8
EBITDA (CZK m)	14.4
Operating result (CZK m)	6.3
Profit before taxation (CZK m)	4.4
Profit after taxation (CZK m)	3.2
Investments (CZK m)	25.5
Number of employees (FTE)	3

Wherever used in the text, the term Company or innogy Energetika Plhov - Náchod refers to innogy Energetika Plhov - Náchod, s.r.o.

**Abbreviations**

CAS	Czech Accounting Standards
CEO	Chief Executive Officer
CHS	Centralized heating system
EBITDA	Earnings before interest, taxes, depreciation, and amortization
kWt	Kilowatt – unit of measurement for heat
kWe	Kilowatt – unit of measurement for electricity
SLA	Service level agreement

## Table of content

1	The chairman's statement _____	4
2	Corporate information _____	5
2.1	General Information _____	5
2.2	Shareholders _____	5
2.3	Statutory Body and Supervisory Body _____	6
2.4	Persons Responsible for the Annual Report and Audit of the Financial Statements ____	8
3	Management report for 2022 _____	10
3.1	Results _____	10
3.2	Strategy and Business Activities _____	11
3.3	Marketing and Communication Activities _____	11
3.4	Human Resources _____	11
3.5	Occupational Health and Safety and Environmental Protection _____	12
3.6	Subsequent Events _____	13
3.7	Outlook _____	13
4	Financial section _____	14
4.1	Financial Statements _____	14
4.2	Notes to Financial Statements _____	19
5	Independent auditor's report _____	30
6	Report on relations for the accounting period of 2022 _____	32

The Annual Report has been prepared in the Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of the Annual Report takes precedence over the English version.

## 1 The chairman's statement

Ladies and Gentlemen,

Another exceptionally turbulent year is behind us. It was a year marked by an energy crisis, during which we once again faced unprecedented situations for which it is impossible to be fully prepared. During the reported year, the entire energy supply sector, including all of our consumers, was affected by an unprecedented surge in energy prices.

The crisis was escalated by the eruption of an armed conflict in Ukraine and subsequent gradual reductions in natural gas supplies from Russia to the EU until their complete halt. The panic on the markets culminated in August, when gas and electricity prices approached all-time records, reaching levels multiple times higher compared to 2022. Apart from high prices, we also faced high volatility of natural gas purchase prices. Already in the middle of the year, we had to reflect the dramatic increase in commodity costs in heat prices and adjust preliminary prices published in January.

Significant growth was recorded in the segment of support services through a so-called aggregation block, which has become an integral part of our business operations in the combined heat and power segment.

I want to thank the City of Náchod for excellent cooperation. In the upcoming year, we will together continue working hard to ensure the reliable supply of heat to the residents of Náchod. The presently decreasing prices of natural gas on wholesale markets provide hope that it will be possible to lower heat prices in Náchod in the course of the year.

4



Jiří Šimek  
Chairman of the Executive Directors, CEO

## 2 Corporate information

### 2.1 General Information

<b>Business name:</b>	innogy Energetika Plhov - Náchod, s.r.o.
<b>Registered office:</b>	Plhovská 544, 547 01 Náchod
<b>Business ID:</b>	07846738
<b>Legal form:</b>	Limited liability company

#### Establishment, Incorporation, and History

Incorporated on 11 February 2019, innogy Energetika Plhov - Náchod, s.r.o. is registered under Reg. No. C 43272 in the Commercial Register maintained by the Hradec Králové Regional Court. The Company's registered office is at Plhovská 544, Náchod.

On 1 August 2019, an in-kind contribution to the Company's registered capital was made by means of a spin-off of a part of the undertaking of the parent company innogy Energo, s.r.o.

On 6 August 2019, a 7% ownership interest was exchanged with the City of Náchod for a set of assets.

Within the aforesaid part of the undertaking and the contribution thereof into innogy Energetika Plhov - Náchod, s.r.o., an energy generation facility was subsequently built in the Plhov District of Náchod (boiler, cogeneration units, exchanger, and other components and accessories) to generate heat and provide heat supplies to business and residential customers via a district heat supply network.

---

 5

#### Company Profile

The principal objects of the Company's business are the generation and distribution of heat and electricity.

#### Foreign Branch or Division

The Company has no branch or division abroad.

#### Research and Development

The Company does not carry out research and development.

### 2.2 Shareholders

#### Ownership Structure

As at 31 December 2022, the majority member holding a 93% share in the registered capital of innogy Energetika Plhov - Náchod, s.r.o. was innogy Energo, s.r.o., a company with registered office at Limuzská 3135/12, 100 98 Prague 10 – Strašnice, Czech Republic.

The remaining minority 7% share in the registered capital of the Company was held by the City of Náchod.

## 2.3 Statutory Body and Supervisory Body

### Executive Directors as at 31 December 2022

#### Jiří Šimek

Chairman of the Executive Directors

**Date of birth:**

9 October 1974

**Education:**

Johannes Kepler University, Linz, Faculty of Economics

**Other board memberships and commitments:**

Executive Director – innogy Energo, s.r.o., Chairman of the Supervisory Board – Olife Energy Net, a.s., Executive Director – Energo TTS s.r.o., Executive Director – TTS Martin, s.r.o., Executive Director – TTS Steel, s.r.o., Executive Director – TTS Servis, s.r.o., Executive Director – Ginger Teplo, s.r.o.

**Other business activities:**

None

#### Zdeněk Slavík

Executive Director

**Date of birth:**

9 August 1969

**Education:**

Technical University of Liberec, Faculty of Mechanical Engineering

**Other board memberships and commitments:**

None

**Other business activities:**

None

#### Jana Majerová

Executive Director

**Date of birth:**

13 January 1960

**Education:**

Banking Institute College, Prague

**Other board memberships and commitments:**

None

**Other business activities:**

None

## Supervisory Board as at 31 December 2022

**Zdeněk Kaplan**

Chairman of the Supervisory Board

**Date of birth:**

7 November 1974

**Education:**

University of Economics, Prague, Faculty of Corporate Economics

**Other board memberships and commitments:**

Chairman of the Executive Directors – innogy Energo, s.r.o., Chairman of the Board of Directors – Olife Energy Net, a.s., Executive Director – Energo TTS s.r.o. , Executive Director – Ginger Teplo, s.r.o.

**Other business activities:**

None

**Jan Birke**

Member of the Supervisory Board

**Date of birth:**

1 June 1969

**Education:**

Secondary School of Mechanical Engineering, Nové Město nad Metují

**Other board memberships and commitments:**

Deputy Chairman of the Board of Directors – Vodovody a kanalizace Náchod, a. s., Chairman of the Board of Directors – Beránek Náchod, a. s.

**Other business activities:**

None

**Daniel Franc**

Member of the Supervisory Board

**Date of birth:**

13 October 1976

**Education:**

University of Economics, Prague, Faculty of Finance and Accounting

**Other board memberships and commitments:**

None

**Other business activities:**

None

## 2.4 Persons Responsible for the Annual Report and Audit of the Financial Statements

### Auditor and Audit Firm Responsible for Auditing the Financial Statements of Innogy Energetika Plhov – Náchod for 2022

**Audit firm:**

Deloitte Audit s.r.o.  
Represented by Zuzana Gerbocová  
(Representative acting under power of attorney)  
Churchill I, Italská 2581/67, 120 00, Praha 2 – Vinohrady  
Registered in the Register of Audit Firms  
of the Czech Chamber of Auditors, Registration No. 079

**Auditor in charge:**

Zuzana Gerbocová  
Statutory Auditor, Registration No. 2122

Person Responsible for Accounting

**Slávka Šimkovičová**

Manager, Asset Accounting, Payments & Taxes, innogy Česká republika a.s.  
Appointed under SLA entered into with innogy Česká republika a.s.

8

### Persons Responsible for the 2022 Annual Report of innogy Energetika Plhov - Náchod

We, the undersigned, hereby affirm that information disclosed in this Annual Report is true and that no facts of material importance have been omitted or misrepresented.

Prague, 10 March 2023



Jiří Šimek  
Chairman of the Executive Directors, CEO



Zdeněk Slavík  
Executive Director, COO





## 3 Management report for 2022

### 3.1 Results

#### Revenues, Expenses, Profit

The Company recorded CZK 246.8 million in total revenues from the sale of heat and electricity. In the course of the year, an unexpected rise in commodity costs occurred, specifically natural gas. The adverse impact of the increase was eliminated by raising heat prices at the end of the year. Thanks to that, earnings recorded in 2022 amounted to CZK 3.2 million, a result comparable to the preceding year.

#### Assets and Liabilities

The Company's balance sheet total as at 31 December 2022 amounted to CZK 250.4 million.

#### Investments

During 2022, the Company made investments into operations in the total amount of CZK 25.5 million in accordance with the investment plan.

#### Financing

innogy Energetika Plhov-Náchod, s.r.o. signed a loan agreement with its parent undertaking, innogy Energo, s.r.o., and the City of Náchod for financing an investment venture worth CZK 35,000,000. The Company is a member of the innogy Group's cash-pooling scheme in the Czech Republic.

#### Risk Management

Risk management at the Company is the responsibility of the Company's Executive Directors. The Company records all risks in the Catalogue of Risks. Moreover, individual risks are entered into a risk matrix to facilitate the identification of the most serious threats in terms of the probability of their occurrence and the extent of potential financial impact. There is a clearly defined owner responsible for the management of every risk. Depending on their nature, serious risks are hedged against by insurance, provisions, and various other preventative measures, such as meticulous management and modernization of assets. In 2022, the Company's management identified no risks liable to jeopardize the Company's existence.

### 3.2 Strategy and Business Activities

innogy Energetika Plhov - Náchod, s.r.o. operates the Plhov Heating Plant based on an integrated business permit. The heating plant comprises Steam Gas Boiler K9, with a rated heat input of 11.318 MW and Gas Cogeneration Units KGJ 1 with fuel input of 2.366 MW and KGJ2 with fuel input of 2.363 MW. All units are operated in conformity to technical and organizational regulations and standards, including specific emission limits. Together with the district heating system, the Company operates a heat distribution system in Náchod based on a lease arrangement. In cooperation with the parent undertaking, innogy Energo, s.r.o., the Company therefore takes part in the supply of heat to the entirety of the city of Náchod. The Company continues enlarging thereby operated district heat supply network in Náchod, aiming to serve residential, business, and municipal customers as a reliable heat supplier.

### 3.3 Marketing and Communication Activities

As to marketing and communication activities, the Company relied on its membership in the innogy Group in the Czech Republic.

### 3.4 Human Resources

#### **Staffing Levels**

In 2022, employee headcount (FTE) in the Company was three.

#### **Wages**

In 2022, the development of wages reflected the remuneration rules and wage increase principles agreed in the Collective Agreement in effect.

#### **Professional Training and Development**

In 2022, the Company secured training and personal development for its workers under the education and training program of the innogy Group in the Czech Republic.

#### **Social Policy**

The Company fulfilled all obligations relating to working conditions and employee benefits agreed under the innogy Group Collective Agreement.

### 3.5 Occupational Health and Safety and Environmental Protection

#### Occupational Health and Safety

Like in the preceding year, the beginning of 2022 was marked by efforts to curb the COVID-19 pandemic and to protect our customers and employees. During the first quarter, tasks performed to the foregoing effect mainly included implementing new legal requirements, formulating internal policies (company-wide employee testing, rules for third-party entry to the Company's premises), defining regimens, and purchasing certified antigen tests and personal protective equipment to ensure maximum protection for the health of all of our employees.

In the course of the year, Energetika Plhov-Náchod performed occupational safety inspections, preventative fire-safety checks, and regular reviews of worksites and work processes with the aim of identifying and assessing risk factors relating to occupational health. The inspections identified no deficiencies liable to endanger lives, health, or property.

In the conduct of all of its operations, the Company meticulously complies with occupational health and safety laws and regulations, as evidenced by the fact that no occupational injury was recorded at innogy Energetika Plhov-Náchod, s.r.o. in 2022.

We began using the iBezpečně (*iSafety*) application to carry out occupational safety inspections, preventative fire-safety inspections, inspections carried out by supervisory employees, reports of occupational injuries, and near misses. The application accelerates and streamlines communication between operations and the HSE Department.

Efforts in the area of occupational health and safety included projects targeting workplace ergonomics with the aim of preventing excessive spine load, back pain, headaches, and fatigue. Aiming to promote health, we organized first-aid training courses. In the area of automobile transport, we continued activities from previous years and organized defensive driving courses and pursued active communication with employees.

#### Environmental Protection

Environmental protection is one of the principal priorities for innogy Energetika Plhov-Náchod, s.r.o. The Company uses a proactive, responsible stance toward the natural world through complying with legislative requirements and using modern technologies to reduce, and where possible eliminate, adverse impacts on the environment.

The Company has implemented a ČSN EN ISO 50001-certified energy management system to reduce energy use intensity, improve energy efficiency, and lower energy consumption.

There was no incident with an adverse impact on the environment in the reported year caused by the Company's operations.

### 3.6 Subsequent Events

On 16 December 2022, the Company entered into a Loan Agreement with its parent undertaking, innogy Energo, s.r.o., for CZK 9,300,000. The loan will be drawn on 3 April 2023.

On 27 February 2023, the Company entered into a Loan Agreement with the City of Náchod for CZK 700,000. The loan will be drawn on 3 April 2023.

On 10 March 2023, the Company's General Meeting reviewed Zdeněk Kaplan's resignation as Chairman of the Supervisory Board effective as of 31 March 2023. Effective as of 1 April 2023, the General Meeting appointed Pavel Špaček as Member of the Supervisory Board. Pavel Špaček was elected Chairman of the Supervisory Board at the subsequent meeting of the Supervisory Board.

### 3.7 Outlook

In the forthcoming period, the Company will complete the execution of an investment project consisting of the installation of a new Steam Boiler K10 with a rated heat input of approximately 8.0 MW, which will produce and supply heat in the form of superheated steam at a pressure of 1.0 MPa and temperature of 220 °C. This upgrade project is executed in conformity with the municipal land-use plan, where the beginning of the project was planned for April 2022 with commissioning in the second quarter of 2023. The estimated value of the investment is approximately CZK 45 million.

## 4 Financial section

### 4.1 Financial Statements

BALANCE SHEET full version As of 31.12.2022 (in CZK thousand)		31.12.2022			31.12.2021
		Gross	Adjustment	Net	Net
	<b>TOTAL ASSETS</b>	<b>293,255</b>	<b>42,891</b>	<b>250,364</b>	<b>189,642</b>
<b>B.</b>	<b>Fixed assets</b>	<b>181,262</b>	<b>42,883</b>	<b>138,379</b>	<b>120,977</b>
<i>B.II.</i>	<i>Tangible fixed assets</i>	<i>181,262</i>	<i>42,883</i>	<i>138,379</i>	<i>120,977</i>
B.II.1.	<i>Land and structures</i>	<i>35,318</i>	<i>7,071</i>	<i>28,247</i>	<i>29,175</i>
B.II.1.2.	Structures	35,318	7,071	28,247	29,175
B.II.2.	Tangible movable assets and sets of tangible movable assets	91,477	29,316	62,161	67,300
B.II.3.	Valuation difference on acquired assets	28,520	6,496	22,024	23,925
B.II.5.	<i>Prepayments for tangible fixed assets and tangible fixed assets under construction</i>	<i>25,947</i>	<i>-</i>	<i>25,947</i>	<i>577</i>
B.II.5.2.	Tangible fixed assets under construction	25,947		25,947	577
<b>C.</b>	<b>Current assets</b>	<b>111,841</b>	<b>8</b>	<b>111,833</b>	<b>68,551</b>
<i>C.II.</i>	<i>Receivables</i>	<i>111,837</i>	<i>8</i>	<i>111,829</i>	<i>68,547</i>
<i>C.II.2.</i>	<i>Short-term receivables</i>	<i>111,837</i>	<i>8</i>	<i>111,829</i>	<i>68,547</i>
C.II.2.1.	Trade receivables	29,251	8	29,243	20,455
C.II.2.2.	Receivables - controlled or controlling entity	12,947		12,947	-
C.II.2.4.	<i>Receivables - other</i>	<i>69,639</i>		<i>69,639</i>	<i>48,092</i>
C.II.2.4.3.	State - tax receivables	9,501		9,501	353
C.II.2.4.5.	Estimated receivables	60,138		60,138	47,739
<i>C.IV.</i>	<i>Cash</i>	<i>4</i>		<i>4</i>	<i>4</i>
C.IV.1.	Cash on hand	4		4	4
<b>D.</b>	<b>Other assets</b>	<b>152</b>		<b>152</b>	<b>114</b>
D.1.	Deferred expenses	129		129	114
D.3.	Accrued income	23		23	

		31.12.2022	31.12.2021
	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>250,364</b>	<b>189,642</b>
<b>A.</b>	<b>Equity</b>	<b>132,025</b>	<b>132,086</b>
<i>A.I.</i>	<i>Share capital</i>	<i>128,823</i>	<i>128,823</i>
A.I.1.	Share capital	128,823	128,823
A.V.	<i>Profit or loss for the current period (+/-)</i>	<i>3,202</i>	<i>3,263</i>
<b>B.+C.</b>	<b>Liabilities</b>	<b>116,468</b>	<b>57,539</b>
<b>B.</b>	<b>Reserves</b>	<b>116</b>	<b>113</b>
B.II.	Income tax reserve	7	
B.IV.	Other reserves	109	113
<b>C.</b>	<b>Payables</b>	<b>116,352</b>	<b>57,426</b>
<i>C.I.</i>	<i>Long-term payables</i>	<i>35,231</i>	<i>2,495</i>
C.I.6.	Payables - controlled or controlling entity	29,295	
C.I.8.	Deferred tax liability	3,731	2,495
C.I.9.	<i>Payables - other</i>	<i>2,205</i>	
C.I.9.3.	Sundry payables	2,205	
<i>C.II.</i>	<i>Short-term payables</i>	<i>81,121</i>	<i>54,931</i>
C.II.3.	Short-term prepayments received	157	843
C.II.4.	Trade payables	32,374	10,861
C.II.6.	Payables - controlled or controlling entity	3,255	9,323
<i>C.II.8.</i>	<i>Other payables</i>	<i>45,335</i>	<i>33,904</i>
C.II.8.3.	Payables to employees	154	127
C.II.8.4.	Social security and health insurance payables	81	64
C.II.8.5.	State - tax payables and subsidies	15	10
C.II.8.6.	Estimated payables	44,835	33,697
C.II.8.7.	Sundry payables	250	6
<b>D.</b>	<b>Other liabilities</b>	<b>1,871</b>	<b>17</b>
D.1.	Accrued expenses	1,871	17

PROFIT AND LOSS ACCOUNT structured by the nature of expense method		innogy Energetika Plhov - Náchod, s.r.o. Corporate ID 07846738	
Year ended 31.12.2022 (in CZK thousand)		Plhovská 544 547 01 Náchod	
		Year ended 31.12.2022	Year ended 31.12.2021
I.	Sales of products and services	246,785	166,400
II.	Sales of goods	56,032	48,647
A.	Purchased consumables and services	<b>283,029</b>	<b>196,315</b>
A.1.	Costs of goods sold	56,032	48,647
A.2.	Consumed material and energy	208,610	123,954
A.3.	Services	18,387	23,714
D.	Staff costs	<b>2,784</b>	<b>3,252</b>
D.1.	Payroll costs	1,996	1 992
D.2.	Social security and health insurance costs and other charges	<b>788</b>	<b>1 260</b>
D.2.1.	Social security and health insurance costs	652	828
D.2.2.	Other charges	136	432
E.	Adjustments to values in operating activities	<b>8,103</b>	<b>8,322</b>
E.1.	<i>Adjustments to values of intangible and tangible fixed assets</i>	<b>8,095</b>	<b>8,322</b>
E.1.1.	Adjustments to values of intangible and tangible fixed assets - permanent	8,095	8,322
E.3.	Adjustments to values of receivables	8	
III.	Other operating income	<b>93</b>	<b>4</b>
III.2.	Sales of material	75	
III.3.	Sundry operating income	18	4
F.	Other operating expenses	<b>2,733</b>	<b>2,528</b>
F.3.	Taxes and charges	2,622	2,535
F.4.	Reserves relating to operating activities and complex deferred expenses	(4)	(30)
F.5.	Sundry operating expenses	115	23
*	<b>Operating profit or loss (+/-)</b>	<b>6,261</b>	<b>4,634</b>
VI.	Interest income and similar income	<b>149</b>	<b>2</b>
VI.1.	Interest income and similar income - controlled or controlling entity	149	2
J.	Interest expenses and similar expenses	<b>1,952</b>	<b>47</b>
J.1.	Interest expenses and similar expenses - controlled or controlling entity	1,821	47
J.2.	Other interest expenses and similar expenses	131	
K.	Other financial expenses	20	19
*	<b>Financial profit or loss (+/-)</b>	<b>(1,823)</b>	<b>(64)</b>
**	<b>Profit or loss before tax (+/-)</b>	<b>4,438</b>	<b>4,570</b>
L.	Income tax	<b>1,236</b>	<b>1,307</b>
L.1.	Due income tax		(309)
L.2.	Deferred income tax (+/-)	1,236	1,616
**	<b>Profit or loss net of tax (+/-)</b>	<b>3,202</b>	<b>3,263</b>
***	<b>Profit or loss for the current period (+/-)</b>	<b>3,202</b>	<b>3,263</b>
*	Net turnover for the current period	<b>303,059</b>	<b>215,053</b>



STATEMENT OF CHANGES IN EQUITY		innogy Energetika Plhov - Náchod, s.r.o. Corporate ID 07846738		
Year ended 31.12.2021 (in CZK thousand)		Plhovská 544 547 01 Náchod		
	Share capital	Accumulated profits or losses brought forward	Profit or loss for the current period	TOTAL EQUITY
<b>Balance at 31 December 2020</b>	<b>128,823</b>		<b>3,358</b>	<b>132,181</b>
Profit shares paid			(3,358)	(3,358)
Profit or loss for the current period			3,263	3,263
<b>Balance at 31 December 2021</b>	<b>128,823</b>		<b>3,263</b>	<b>132,086</b>
Profit shares paid			(3,263)	(3,263)
Profit or loss for the current period			3,202	3,202
<b>Balance at 31 December 2022</b>	<b>128,823</b>		<b>3,202</b>	<b>132,025</b>

CASH FLOW STATEMENT Year ended 31.12.2021 (in CZK thousand)		innogy Energetika Plhov - Náchod, s.r.o. Corporate ID 07846738 Plhovská 544 547 01 Náchod	
		Year ended 31.12.2022	Year ended 31.12.2021
<b>P.</b>	<b>Opening balance of cash and cash equivalents</b>	<b>4</b>	<b>4</b>
	<b><i>Cash flows from ordinary activities (operating activities)</i></b>		
Z.	Profit or loss before tax	4,438	4,570
A.1.	Adjustments for non-cash transactions	9,902	8,337
A.1.1.	Depreciation of fixed assets	8,095	8,322
A.1.2.	Change in provisions and reserves	4	(30)
A.1.5.	Interest expense and interest income	1,803	45
<b>A.*</b>	<b>Net operating cash flow before changes in working capital</b>	<b>14,340</b>	<b>12,907</b>
A.2.	Change in working capital	(35,152)	(8,859)
A.2.1.	Change in operating receivables and other assets	(43,472)	(20,404)
A.2.2.	Change in operating payables and other liabilities	8,320	11,545
<b>A.**</b>	<b>Net cash flow from operations before tax</b>	<b>(20,812)</b>	<b>4,048</b>
A.3.	Interest paid	(98)	(36)
A.4.	Interest received	126	2
A.5.	Income tax paid from ordinary operations	174	319
<b>A.***</b>	<b>Net operating cash flows</b>	<b>(20,610)</b>	<b>4,333</b>
	<b><i>Cash flows from investing activities</i></b>		
B.1.	Fixed assets expenditures	(11,127)	(975)
<b>B.***</b>	<b>Net investment cash flows</b>	<b>(11,127)</b>	<b>(975)</b>
	<b><i>Cash flow from financial activities</i></b>		
C.1.	Change in payables from financing	35,000	
C.2.	Impact of changes in equity	(3,263)	(3,358)
C.2.6.	Profit shares/ dividends paid	(3,263)	(3,358)
<b>C.***</b>	<b>Net financial cash flows</b>	<b>31,737</b>	<b>(3,358)</b>
<b>R.</b>	<b>Closing balance of cash and cash equivalents</b>	<b>4</b>	<b>4</b>

## 4.2 Notes to Financial Statements

### 1. General information

#### 1.1 Introductory information about the Company

Innogy Energetika Plhov - Náchod, s.r.o. (the “Company”) was incorporated on 11 February 2019 by the Regional Court in Hradec Králové, Section C, insert 43272 and has its registered office at Plhovská 544, 547 01 Náchod. The Company’s main business activities include the production and distribution of heat, the production and distribution of electric power, the lease of real estate, both residential and non-residential premises without provision of services other than basic services related to lease. Identification number of the Company is 078 46 738.

#### Executive Directors as at 31 December 2022:

Jiří Šimek	Chairman of the Executive Directors
Zdeněk Slavík	Executive Director
Jana Majerová	Executive Director

The Company is not a shareholder having unlimited liability in any other undertaking.

#### Other information

The Company’s business in 2021 was substantially impacted by the price development in the wholesale energy market. Wholesale gas and electricity prices were gradually growing from the start of the year, being twice as high in the middle of the year. From September, the prices continued to multiply.

The year 2022 was significantly affected by the energy crisis, which hit the entire energy market. The gradual reduction of natural gas supplies from Russia has further increased gas and electricity prices to levels many times higher than in previous years. Despite these difficult conditions, the Company was able to respond and adapt quickly to this situation throughout the year.

### 2. Accounting policies

#### 2.1 Basis of preparation

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

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

#### 2.2 Intangible and tangible fixed assets

All intangible (and tangible) assets with a useful life longer than one year and a unit cost of more than CZK 60 thousand (CZK 10 thousand) are treated as intangible (and tangible) fixed assets.

Purchased intangible and tangible fixed assets are initially recorded at cost, which includes all costs related to its acquisition. Own work capitalised is recorded at cost.

Intangible fixed assets are amortised applying the straight-line method over their estimated useful lives as follows (unless the related agreement or license conditions stipulate a shorter or a longer period):

<b>Intangible fixed assets</b>	<b>Estimated useful life</b>
Software	3 years
Valuable rights	6 years
Other intangible fixed assets	6 years

Other intangible rights are amortised applying the straight-line method over their estimated useful life.

Tangible fixed assets, except for land and works of art, which are not depreciated, are depreciated applying the straight-line method. Leased projects are depreciated over the lease term duration. Assets used in projects operated by the Company are depreciated based on the duration of the project.

Other tangible assets are amortised applying the straight-line method over their estimated useful life as follows:

<b>Tangible fixed assets</b>	<b>Estimated useful life</b>
Buildings and constructions	12 to 45 years
Machinery, equipment, furniture, and fittings	4 years
Computers, cars	3 to 5 years
Machines	5 to 15 years

The amortisation plan is updated during the useful life of the intangible and tangible fixed assets based on the expected useful life.

Intangible fixed assets with a unit cost less than CZK 60 thousand are expensed upon acquisition.

Tangible assets with a useful life exceeding one year, which are not considered as fixed assets according to the Company's internal regulations, are treated as inventory. Such assets with a purchase price exceeding CZK 2 thousand are recorded in operating records and are subject to stock counting.

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

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

Valuation differences arising from acquired assets represent the difference between the valuation by an expert and the net value of the investment, i.e. aggregate valuations of assets and liabilities acquired as recorded in the accounts of the original owner.

Such differences are amortised on a straight-line basis over a period of 15 years.

### 2.3 Inventories

Purchased inventories are stated at cost net of provisions. The cost includes all costs relating to the acquisition of these inventories (mainly transport costs, customs duty, etc.). The weighted average method is applied for all disposals.

Inventories generated from own production cannot be stored (heat and electric power) and therefore are not recorded as inventories.

### 2.4 Change in presentation of prepayments made and received

In 2022, the presentation of prepayments made and received changed as follows. When prepayments are made for supplies and services with performance in the current period, they are presented net of the related estimated payables. Where prepayments are made for supplies and services with future period performance, they are reclassified to deferred expenses. Prepayments received are treated in a similar manner. Prepayments received for supplies and services to be performed in the current period are presented net of the related estimated receivables. Prepayments received for supplies and services that are to be performed in a future period are reclassified to deferred income.

### 2.5 Receivables

Receivables are stated at nominal value less a provision for doubtful amounts. A provision for doubtful amounts is created on the basis of an ageing analysis and individual evaluation of the creditworthiness of the customers.

The Company does not create a provision for receivables from related parties.

### 2.6 Foreign currency translation

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

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

The Company treats prepayments made in foreign currencies for the acquisition of fixed assets or inventories as receivables denominated in foreign currencies and therefore these assets are translated at the exchange rate published by the Czech National Bank as at the balance sheet date.

### 2.7 Reserves

The Company recognises reserves to cover its obligations or expenses when the nature of the obligations or expenses is clearly defined and it is probable or certain as at the balance sheet date that they will be incurred, however their precise amount or timing is not known. The reserve recognised as at the balance sheet date represents the best estimate of expenses that will be probably incurred or the amount of liability that is required for their settlement.

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

The Company recognises mainly a reserve relating to untaken holidays and rewards and bonuses of employees.

## 2.8 Revenue recognition

Revenues from the sale of heat, cold and electricity comprise of actually billed revenues based on real consumption measured in sampling points (meter reading is performed at least once a year) and revenues from the so-called “unbilled supplies.” The value of unbilled supplies is booked via estimated receivables on the basis of actual energy consumption. Settlement of the estimated items is performed in the following year.

## 2.9 Related parties

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

- Parties, which directly or indirectly control the Company, their subsidiaries and associates,
- Parties, which have directly or indirectly significant influence on the Company,
- Members of the Company’s or parent company’s statutory and supervisory boards and management and parties close to such members, including entities in which they have a controlling or significant influence,
- Subsidiaries and associates and joint-venture companies.

Material transactions and outstanding balances with related parties are disclosed in Note 8.

## 2.10 Interest expenses

All interest expenses are recognised as expenses.

## 2.11 Deferred tax

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

## 2.12 Subsequent events

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

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

### 3. Tangible fixed assets

(CZK'000)	1 January 2022	Additions / transfers	Disposals	31 December 2022
<b>Cost</b>				
Structures	35,318	0	0	35,318
Tangible movable assets and sets of tangible movable assets	91,350	127	0	91,477
Prepayments for tangible fixed assets and tangible fixed assets under construction	577	25,370	0	25,947
Valuation difference on acquired assets	28,520	0	0	28,520
<b>Total</b>	<b>155,765</b>	<b>25,497</b>	<b>0</b>	<b>181,262</b>
<b>Accumulated depreciation and provision</b>				
Structures	(6,143)	(928)	0	(7,071)
Tangible movable assets and sets of tangible movable assets	(24,050)	(5,266)	0	(29,316)
Valuation difference on acquired assets	(4,595)	(1,901)	0	(6,496)
<b>Total</b>	<b>(34,788)</b>	<b>(8,095)</b>	<b>0</b>	<b>(42,883)</b>
<b>Net book value</b>	<b>120,977</b>			<b>138,379</b>

(CZK'000)	1 January 2021	Additions / transfers	Disposals	31 December 2021
<b>Cost</b>				
Structures	35,318	0	0	35,318
Tangible movable assets and sets of tangible movable assets	90,559	791	0	91,350
Prepayments for tangible fixed assets and tangible fixed assets under construction	302	275	0	577
Valuation difference on acquired assets	28,520	0	0	28,520
<b>Total</b>	<b>154,699</b>	<b>1,066</b>	<b>0</b>	<b>155,765</b>
<b>Accumulated depreciation and provision</b>				
Structures	(5,214)	(929)	0	(6,143)
Tangible movable assets and sets of tangible movable assets	(18,558)	(5,492)	0	(24,050)
Valuation difference on acquired assets	(2,694)	(1,901)	0	(4,595)
<b>Total</b>	<b>(26,466)</b>	<b>(8,322)</b>	<b>0</b>	<b>(34,788)</b>
<b>Net book value</b>	<b>128,233</b>			<b>120,977</b>

The valuation of assets and liabilities was adopted by the Company from the investor; the difference between the valuation by an expert and the net value of the investment was recognised by the Company in Tangible fixed assets under Valuation difference on acquired assets in the amount of CZK 28,520 thousand. As at 31 December 2022, the net book value of the valuation difference was CZK 22,024 thousand (as at 31 December 2021: CZK 23,925 thousand). The valuation difference is amortised on a straight-line basis over 15 years in line with Regulation No. 500/2002 Coll., as amended.

No assets of the Company are pledged.

## 4. Receivables

(CZK'000)	31 December 2022	31 December 2021
Trade receivables - due	29,235	20,435
- overdue	16	20
<b>Total trade receivables</b>	<b>29,251</b>	<b>20,455</b>
Provision for receivables	(8)	0
<b>Net value of trade receivables</b>	<b>29,243</b>	<b>20,455</b>
Receivables – controlled or controlling entity	12,947	0
Estimated receivables	60,138	47,739
Other receivables	9,501	353
<b>Total short-term receivables</b>	<b>11,829</b>	<b>68,547</b>
<b>Total receivables</b>	<b>11,829</b>	<b>68,547</b>

As at 31 December 2022, short-term prepayments made for electricity distribution in the amount of CZK 15 thousand (31 December 2021: CZK 38 thousand) were presented net of the estimated payables.

As at 31 December 2022, estimated receivables for heat in the amount of CZK 27,875 thousand (31 December 2021: CZK 18,912 thousand) were presented net of short-term prepayments received.

As at 31 December 2022, a provision for receivables was created in the amount of CZK 8 thousand (31 December 2021: CZK 0).

Receivables have not been secured and none of them are due after more than 5 years.

The Company has no receivables or contingent receivables which are not included in the balance sheet.

## 5. Equity

		31 December 2022	31 December 2021
	Share (%)	Carrying value (CZK'000)	Carrying value (CZK'000)
Shareholders:			
innogy Energo, s.r.o.	93	119,805	119,805
Město Náchod	7	9,018	9,018

Innogy Energo, s.r.o. has its registered office at Limuzská 3135/12, Strašnice, 108 00 Prague 10, identification number: 251 15 171; the City of Náchod has its registered office at Masarykovo náměstí 40, 547 01 Náchod, identification number: 002 72 868.

The Company is part of a consolidation group where MVM Energetika Zártkörűen Működő Részvénytársaság, with its registered office at 1031 Budapest, Szentendrei út 207-209, Hungary, is the parent company. The consolidated financial statements can be obtained at its registered office.

On 27 May 2022, the Company's General Meeting approved the Company's financial statements for 2021 and decided about the distribution of the profit of CZK 3,263 thousand achieved in 2022 in the form of profit share payments to the shareholders according to their ownership shares.



Until the date of preparation of these financial statements, the Company has not proposed distribution of the profit generated in 2022.

## 6. Reserves

As at 31 December 2022, an income tax reserve in the amount of CZK 7 thousand was recognised. The Company does not recognise any income tax prepayments made as at 31 December 2022. As at 31 December 2021, the income tax reserve in the amount of CZK 11 thousand was offset against income tax prepayments made in the amount of CZK 178 thousand. The difference was recognised as a short-term receivable.

Other reserves consist mainly of reserves for employment benefits.

## 7. Payables, commitments and contingent liabilities

(CZK'000)	31 December 2022	31 December 2021
Trade payables: - due	32,374	10,861
Payables – controlled or controlling entity	3,255	9,323
Short-term prepayments received	157	843
Other payables	45,335	33,904
<b>Total short-term payables</b>	<b>81,121</b>	<b>54,931</b>
Payables – controlled or controlling entity	29,295	0
Sundry payables	2,205	0
Deferred tax liability	3,731	2,495
<b>Total long-term payables</b>	<b>35,231</b>	<b>2,495</b>
<b>Total payables</b>	<b>116,352</b>	<b>57,426</b>

25

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

Other payables mainly include estimated payables for unbilled deliveries.

On 2 March 2022, the Company entered into a Loan Agreement with the City of Náchod in the amount of CZK 2,450 thousand. The loan was drawn on 2 March 2022. The principal of CZK 245 thousand is payable once a year according to the instalment schedule specified in the Agreement. The first instalment is due on 28 February 2023 and the last instalment on 27 February 2032. The loan bears interest of 6.33 % p.a. The total outstanding amount of the loan as at 31 December 2022 is CZK 2,450 thousand.

The management of the Company is not aware of any contingent liabilities as at 31 December 2022 and 31 December 2021.

## 8. Related party transactions

The Company was involved in the following transactions with related parties:

(CZK'000)	2022	2021
<b>Income</b>		
Sales of goods and services	268,201	191,024
Interest on cash-pooling	149	2
<b>Total</b>	<b>268,350</b>	<b>191,026</b>
<b>Expenses</b>		
Purchase of services and energy	281,698	193,631
Purchase of assets	1,285	0
Interest on cash-pooling and loan	1,821	47
<b>Total</b>	<b>284,804</b>	<b>193,678</b>

The following related party balances were outstanding as at:

(CZK'000)	31 December 2022	31 December 2021
<b>Receivables</b>		
Trade receivables	28,358	19,337
Short-term receivables - cash-pooling	12,947	0
Estimated receivables	59,418	46,509
Accrued income	23	0
<b>Total</b>	<b>100,746</b>	<b>65,846</b>
<b>Liabilities</b>		
Trade payables	14,671	10,516
Estimated payables	44,252	32,834
Long-term and short-term payables – loan and cash-pooling	32,550	9,323
Accrued expenses	1,740	17
<b>Total</b>	<b>93,213</b>	<b>52,240</b>

On 16 December 2021, the Company entered into a Loan Agreement with the parent company innogy Energo, s.r.o. in the amount of CZK 32,550 thousand which was used on 2 March 2022 in accordance with the Appendix No. 1 of 2 March 2022. Under the instalment schedule set out in Appendix No. 1, the principal of CZK 3,255 thousand is payable once a year. The first instalment is due on 28 February 2023 and the last instalment on 27 February 2032. The loan bears interest of 6.33 % p.a. The total outstanding amount of the loan as at 31 December 2022 is CZK 32,550 thousand.

Neither the shareholder nor the management members received any borrowings, credits, deposits or other benefits other than those disclosed herein.

## 9. Employees

	2022	2021
Average recalculated number of employees	3	3
<b>Total number of employees</b>	<b>3</b>	<b>3</b>
<b>(CZK'000)</b>	<b>2022</b>	<b>2021</b>
Wages and salaries	1,996	1,992
Social security costs	652	828
Other social costs	136	432
<b>Total staff costs</b>	<b>2,784</b>	<b>3,252</b>

In line with Section 39b(6)(d) of Implementing Regulation No. 500/2002 Coll., the Company does not present the remuneration of the Statutory Body separately.

## 10. Income tax

The income tax expense can be analysed as follows:

(CZK'000)	2022	2021
Current tax – reserve	7	11
Current tax – use of tax losses from 2019	0	(320)
Adjustment of the previous year's tax expense according to the tax return filed	(7)	0
Deferred tax	1,236	1,616
<b>Total income tax expense</b>	<b>1,236</b>	<b>1,307</b>

Current tax can be analysed as follows:

(CZK'000)	2022	2021
Profit or loss before tax	4,438	4,570
Tax non-deductible expenses	650	249
Tax non-deductible income	(560)	(396)
Difference between tax and accounting depreciation/amortisation	(4,490)	(4,367)
<b>Tax base (+) / tax loss (-)</b>	<b>38</b>	<b>56</b>
<b>Corporate income tax of 19%</b>	<b>7</b>	<b>11</b>

Estimation of income tax is recorded as a reserve (refer to Note 6).

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

Deferred tax liability can be analysed as follows:

(CZK'000)	31 December 2022	31 December 2021
<b>Deferred tax asset(+)/liability(-) arising from:</b>		
Difference between accounting and tax net book value of fixed assets	(3,753)	(2,516)
Accounting provisions for receivables	1	0
Other reserves	21	21
<b>Net deferred tax liability</b>	<b>(3,731)</b>	<b>(2,495)</b>

As at 31 December 2022 and 31 December 2021, the Company does not recognise any tax losses which could be utilised in the following years.

## 11. Contingent liabilities

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

## 12. Subsequent events

On 16 December 2022, the Company concluded a loan agreement with its parent company, innogy Energo, s.r.o., in the amount of CZK 9,300 thousand, which will be drawn on 3 April 2023.

On 27 February 2023, the Company concluded a loan agreement with the City of Náchod in the amount of CZK 700 thousand. The loan will be drawn on 3 April 2023.

There were no other subsequent events that would have a material impact on the financial statements as at 31 December 2022.

10 March 2023



Jiří Šímek  
Chairman of the Executive Directors



Zdeněk Slavík  
Executive Director



## 5 Independent auditor's report



Deloitte Audit s.r.o.  
Churchill I  
Italská 2581/67  
120 00 Praha 2 – Vinohrady  
Czech Republic

Tel: +420 246 042 500  
Fax: +420 246 042 555  
DeloitteCZ@deloitteCE.com  
www.deloitte.cz

Registered by the Municipal Court  
in Prague, Section C, File 24349  
ID. No.: 49620592  
Tax ID. No.: CZ49620592

### **INDEPENDENT AUDITOR'S REPORT** To the Partners of innogy Energetika Plhov – Náchod, s.r.o.

Having its registered office at: Plhovská 544, 547 01 Náchod

#### Opinion

We have audited the accompanying financial statements of innogy Energetika Plhov – Náchod, s.r.o. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as at 31 December 2022, and the profit and loss account, statement of changes in equity and cash flow statement the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Innogy Energetika Plhov – Náchod, s.r.o. as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

#### Basis for Opinion

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

#### Other Information in the Annual Report

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Statutory Executives and Supervisory Board are responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

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

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

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

Responsibilities of the Company's Statutory Executives and Supervisory Board for the Financial Statements

The Statutory Executives are responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations applicable in the Czech Republic and for such internal control as the Statutory Executives determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

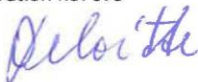
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

We communicate with the Statutory Executives regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague on 10 March 2023

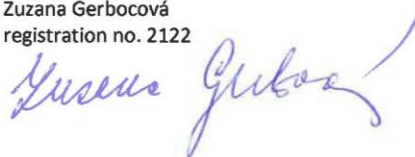
Audit firm:

Deloitte Audit s.r.o.  
registration no. 079



Statutory auditor:

Zuzana Gerbocová  
registration no. 2122



## 6 Report on relations for the accounting period of 2022

This Report on transactions carried out during the fiscal year 2022 between the Company and controlling parties and between the Company and other parties controlled by the same controlling parties ("related parties") has been prepared by the Executive Directors of innogy Energetika Plhov - Náchod, s.r.o. ("Company") in accordance with Section 82 et seq. of Act 90/2012 Coll. on Business Corporations and Cooperatives (Business Corporations Act), insofar as such parties are known to the Company. The Report is attached to the Company's 2022 Annual Report. The Company's member has the right to examine the Report at the same time and under the same conditions as the Financial Statements.

### 1 Structure of relations

The Company is a member of the MVM Group. The Company is subject to interlocking directorates within the meaning of Section 79 of the Business Corporations Act, where at least one key area or activity of the Group's business was coordinated and managed in an addressed manner with the aim of promoting the Group's long-term interests in line with uniform Group-wide policies. The Company's membership in the MVM Group is disclosed on the Company's website.

#### a) Controlling parties

In the past accounting period, the Company was controlled by the following controlling persons:

- i. Directly
  - innogy Energo, s.r.o., with registered office at Limuzská 3135/12, 108 00 Prague 10 – Strašnice, Business ID: 25115171, the majority shareholder of the Company,
- ii. Indirectly
  - innogy Česká republika a.s., with registered office at Limuzská 3135/12, 100 98 Prague 10 – Strašnice, Business ID: 242 75 051, the sole Shareholder of innogy Energo, s.r.o.,
  - MVM Energetika Zártkörűen Működő Részvénytársaság, with registered office at Szentendrei út 207-209, 1031 Budapest, Hungary, the ultimate controlling party.

The Executive Directors are aware of no other parties exercising control over the Company.

#### b) Other controlled parties

The Company requested the above controlling parties to provide a list of the other parties that were controlled by the controlling parties in the past accounting period. The Executive Directors have drawn up this Report on the basis of the information provided by the controlling parties and other information available to the Executive Directors. The structure of related parties within the MVM Group as at 31 December 2022 is disclosed in Annex No. 1 to this Report.

#### c) Role of the controlled party

In the framework of the MVM Group, the Company conducted business consisting of operating district and local heat supply systems and generating electricity in the territory of Náchod.

#### d) Method and means for exercising control

The controlled party was controlled by the controlling party through the general meeting.



## 2 Overview of Transactions

In the last accounting period, the Company made, upon suggestion and/or in the interest of the related parties under point 1 above, the following legal acts concerning assets exceeding CZK 13,208.6 thousand and representing 10% of the Company's equity determined on the basis of the financial statements as at 31 December 2021:

- loans received and provided in the framework of the Group-wide cash-pooling scheme exceeding the above amount.

## 3 Overview of mutual agreements

In the last accounting period, or at least a part thereof, there were contractual relations between the Company and related parties within the meaning of point 1 of this report arising from the agreements listed in Annex 2.

## 4 Advantages and disadvantages arising from relationships between the Group entities

During the past accounting period, the Company benefited from the advantages stemming from the Group-wide financing arrangements, which ensure stability in the provision of funds. The Company is not aware of any disadvantages arising from its membership of the MVM Group. The Company has identified no risks arising from relations between the parties within the Group.

## 5 Confidentiality

This Report does not contain any information constituting the Company's trade secret.

## 6 Conclusion

This Report was approved by the Company's Executive Directors on 10 March 2023.

Prague, 10 March 2023



Jiří Šimek  
Chairman of the Executive Directors, CEO



Zdeněk Slavík  
Executive Director, COO

## Annex 1: Structure of persons related within the MVM Group

<i>Level</i>	<i>Company name</i>	<i>Country</i>	<i>Company Share %</i>	<i>MVM Share %</i>
0	MVM Zrt.	Hungary		
1	MAVIR ZRt.	Hungary	100.00	100.00
2	M-IT Services Kft.	Hungary	100.00	100.00
2	HUPX Zrt.	Hungary	100.00	100.00
3	CEEGEX Zrt.	Hungary	100.00	100.00
2	HUDEX Energiatőzsde Zrt.	Hungary	100.00	100.00
2	Római Irodaház Kft.	Hungary	50.00	100.00
2	MVM Energetikai Ágazati Képzőközpont Nonprofit Kft.	Hungary	2.04	100.00
1	MVM Paksi Atomerőmű Zrt.	Hungary	100.00	100.00
2	ATOMIX Kft.	Hungary	100.00	100.00
2	MVM NUKA Zrt.	Hungary	25.00	100.00
1	MVM Partner Zrt.	Hungary	100.00	100.00
2	MVM Partner Serbia d.o.o. Beograd	Serbia	100.00	100.00
2	MVM Partner d.o.o.	Croatia	100.00	100.00
2	MVM Partner DOOEL Skopje	Macedonia	100.00	100.00
2	POWERFORUM Zrt.	Hungary	100.00	100.00
1	MVMI Zrt.	Hungary	100.00	100.00
1	Római Irodaház Kft.	Hungary	50.00	100.00
1	Magyar Földgáztároló Zrt.	Hungary	100.00	100.00
1	MVM OVIT Zrt.	Hungary	100.00	100.00
2	MVM OVIT Építő Kft.	Hungary	100.00	100.00
2	MVM OVIT Rentra Kft.	Hungary	100.00	100.00
2	MVM OVIT Beton Kft.	Hungary	100.00	100.00
2	MVM Energetikai Ágazati Képzőközpont Nonprofit Kft.	Hungary	2.04	100.00
1	MVM MIFŰ Kft.	Hungary	100.00	100.00
1	MVM Zöld Generáció Kft.	Hungary	100.00	100.00
2	MVM ZG Solar Kft.	Hungary	95.70	100.00
2	Raaba Energy Kft.	Hungary	100.00	100.00
3	MVM ZG Solar Epsilon Kft.	Hungary	100.00	100.00
2	MVM ZG Solar Service Kft.	Hungary	100.00	100.00
2	MVM ZG SOLAR STAR Kft.	Hungary	100.00	100.00
2	Kom Hull Villamosenergia Kereskedő Kft.	Hungary	100.00	100.00
2	MVM Vízérőmű Kft.	Hungary	100.00	100.00
1	MVM ZG Solar Kft.	Hungary	4.30	100.00
1	MVM CEEnergy Zrt.	Hungary	100.00	100.00
2	MFGK Austria GmbH	Austria	100.00	100.00
2	MVM CEEnergy SLOVAKIA s.r.o.	Slovakia	100.00	100.00
2	MVM CEEnergy Croatia d.o.o.	Croatia	100.00	100.00
2	MVM CEEnergy CZ s.r.o.	Czech Republic	100.00	100.00
2	Corvinus Energy Kft.	Hungary	50.00	50.00
3	HHE Sarkad Kft.	Hungary	100.00	50.00
1	NRG Finance Kft.	Hungary	100.00	100.00
2	Rába Energiaszolgáltató Kft.	Hungary	96.67	96.67
1	MVM ERBE Zrt.	Hungary	100.00	100.00
2	MVM ERBE ENGINEERING Zrt.	Hungary	100.00	100.00
2	FERMANDOR Kft.	Hungary	100.00	100.00
1	Vértesi Erőmű ZRT.	Hungary	100.00	100.00

1	MVM Hotel Panoráma Kft.	Hungary	100.00	100.00
1	MVM Balance Zrt.	Hungary	100.00	100.00
2	MVM Tisza Erőmű Kft.	Hungary	100.00	100.00
1	MVM Smart Future Lab Zrt.	Hungary	100.00	100.00
1	MVM Titán Zrt.	Hungary	100.00	100.00
1	MVM Services Zrt.	Hungary	100.00	100.00
2	MVM BSZK Zrt.	Hungary	100.00	100.00
2	MVM Energetikai Ágazati Képzőközpont Nonprofit Kft.	Hungary	83.67	100.00
1	MVM Mobiliti Kft.	Hungary	100.00	100.00
2	e-Mobi Nonprofit Kft.	Hungary	100.00	100.00
2	Mobiliti VOLÁNBUSZ Kft.	Hungary	95.00	95.00
1	Kapos CNG Kft.	Hungary	99.64	99.64
1	MVM Otthon Plusz Zrt.	Hungary	100.00	100.00
1	MVM Xpert Zrt.	Hungary	100.00	100.00
2	MVM ENERGO-MERKUR Kft.	Hungary	100.00	100.00
2	MVM Energetikai Ágazati Képzőközpont Nonprofit Kft.	Hungary	2.04	100.00
1	MVM ESCO Zrt.	Hungary	100.00	100.00
2	MVM ESCO Urban Kft.	Hungary	100.00	100.00
1	Grape Solutions Zrt.	Hungary	100.00	100.00
2	ART Program SRL	Romania	100.00	100.00
1	MVM Mátra Energy Zrt.	Hungary	100.00	100.00
2	MVM Mátra Gép Kft.	Hungary	100.00	100.00
2	MVM Mátra Mélyépítő Kft.	Hungary	100.00	100.00
2	Bakony-Sol Kft.	Hungary	100.00	100.00
2	MVM Energetikai Ágazati Képzőközpont Nonprofit Kft.	Hungary	2.04	100.00
1	Geosol Kft.	Hungary	100.00	100.00
1	MVM Next Energiakereskedelmi Zrt.	Hungary	100.00	100.00
2	MVM Démász Áramhálózati Kft.	Hungary	100.00	100.00
3	MVM Ügyfélkapcsolati Kft.	Hungary	24.00	100.00
3	MVM Energetikai Ágazati Képzőközpont Nonprofit Kft.	Hungary	2.05	100.00
2	MVM Főgáz Kft.	Hungary	100.00	100.00
3	MVM Ügyfélkapcsolati Kft.	Hungary	12.00	100.00
3	MVM Energetikai Ágazati Képzőközpont Nonprofit Kft.	Hungary	2.04	100.00
2	MVM Ügyfélkapcsolati Kft.	Hungary	52.00	100.00
2	Flogiston Kft.	Hungary	67.00	67.00
2	Komunálinfó Zrt.	Hungary	42.40	42.40
2	MVM EÉ Ügyfélkapcsolati Kft.	Hungary	96.70	100.00
1	MVM Optimum Zrt.	Hungary	100.00	100.00
2	Sysco-Lux Kft.	Hungary	60.00	60.00
3	Sysco-Lux GmbH	Austria	100.00	60.00
1	MVM Égáz-Dégáz Zrt.	Hungary	100.00	100.00
2	MVM Ügyfélkapcsolati Kft.	Hungary	12.00	100.00
2	MVM Energetikai Ágazati Képzőközpont Nonprofit Kft.	Hungary	2.04	100.00
1	MVM OTSZ Zrt.	Hungary	100.00	100.00
1	MVM Watt Eta Kft.	Hungary	100.00	100.00
1	MVM NUKA Zrt.	Hungary	75.00	100.00
1	MVM EGI Zrt.	Hungary	100.00	100.00
2	EGI Cooling System Tr. (Beijing)	China	100.00	100.00
2	EGI Cooling System (China)	China	100.00	100.00
1	MVM Energy Romania SA	Romania	0.01	100.00
2	MVM Future Energy Technology SRL	Romania	100.00	100.00
1	MVM Switzerland AG	Switzerland	100.00	100.00

2	MVM Energy Romania SA	Romania	99.99	100.00
3	MVM Future Energy Technology SRL	Romania	100.00	100.00
1	NIKER d.o.o.	Croatia	100.00	100.00
1	innogy Česká republika a.s	Czech Republic	100.00	100.00
2	innogy Zákaznické služby s.r.o.	Czech Republic	100.00	100.00
2	innogy Energie s.r.o	Czech Republic	100.00	100.00
2	innogy Energo s.r.o	Czech Republic	100.00	100.00
3	Ginger TEPLLO s.r.o	Czech Republic	100.00	100.00
3	innogy Energetika Plhov - Náchod s.r.o.	Czech Republic	93.00	93.00
3	Olife Energy Net, a.s.	Czech Republic	100.00	100.00
3	Energo TTS s.r.o	Slovakia	80.00	80.00
4	TTS Martin, s.r.o	Slovakia	100.00	80.00
4	TTS Steel, s.r.o	Slovakia	100.00	80.00
4	TTS Servis, s. r. o	Slovakia	100.00	80.00
1	Panrusgáz Zrt. "v.a."	Hungary	50.00	50.00
1	MVM Ingatlankezelő Kft.	Hungary	100.00	100.00
1	MVM ÉMÁSZ Áramhálózati Kft.	Hungary	100.00	100.00
2	MVM EÉ Ügyfélkapcsolati Kft.	Hungary	3.30	100.00
2	MVM Energetikai Ágazati Képzőközpont Nonprofit Kft.	Hungary	2.04	100.00
1	MVM Lumen Kft.	Hungary	100.00	100.00
1	EKS-Service Kft.	Hungary	50.00	50.00
1	NGBS Hungary Kft.	Hungary	100.00	100.00
1	MVM NET Zrt.	Hungary	100.00	100.00
1	E.ON Áramszolgáltató Kft.	Hungary	100.00	100.00
1	European Power Services Zrt.	Hungary	50.00	50.00

**Company Share %** shows the business share held by the direct owner of the company  
**MVM Share %** shows the business share owned directly and/or indirectly by MVM Zrt according to Hungarian Civil Code

## Annex no. 2: Overview of mutual agreements between the Company and Related Parties within the MVM Group as at 31 December 2022

Contracting party	Type/purpose of agreement	Quantity
innogy Česká republika a.s.	Master Agreement for Entry into Service Level Agreements for Corporate Services	1
	Service Level Agreement for Corporate Services	1
	Amendments 1 to 3 to Service Level Agreement for Corporate Services	3
	Personal Data Processing Agreement	2
innogy Energo, s.r.o.	Gas Asset Lease Agreement	1
	Amendment 1 to Gas Asset Lease Agreement	1
	Water Supply and Waste Water Disposal Agreement	3
	Real Estate Lease Agreement	2
	Service Level Agreement for Corporate Services	1
	Amendments 1 to 3 to SLA for Corporate Services	3
	Loan Agreement	3
	Amendment 1 do Loan Agreement	1
	Master Agreement for Entry into Service Level Agreements for Corporate Services	1
	Service Level Agreement for Operation, Maintenance, Repair, and Investment Services	1
	Amendments 1 to 3 to Service Level Agreement for Operation, Maintenance, Repair, and Investment Services	3
	Electricity Cost Re-Billing Agreement	1
	Heat Supply Agreement	1
	Natural Gas Cost Re-Billing Agreement	1
	MVM Energetika Zártkörűen Működő Részvénytársaság	One-way zero-balancing Cash Pooling - ČSOB

**innogy Energetika Plhov - Náchod, s.r.o.**

Plhovská 544

CZ – 547 01 Náchod

[innogy-energo.cz](http://innogy-energo.cz)