

# Annual Report 2020

innogy Energo



innogy

*Jezdím na CNG  
s innogy*

EATON SAFETY

## Key Ratios (according to CAS)

	2020
Total sales (CZK m)	847.4
EBITDA (CZK m)	130
Operating result (CZK m)	30.3
Profit before taxation (CZK m)	3
Profit after taxation (CZK m)	(0.2)
Investments (CZK m)	129.8
Number of employees (FTE)	75

Wherever used in the text, the term Company or innogy Energo refers to innogy Energo, s.r.o.

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.

Further to the announcement of RWE AG and E.ON SE, released on 11 March 2018, regarding an agreement on the basis of which RWE AG would sell its 76.79% stake in innogy SE to the E.ON Group and the companies would also exchange some other parts of their assets, the European Commission approved the transaction on 17 September 2019. E.ON SE therefore became the owner of innogy SE and in turn the owner of innogy companies in the Czech Republic. As part of 'the remedies', i.e. the remedial measures intended to preserve a competitive environment, E.ON SE however offered innogy's entire retail business (natural gas and electricity) in the Czech Republic for sale.

Following the European Commission's approval of the transaction, the right of first refusal was exercised, and on 30 September 2019 Grid Group member companies were sold to a consortium of investors managed by Macquarie Infrastructure and Real Assets (MIRA), which includes British Columbia Investment Management Corporation (BCI) and Allianz Capital Partners representing Allianz insurance companies.

As part of this transaction, innogy Gas Storage, s.r.o., a subsidiary of innogy Česká republika a.s. operating underground gas storage facilities, was transferred to innogy International Participations N.V. as of 31 March 2020.

The above process of selling innogy's companies in the Czech Republic was concluded on 30 October 2020 by the transfer of a 100% equity stake in innogy Česká republika a.s., including all parties controlled by it, to the MVM multinational energy group, specifically MVM Magyar Villamos Művek Zártkörűen Működő Részvénytársaság, with its registered office at Szentendrei út 207-209, 1031 Budapest, Hungary (operating under the new name MVM Energetika Zártkörűen Működő Részvénytársaság since 1 January 2021), the ultimate parent undertaking of the entire MVM Group.

## Abbreviations

CAS	Czech Accounting Standards
CEO	Chief Executive Officer
COO	Chief Operations Officer
CNG	Compressed natural gas
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
kWp	Kilowatt – peak; unit of measurement of the nominal power of a solar panel
LDS	Local Distribution System
SLA	Service level agreement

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## 1 The chairman's statement

Ladies and Gentlemen,

It is not an exaggeration to say that 2020 was the most challenging time innogy ever went through. Throughout the year, which was dramatically affected by the COVID-19 pandemic, we had to deal with novel, unexpected situations for which no contingency plan can be made.

Willingness to accept the new reality and an exceptional degree of adaptability and flexibility were the main factors that helped all of us at innogy cope with the effects of the pandemic. Thanks to a responsible attitude and adopted preventative safety measures, we succeeded in protecting our workers, preventing the disease from spreading in the workplace, and ensuring business continuity.

The difficult situation demonstrated that corporate social responsibility is one of innogy's core corporate values, as we were able to lend a helping hand to others in need. At the beginning of the pandemic, we donated 16,000 single-use facemasks to the City of Náchod and its residents. Worth CZK 250,000, the facemasks were distributed through a dispensing machine that provided people from Náchod and vicinity with easy access to protective aids at a symbolic price despite shortages experienced at the time. Subject to conditions laid down by the European Commission, innogy Česká republika, including innogy Energo, s.r.o., was sold last year in a call for tenders. The winning bidder was the Hungarian energy group MVM. Under the new owner, we want to continue developing our products and services in line with the philosophy of the innogy brand. Today, we can rely on the MVM Group's resources and strong backing for the further development of our business.

Throughout 2020, we continued to upgrade our heat supply facilities. During the first stage of an upgrade of the Beroun – Center heating plant, we installed a new gas boiler. The second stage will consist of installing a cogeneration unit. In the first half of the year, we increased our ownership interest in TEPLO T s.r.o. to 100%, and the firm was subsequently merged with innogy Energo.

The Company has made steady progress in establishing itself as a local distributor of electricity. The portfolio of local distribution systems we operate has gradually grown to five, in part thanks to a merger with the company Areal Blansko LDS a.s.

In the clean mobility segment, we continued enlarging the network of CNG filling stations. Their number grew to 65. Thanks to active communication, we were able to attract attention to the innogy brand while testing and implementing BioCNG into our network of filling stations, an achievement that underscored our image as the number one on the CNG market. Last year saw a significant increase in residential rooftop installations of solar panels. We now carry out hundreds of installations annually, which translates into units of MWp of installed power. The majority of projects include the installation of a battery storage system. In the corporate segment, interest continued to increase in our customers' use of renewable resources to meet their own energy needs. In line with this trend, we completed the largest installation for one of our customers thus far, involving a system with an output of 350 kWp.

To conclude, I want to thank all employees for their exceptional work efforts throughout the reported year.

**Zdeněk Kaplan**

Chairman of the Executive Directors, CEO

## 2 Corporate information

### 2.1 General Information

Business name:	innogy Energo, s.r.o.
Registered office:	Limuzská 3135/12, Strašnice, 108 00 Praha 10
Company No.:	251 15 171
Legal form:	limited liability company

#### Establishment and Inception

innogy Energo, s.r.o. was established on 21 March 1997 under the business name of DAUBER, s.r.o. Its business name was changed to Harpen ČR, s.r.o. on 16 October 1997 and to KA Contracting ČR s.r.o. in 2006.

Effective as of 1 January 2013, KA Contracting ČR s.r.o. merged by acquisition with RWE Plynoprojekt, s.r.o. The successor company in the merger was KA Contracting ČR s.r.o. As part of the in-progress integration of the RWE Group's business in the Czech Republic, the Company was renamed RWE Energo, s.r.o. effective on 1 April 2013.

On 9 October 2014, RWE Energo, s.r.o. and TEPLO Rumburk, s.r.o. carried out a domestic merger by acquisition, executed under a notarial deed, whereby the subsidiary TEPLO Rumburk, s.r.o. was wound up as of 1 January 2015 and its assets were transferred to RWE Energo, s.r.o., the successor company.

In connection with the establishment of the innogy Group within the RWE Group, of which the Company is a member, the Company's business name was changed from RWE Energo, s.r.o. to innogy Energo, s.r.o. effective as of 1 October 2016.

The legal effects of the merger CNGvitall s.r.o. with innogy Energo, s.r.o. occurred as at 1 July 2019. Furthermore, the Company spun off some of its assets and liabilities to the subsidiary innogy Energetika Plhov – Náchod, s.r.o. effective as of 1 August 2019.

With the effectiveness as at 1 July 2020, innogy Energo, s.r.o., the successor company, carried out mergers by acquisition with the wound up company TEPLO T s.r.o. and the wound up company Areal Blansko LDS a.s. As part of the mergers, the assets of both of the wound up companies, TEPLO T s.r.o. and Areal Blansko LDS a.s., were transferred to innogy Energo, s.r.o. with the decisive day on 1 January 2020.

#### Corporate Profile

The Company's core business consists of the production and distribution of heat, the generation, distribution, and trading of electricity, the sale of gas (CNG), the lease of real estate, and construction.

#### Organization Units

The Company has no organizational units abroad.



## Research and Development

The Company does not carry out research and development.

## 2.2 Shareholders

### Ownership Structure

As at 31 December 2020, the sole shareholder of innogy Energo, s.r.o. was innogy Česká republika a.s., with registered office at Limuzská 3135/12, 100 98 Prague 10 – Strašnice, Czech Republic.

## 2.3 Statutory Body

### Executive Directors as at 31 December 2020

#### Zdeněk Kaplan

Chairman of the Executive Directors, CEO

<b>Date of birth:</b>	7 November 1974
<b>Education:</b>	University of Economics, Prague, Faculty of Business Administration
<b>Other board memberships and commitments:</b>	Chairman of the innogy Energetika Plhov – Náchod, s.r.o. Supervisory Board, Executive Director of Ginger Teplo, s.r.o.
<b>Other business activities:</b>	None

#### Jiří Šimek

Executive Director, COO

<b>Date of birth:</b>	9 October 1974
<b>Education:</b>	University of Johannes Kepler, Linz, Faculty of Corporate Economics
<b>Other board memberships and commitments:</b>	Chairman of the Executive Directors of innogy Energetika Plhov – Náchod, s.r.o., Executive Director of Ginger Teplo, s.r.o.
<b>Other business activities:</b>	None

The composition of the Company's Executive Directors did not change in 2020.

## 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 Energo for 2020

**Audit firm:**

PricewaterhouseCoopers Audit, s.r.o.  
Represented by Václav Prýmek  
(Representative acting under power of attorney)  
Hvězdova 1734/2c  
140 00 Prague 4  
Registered in the Register of Audit Firms  
of the Czech Chamber of Auditors, Evidence No. 021

**Auditor in charge:**

Danuše Polívková  
Statutory Auditor, Evidence No. 2462

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.

### Persons Responsible for the 2020 Annual Report of innogy Energo

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, 12 March 2021

**Zdeněk Kaplan**

Chairman of the Executive Directors, CEO

**Jiří Šimek**

Executive Director, COO



### 3 Management report for 2020

#### 3.1 Results

##### Revenues, Expenses, Profit

The Company recorded CZK 847,377 thousand in total revenues. Factors that had a favorable effect on results included proceeds from emission allowances (payments for allowing the fulfillment of greenhouse gas emission reduction requirements) and colder climatic conditions that resulted in a higher heat consumption and consequently also higher electricity generation. Revenues in the segment of heat supply and local distribution systems were positively affected by the Company's mergers with TEPLŮ T s.r.o. and Areal Blansko LDS a.s. Based on the foregoing, the Company reported in 2020 a loss of CZK 236 thousand compared a loss CZK 20,020 thousand in 2019.

##### Assets and Liabilities

The total value of the Company's assets amounted CZK 1,964,014 thousand as at 31 December 2020. A year-to-year increase in the value of assets was mainly caused by a change of balance sheet reporting methodology, where the netting of received prepayments against estimated assets is now no longer carried out. Another factor that affected the value of assets and liabilities was the Company's mergers with TEPLŮ T s.r.o. and Areal Blansko LDS a.s.

##### Investments

During 2020, the Company made investments in the total amount of CZK 129.8 million in accordance with the investment plan. In the CNG segment, investments were used to enlarge the network of CNG stations. In the heat and electricity cogeneration segment, investments were mainly made into our existing facilities in Beroun and Náchod as well as into recently acquired facilities, such as Břidličná and Letovice. All investment projects were executed in the Czech Republic.

##### Financing

The financing of operations and investments was mainly secured by long-term loans received in 2018 and 2019. Another long-term loan was negotiated in 2020. innogy Energo, s.r.o. continued to take part in the innogy Group's cash-pooling scheme in the Czech Republic.

##### Risk Management

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 damage. There is a clearly defined owner responsible for the management of every risk. Risk management is primarily the responsibility of the Risk Management Committee whose members comprise representatives of the innogy Group's management. The Risk Management Committee gives recommendations based on which the Company's Executive Directors can approve exemptions from standard risk management rules. In 2020, the Company's management identified no risks liable to jeopardize the Company's existence.

### 3.2 Strategy and Business Activities

The business operations of innogy Energo, s.r.o. mainly focus on heat and electricity generation, clean mobility, the operation of local electricity distribution systems, and the installation of solar panels in combination with battery storage systems. Projects executed by innogy Energo include the comprehensive upgrade of local and long-distance heating systems using cogeneration units, mainly in the form of energy contracting. Energy contracting is an all-inclusive service that comprises the identification of savings, the planning, execution, and financing of projects, and the operation of the venture during a predefined period. Another segment where innogy Energo conducts business is the construction and operation of local electricity distribution systems in existing industrial complexes and as part of the development of new residential settlements.

The most important already completed projects include the Náchod centralized heating system with 3.8 MWt and 73.5 MWe in installed capacity for electricity and heat, respectively, the Beroun – Králův Dvůr project with 3.25 MWt and 39.3 MWt in installed capacity for electricity and heat, respectively, and a project in Odolena Voda with 1.56 MWe and 10.3 MWt in installed capacity for electricity and heat, respectively. Other projects have been executed in the city of Břeclav, involving a system with 0.576 MWe and 16.8 MWt in installed capacity for electricity and heat, respectively, and in the City of Rumburk, located in the northernmost part of the Czech Republic, involving a system with 1.56 MWe and 17.9 MWt in installed capacity for electricity and heat, respectively.

10 Individual facilities are either run by innogy Energo itself, using its resources, or through third parties that operate them using their own workers, but under innogy Energo's direct technical supervision and customarily also with our financial assistance. Most facilities featuring combined heat and electricity generation are operated by innogy Energo directly.

In addition, innogy Energo conducts activities aimed at maintaining and optimizing existing profitable ventures. Important projects executed last year included the continuation of an upgrade of the central heat supply network in the City of Náchod. The last stage completed to date consisted of spinning-off innogy Energetika Plhov-Náchod, s.r.o. as an independent company. This company operates renovated heat conduits in the Plhov District and a recently built steam boiler in the heating plant's production unit, which was complemented last year with two cogeneration units with an installed capacity of 2 x 999 kWe of electric power. Last year, an upgrade of a section of the heat supply network continued, as steam conduits were replaced with hot-water piping.

The Company continued to expand its activities in the combined heat and power generation segment. In 2020, we put into operation a cogeneration unit with 529 kWe in installed capacity for electricity generation for the supply of heat to MOS s.r.o. in Břidličná and a cogeneration unit with a 200 kWe in installed electricity generating capacity in Trója.

Last year also saw the execution of projects aimed at heat supplied by local gas-fired heating plants. In particular, we completed a project in the Tylex Letovice, akciová společnost, which consisted of comprehensive refurbishment of the heat supply system, where the existing steam, coal-fired unit was

replaced with a partially decentralized gas-fired plant that will be complemented with a cogeneration unit in the course of this year. Other heat production projects included the reconstruction of heating plants that supply heat to the Beroun train station the Poděbradská Multipurpose House in Prague – Vysočany.

Another business segment to which the Company pays close attention is the construction and operation of local electricity distribution systems (LDS). Last year, two such systems were put into operation in the Na Spravedlnosti district in Pardubice and in the Nová Vltava district in České Budějovice. Both LDSs were built in connection with the construction of apartment buildings.

The priorities of innogy Energo include environmental protection through the use of alternative fuels. This effort is reflected in another, no less important, business activity carried out by the Company – clean mobility. Clean mobility includes activities in the segment of electromobility and compressed natural gas (CNG), most importantly the construction and operation of CNG filling stations, the sale of CNG for transport applications, and the construction and operation of charging stations for electric cars.

In 2020, the Company operated as many as 65 public CNG filling stations, retaining its status as the biggest operator of its own filling stations on the Czech market. Additional CNG station construction projects are under preparation for the forthcoming years. The Company used its distribution network to supply approximately 10.7 million kg of CNG to end users in 2020.

Well received was a targeted offer of proprietary technological know-how for the installation and operation of CNG stations, which saves time and money to corporate clients. Moreover, the technology is fully adaptable to customers' needs. One of such projects was the turnkey delivery of new technology with a more powerful compressor to the Pražská plynárenská filling station in Prague 4 – Hodkovičky. The Company will continue servicing this filling station. The Company acted as the general contractor for a project involving the construction of a gasoline and CNG filling station and a DC charging station for IVC Ostrava. Additional projects are currently in progress, where delivery is planned in the course of 2021. The Company's performance was very successful as regards the lease of mobile CNG technologies, specifically in Poland.

As part of its continual efforts to improve environmental protection, the Company tested BioCNG in its network of CNG filling stations in the spring. Nearly 250,000 cubic meters of biomethane was purchased for testing purposes from ECR Rapotín. The biomethane was converted to BioCNG at the Company's filling station and sold to consumers.

In the electromobility segment, we continued building public and private charging stations for the needs of the innogy Group, for companies with a fleet of electric cars, and for various third parties. At the end of 2020, the Company had 13 public charging stations with 10 fast-charging DC points in Prague, Karlovy Vary, and Nepomuk, where the first 150 kW fast charging station was opened, as well as 19 public AC charging points in various parts of the Czech Republic. Charging stations served for more than 5,000 charges, where supplied electricity was in excess of 45 MWh. During the reported

year, we supplied to customers and put into operation 58 AC charging stations. In total, the Company now runs as many as 71 public and private charging stations with 98 charging points. Negotiations are under way for the construction of additional facilities. In 2020, we arranged the parameters of partnerships with new partners for the construction of additional charging stations in 2021 with a view to enlarging our portfolio of charging facilities. The ownership structure change in the fourth quarter of 2020 provided a strong impetus for the further development of the electromobility segment, where we forged a partnership with MVM Mobiliti Kft.

Acting as a service organization for the installation of solar power plants, the Company performed more than 210 installations on family homes with an aggregate output over 1.2 MW in 2020. Twenty-two saw another major augmentation in interest in family home installations toward higher output and battery storage systems. Approximately 90% of installed systems included battery storage, a 30% year-to-year increase. As to installation for corporate customers, the most reportable project involved a rooftop solar power plant with an output of 350 kW for the Bruntál-based company KARLA spol. s r.o.

### 3.3 Marketing and Communication Activities

In the conduct of marketing and communication activities aimed at the heat and electricity production and distribution segment, innogy Energo, s.r.o. pursued a strategy of approaching potential customers from the ranks of municipalities and business customers. As regards clean mobility, our activities primarily focused on educating entrepreneurs and companies with a large vehicle fleet.

Despite the fact that the organization of all events, marketing campaigns, exhibitions, and trade shows was strongly affected throughout the reported year by the need to conform to restrictions adopted by the Czech government to fight the COVID-19 pandemic, we supported and actively participated in several important events.

In 2020, the Company focused on promoting the use of such alternative fuels as CNG and electricity through uniform communication methods. An example of this effort was an event titled "Alternative Fuel Types in Practical Applications" organized by the Business Car magazine at the Štiřín Palace in June. During this event, mainly intended for fleet managers from all parts of the Czech Republic, we presented all of our products for the clean mobility segment. Another example was targeted advertising for both of the fuels in a magazine published by LeasePlan, a company with a strong position in the operating lease segment.

The use of natural gas in transport applications received strong support during the Gas Mobility Day organized under the auspices of the Czech Gas Association. Dedicated to CNG and LNG, this event was attended not only by experts from the ranks of carmakers, fuel producers, and filling infrastructure operators, but also by representatives from the media and the ministries concerned. The event was very well received.

Support for sports was another important area for the Company. As in previous years, the Company provided assistance to the AERO Odolena Voda Volleyball Club, the Králův Dvůr Football Club, and, for the first time, the Tišnov Amateur Football Club. In 2020, the Company supported several important cultural projects, most importantly the Trilobit Awards organized by the Czech Film and Television Association FITES, z.s. in partnership with the city of Beroun. Trilobit is awarded to film and television works with a high aesthetic, ethical, artistic, or societal value regardless of commercial success and viewership, a concept that attracts considerable interest year after year. Another important event was Talich's Beroun, an international music festival organized by the city of Beroun in the fall, where we acted as the general partner. The Company plans to provide sizeable support for cultural events once again in 2021.

### 3.4 Human Resources

#### Staffing Levels

In 2020, employee headcount (FTE) in the Company was 75. The increase was mainly due to new workers hired to reinforce the solar power team.

#### Development of Employee Headcount (FTE)

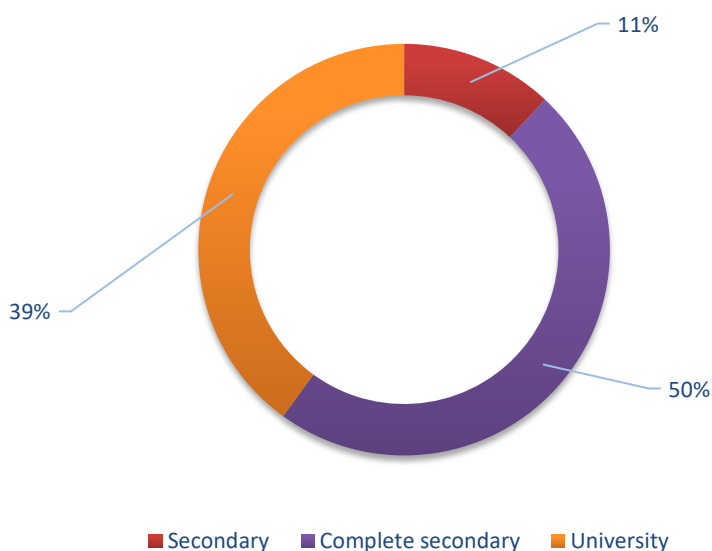
Year	2020	2019	2018	2017
Employee headcount	75	73	69	67

#### Staff Structure by Education

Company	Secondary	Complete secondary	University	Elementary	Total
innogy Energy	11.2%	50.0%	38.8%	0.0%	100.0%

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#### Employee Structure by Education in the Year Ended 31 December 2020



### **Wages**

The development of wages in 2020 fully reflected the Company's needs and the current situation on the labor market in line with the top management's human resources plans and strategy. During the year, all remuneration rules and wage increase principles agreed in the current Collective Agreement were observed.

### **Professional Training and Development**

In 2020, the Company spent 1.04% of wage costs on training and personal development programs, organizing 660 learning projects for 685 trainees. The average annual training cost per employee amounted to approximately CZK 7,071. This sum includes e-learning courses.

### **Social Policy**

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

The Company offers all employees the option to draw an annual contribution of CZK 27,000 through the Benefit Portal and to obtain a wide range of other benefits (training, vacation, health, and financial benefits), including discounts on the prices of products and services offered by external partners under the "Employee Specials" program.

## 3.5 Occupational Health and Safety and Environmental Protection

### **Occupational Health and Safety**

An active, responsible attitude to environmental protection is one of the fundamental principles adhered to by innogy Energo, s.r.o. Understood as part of corporate social responsibility, environmental protection is incorporated in all of the Company's processes and decisions.

The Company places emphasis on complying with legislative requirements, improving environmental protection in line with the Environmental Protection Policy, and increasing workers' awareness of the environmental impact of their actions and the Company's operations.

In 2020, focus concentrated on an upgrade of heat supply facilities in Beroun. All existing boilers in the Beroun – Centrum and Beroun Hlinky heating plants were replaced with new units featuring low emission ratings. During the reported year, the Company also put into operation several local heating facilities. In the Náchod Heating Plant, a natural gas boiler was shut down, and the refurbishment of a system of heat conduits continued.

The Company currently operates 65 compressed natural gas filling stations, and ranks among the biggest operators of CNG facilities in the Czech Republic. In addition, we supply proprietary technology for CNG filling stations, which guarantees their safe and reliable operation. In 2020, the Company relied on a fleet of 38 vehicles, including 35 CNG-driven cars and two electric cars. The use of vehicles

powered by an alternative fuel translates into significantly lower production of pollutants compared to vehicles driven by traditional fuels.

The Company complied with duties relating to the placement on the market of industrial packaging through the authorized packaging management company EKO-KOM, a.s. Electronic and electrical waste is recycled under agreements with ASEKOL a.s.

In 2020, government authorities carried out two inspections of compliance with the current requirements laid down in Act No. 201/2012 Coll. on Air Protection, and Act No. 76/2002 Coll. on Integrated Prevention. The inspections ascertained no violation of legislative requirements laid down under the applicable environmental protection laws.

No serious incident occurred at the Company's facilities with a negative impact on the environment in the reported year.

### **Environmental Protection**

As regards OHS, the reported year was marked by actions taken in connection with fighting the COVID-19 pandemic. As a result of the public-health conditions in the Czech Republic, innogy activated the Emergency Response Team, which continuously monitored and assessed the situation and implemented necessary measures to ensure the safety of the Company's operations. The measures mainly consisted of minimizing personal contacts. Wherever possible, employees worked on a home office basis, business trips were reduced, in-house training was replaced with online courses, the number of external persons into the Company's building and complexes was restricted, workplace hygiene was increased, and social distancing and wearing facemasks was required. Measures imposed by the government and their implementation were the subject of frequent communication with local public-health authorities. The timely implementation of protective regimens made a significant contribution to protecting the health of all our employees.

In 2020, we successfully launched a protective paint project involving acquired Vitall CNG stations. The project was preceded by defining and implementing occupational and fire safety rules for tasks performed in areas subject to explosion hazard.

In the course of the year, occupational safety and preventative fire safety inspections were conducted in individual localities. The inspections identified no deficiencies liable to endanger lives, health, or property.

Aiming to promote health, we succeeded in organizing first aid training „První pomoc živě“ during the year despite the COVID-19 pandemic. In connection with the new work regimens, mainly home office arrangements, training videos were filmed, which targeted such issues as time planning, ergonomic principles, and stabilization and compensation exercises at home.

As regards the car fleet, we continued activities carried out in previous years, which focused on improving road safety. They mainly consisted of communicating with workers and organizing defensive driving courses.



A testimony to the responsible attitude of the Company's management and workers to occupational and fire safety is the fact that no work accident was recorded in 2020.

### 3.6 Subsequent Events

As at the date of this report, there have been no reportable events liable to have a material effect on the Company's business.

### 3.7 Outlook

The Company will continue to develop the use of CNG, where focus will concentrate on prospective clients for whom CNG has the potential to reduce transport costs. In addition, as year 2019, the Company wants to offer its clients the option to use BioCNG with a view to contributing to environmental protection. At the same time, the Company will also offer clients the Company's proprietary technology for CNG stations. In the electromobility segment, the Company will focus on enlarging the network of public charging stations, using government subsidies where applicable. In cooperation with forging partnerships the Company will offer customers the option to switch partners' fleet to electricity-driven vehicles in suitable applications.

The heat and electricity generation segment will be marked by additional investments into upgrading our facilities, where the highest investment will be made into the installation of a cogeneration unit in the Beroun Centrum heating plant. In addition, we are planning the execution of a pilot project consisting of installing a micro-cogeneration unit in Kamenice nad Lipou. Another area that is gaining in importance is search for opportunities for the supply of heat to new clients outside our existing localities.

The installation of solar panels in combination with battery storage systems is now an integral part of innogy Energo's business. Considering the growth in demand, particularly in the residential segment, it will be necessary to secure sufficient installation resources to be able to provide services in accordance with our customers' expectations. In addition, the Company will have to satisfy growing demand in this segment on the part of corporate clients.

## 4 Financial section

### 4.1 Financial Statements

Company name: innogy Energo, s.r.o.  
 Identification number: 251 15 171  
 Legal form: Limited Liability Company  
 Primary business: Heat and electricity production and distribution, sale of CNG gas  
 Balance sheet date: 31 December 2020  
 Date of preparation of the financial statements: 12 March 2021

**BALANCE SHEET**  
(in thousand Czech crowns)

Ref. a	ASSETS b	Row c	31.12.2020			31.12.2019
			Gross 1	Provision 2	Net 3	Net 4
	<b>TOTAL ASSETS</b>	<b>001</b>	<b>3,120,634</b>	<b>(1,156,620)</b>	<b>1,964,014</b>	<b>1,916,900</b>
<b>B.</b>	<b>Fixed assets</b>	<b>003</b>	<b>2,489,650</b>	<b>(1,146,697)</b>	<b>1,342,953</b>	<b>1,417,375</b>
<b>B. I.</b>	<b>Intangible fixed assets</b>	<b>004</b>	<b>27,087</b>	<b>(24,314)</b>	<b>2,773</b>	<b>4,043</b>
B. I. 2.	Royalties	006	25,161	(24,314)	847	3,112
B. I. 2. 1.	Software	007	19,655	(19,589)	66	2,001
B. I. 2. 2.	Other royalties	008	5,506	(4,725)	781	1,111
B. I. 4.	Other intangible fixed assets	010	1,926	-	1,926	841
B. I. 5.	Advances paid and intangible fixed assets in the course of construction	011	-	-	-	90
B. I. 5. 2.	Intangible fixed assets in the course of construction	013	-	-	-	90
<b>B. II.</b>	<b>Tangible fixed assets</b>	<b>014</b>	<b>2,370,858</b>	<b>(1,122,383)</b>	<b>1,248,475</b>	<b>1,173,667</b>
B. II. 1.	Land and constructions	015	818,694	(289,750)	528,944	526,515
B. II. 1. 1.	Land	016	10,343	-	10,343	8,882
B. II. 1. 2.	Constructions	017	808,351	(289,750)	518,601	517,633
B. II. 2.	Equipment	018	1,422,246	(782,108)	640,138	535,354
B. II. 3.	Adjustment to acquired fixed assets	019	39,173	(50,498)	(11,325)	(14,380)
B. II. 4.	Other tangible fixed assets	020	244	(27)	217	135
B. II. 4. 3.	Tangible fixed assets - other	023	244	(27)	217	135
B. II. 5.	Advances paid and tangible fixed assets in the course of construction	024	90,501	-	90,501	126,043
B. II. 5. 1.	Advances paid for tangible fixed assets	025	4,522	-	4,522	13,706
B. II. 5. 2.	Tangible fixed assets in the course of construction	026	85,979	-	85,979	112,337
<b>B. III.</b>	<b>Long-term investments</b>	<b>027</b>	<b>91,705</b>	<b>-</b>	<b>91,705</b>	<b>239,665</b>
B. III. 1.	Investments - subsidiaries and controlling party	028	91,685	-	91,685	205,737
B. III. 2.	Loans and borrowings - subsidiaries and controlling party	029	-	-	-	21,186
B. III. 3.	Investments - associates	030	20	-	20	20
B. III. 7.	Other long-term investments	034	-	-	-	12,722
B. III. 7. 2.	Advances paid for long-term investments	036	-	-	-	12,722
<b>C.</b>	<b>Current assets</b>	<b>037</b>	<b>630,805</b>	<b>(9,923)</b>	<b>620,882</b>	<b>498,147</b>
<b>C. I.</b>	<b>Inventories</b>	<b>038</b>	<b>30,553</b>	<b>-</b>	<b>30,553</b>	<b>19,794</b>
C. I. 1.	Raw materials	039	11,377	-	11,377	16,952
C. I. 2.	Work in progress and semi-finished products	040	19,176	-	19,176	2,842
<b>C. II.</b>	<b>Receivables</b>	<b>046</b>	<b>595,060</b>	<b>(9,923)</b>	<b>585,137</b>	<b>471,495</b>
C. II. 2.	Short-term receivables	057	595,060	(9,923)	585,137	471,495
C. II. 2. 1.	Trade receivables	058	42,603	(9,923)	32,680	72,694
C. II. 2. 2.	Receivables - subsidiaries and controlling party	059	231,784	-	231,784	85,665
C. II. 2. 4.	Receivables - other	061	320,673	-	320,673	313,136
C. II. 2. 4. 3.	Taxes - receivables from the state	064	488	-	488	791
C. II. 2. 4. 4.	Short-term advances paid	065	2,183	-	2,183	1,721
C. II. 2. 4. 5.	Estimated receivables	066	313,400	-	313,400	284,662
C. II. 2. 4. 6.	Other receivables	067	4,602	-	4,602	25,962
<b>C. IV.</b>	<b>Cash</b>	<b>075</b>	<b>5,192</b>	<b>-</b>	<b>5,192</b>	<b>6,858</b>
C. IV. 1.	Cash in hand	076	5	-	5	5
C. IV. 2.	Cash at bank	077	5,187	-	5,187	6,853
<b>D.</b>	<b>Prepayments and accrued income</b>	<b>078</b>	<b>179</b>	<b>-</b>	<b>179</b>	<b>1,378</b>
D. 1.	Prepaid expenses	079	162	-	162	564
D. 3.	Accrued income	081	17	-	17	814

Ref. a	LIABILITIES AND EQUITY b	Row c	31.12.2020	31.12.2019
			5	6
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>082</b>	<b>1,964,014</b>	<b>1,916,900</b>
<b>A.</b>	<b>Equity</b>	<b>083</b>	<b>620,581</b>	<b>721,778</b>
<b>A. I.</b>	<b>Share capital</b>	<b>084</b>	<b>280,000</b>	<b>280,000</b>
A. I. 1.	Share capital	085	280,000	280,000
<b>A. II.</b>	<b>Share premium and capital contributions</b>	<b>088</b>	<b>242,688</b>	<b>368,670</b>
A. II. 2.	Capital contributions	090	242,688	368,670
A. II. 2. 1.	Other capital contributions	091	242,688	368,670
<b>A. IV.</b>	<b>Retained earnings / Accumulated losses</b>	<b>099</b>	<b>98,129</b>	<b>93,128</b>
A. IV. 1.	Retained earnings or accumulated losses (+/-)	100	98,129	93,128
<b>A. V.</b>	<b>Profit / (loss) for the current period</b>	<b>102</b>	<b>(236)</b>	<b>(20,020)</b>
<b>B. + C.</b>	<b>Liabilities</b>	<b>104</b>	<b>1,337,474</b>	<b>1,191,624</b>
<b>B.</b>	<b>Provisions</b>	<b>105</b>	<b>10,651</b>	<b>9,841</b>
B. 3.	Tax-deductible provisions	108	1,183	1,183
B. 4.	Other provisions	109	9,468	8,658
<b>C.</b>	<b>Payables</b>	<b>110</b>	<b>1,326,823</b>	<b>1,181,783</b>
<b>C. I.</b>	<b>Long-term payables</b>	<b>111</b>	<b>871,641</b>	<b>727,752</b>
C. I. 4.	Trade payables	117	3,709	13,322
C. I. 6.	Liabilities - subsidiaries and controlling party	119	860,000	710,000
C. I. 8.	Deferred tax liability	121	7,932	4,430
<b>C. II.</b>	<b>Short-term payables</b>	<b>126</b>	<b>455,182</b>	<b>454,031</b>
C. II. 3.	Short-term advances received	131	284,815	251,908
C. II. 4.	Trade payables	132	66,980	95,527
C. II. 6.	Liabilities - subsidiaries and controlling party	134	3,312	-
C. II. 8.	Liabilities - other	136	100,075	106,596
C. II. 8. 3.	Liabilities to employees	139	4,057	3,681
C. II. 8. 4.	Liabilities for social security and health insurance	140	2,294	1,939
C. II. 8. 5.	Taxes and state subsidies payable	141	12,332	7,421
C. II. 8. 6.	Estimated payables	142	80,194	72,834
C. II. 8. 7.	Other liabilities	143	1,198	20,721
<b>D.</b>	<b>Accruals and deferred income</b>	<b>147</b>	<b>5,959</b>	<b>3,498</b>
D. 1.	Accrued expenses	148	5,875	3,354
D. 2.	Deferred income	149	84	144

Company name: innogy Energo, s.r.o.  
 Identification number: 251 15 171  
 Legal form: Limited Liability Company  
 Primary business: Heat and electricity production and distribution, sale of CNG gas  
 Balance sheet date: 31 December 2020  
 Date of preparation of the financial statements: 12 March 2021

**INCOME STATEMENT**  
(in thousand Czech crowns)

Ref. a	TEXT b	Row c	Accounting period	
			2020	2019
			1	2
<b>I.</b>	<b>Sales of products and services</b>	<b>01</b>	<b>847,377</b>	<b>714,360</b>
<b>A.</b>	<b>Cost of sales</b>	<b>03</b>	<b>681,484</b>	<b>577,739</b>
A. 2.	Raw materials and consumables used	05	558,140	467,367
A. 3.	Services	06	123,344	110,372
<b>B.</b>	<b>Changes in inventories of finished goods and work in progress</b>	<b>07</b>	<b>(16,062)</b>	<b>(2,002)</b>
<b>C.</b>	<b>Own work capitalised</b>	<b>08</b>	<b>(10,277)</b>	<b>(14,052)</b>
<b>D.</b>	<b>Staff costs</b>	<b>09</b>	<b>84,390</b>	<b>80,236</b>
D. 1.	Wages and salaries	10	61,820	58,131
D. 2.	Social security, health insurance and other social costs	11	22,570	22,105
D. 2. 1.	Social security and health insurance costs	12	20,405	19,727
D. 2. 2.	Other social costs	13	2,165	2,378
<b>E.</b>	<b>Value adjustments in operating activities</b>	<b>14</b>	<b>95,871</b>	<b>85,992</b>
E. 1.	Value adjustments of fixed assets	15	99,461	84,721
E. 1. 1.	Depreciation, amortisation and write off of fixed assets	16	99,681	84,942
E. 1. 2.	Provision for impairment of fixed assets	17	(220)	(221)
E. 3.	Provision for impairment of receivables	19	(3,590)	1,271
<b>III.</b>	<b>Operating income - other</b>	<b>20</b>	<b>49,665</b>	<b>33,240</b>
III. 1.	Sales of fixed assets	21	6,784	12,270
III. 2.	Sales of raw materials	22	-	134
III. 3.	Other operating income	23	42,881	20,836
<b>F.</b>	<b>Operating expenses - other</b>	<b>24</b>	<b>31,361</b>	<b>23,508</b>
F. 1.	Net book value of fixed assets sold	25	6,248	5,647
F. 3.	Taxes and charges from operating activities	27	3,631	2,381
F. 4.	Operating provisions and complex prepaid expenses	28	803	(2,056)
F. 5.	Other operating expenses	29	20,679	17,536
<b>*</b>	<b>Operating result</b>	<b>30</b>	<b>30,275</b>	<b>(3,821)</b>
IV.	Income from long-term investments - shares	31	1,137	11,525
IV. 1.	Income from investments - subsidiaries or controlling party	32	1,137	11,525
G.	Cost of shares sold	34	-	9,018
VI.	Interest and similar income	39	251	748
VI. 1.	Interest and similar income - subsidiaries or controlling party	40	235	623
VI. 2.	Other interest and similar income	41	16	125
J.	Interest and similar expenses	43	28,225	21,738
J. 1.	Interest and similar expenses - subsidiaries or controlling party	44	28,225	21,738
VII.	Other financial income	46	767	325
K.	Other financial expenses	47	1,298	554
<b>*</b>	<b>Financial result</b>	<b>48</b>	<b>(27,368)</b>	<b>(18,712)</b>
<b>**</b>	<b>Net profit / (loss) before tax</b>	<b>49</b>	<b>2,907</b>	<b>(22,533)</b>
<b>L.</b>	<b>Tax on profit or loss</b>	<b>50</b>	<b>3,143</b>	<b>(2,513)</b>
L. 2.	Tax on profit or loss - deferred	52	3,143	(2,513)
<b>**</b>	<b>Net profit / (loss) after tax</b>	<b>53</b>	<b>(236)</b>	<b>(20,020)</b>
<b>***</b>	<b>Net profit / (loss) for the financial period</b>	<b>55</b>	<b>(236)</b>	<b>(20,020)</b>
	<b>Net turnover for the financial period</b>	<b>56</b>	<b>899,197</b>	<b>760,198</b>

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**STATEMENT OF CASH FLOWS**  
 (in thousand Czech crowns)

Ref.	TEXT	Accounting period	
		2020	2019
		1	2
a	b		
	<b>Cash flows from operating activities</b>		
	<b>Net profit /(loss) before tax</b>	<b>2,907</b>	<b>(22,533)</b>
A. 1.	Adjustments for non-cash movements:	118,344	7,856
A. 1. 1.	Depreciation and amortisation of fixed assets	99,681	84,942
A. 1. 2.	Change in provisions	(3,007)	(1,007)
A. 1. 3.	Profit from disposal of fixed assets	(536)	(6,623)
A. 1. 4.	Dividend income	(1,137)	(2,507)
A. 1. 5.	Net interest expense	27,974	20,990
A. 1. 6.	Other non-cash movements	(4,631)	(87,939)
<b>A *</b>	<b>Net cash flow from operating activities before tax and changes in working capital</b>	<b>121,251</b>	<b>(14,677)</b>
A. 2.	Working capital changes:	(128,699)	(47,213)
A. 2. 1.	Change in receivables and prepayments	(102,791)	(68,099)
A. 2. 2.	Change in short-term payables and accruals	(15,244)	25,598
A. 2. 3.	Change in inventories	(10,664)	(4,712)
<b>A **</b>	<b>Net cash flow from operating activities before tax</b>	<b>(7,448)</b>	<b>(61,890)</b>
A. 3.	Interest paid	(25,704)	(20,321)
A. 4.	Interest received	1,048	287
A. 5.	Income tax paid	(452)	(69)
A. 6.	Dividends received	1,137	2,507
<b>A ***</b>	<b>Net cash flow from operating activities</b>	<b>(31,419)</b>	<b>(79,486)</b>
B. 1.	Acquisition of fixed assets	(122,705)	(344,310)
B. 2.	Proceeds from sale of fixed assets	6,784	12,270
B. 3.	Loans to related parties	-	(21,806)
<b>B ***</b>	<b>Net cash flow from investing activities</b>	<b>(115,921)</b>	<b>(353,846)</b>
C. 1.	Change in long- and short-term liabilities	143,699	215,103
C. 2.	Changes in equity:	-	206,500
C. 2. 3.	Other cash contributions received from shareholders	-	206,500
<b>C ***</b>	<b>Net cash flow from financing activities</b>	<b>143,699</b>	<b>421,603</b>
	<b>Net decrease in cash and cash equivalents</b>	<b>(3,641)</b>	<b>(11,729)</b>
	<b>Cash and cash equivalents at the beginning of the year</b>	<b>8,833</b>	<b>18,587</b>
	<b>Cash and cash equivalents at the end of the year</b>	<b>5,192</b>	<b>6,858</b>

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**STATEMENT OF CHANGES IN EQUITY**  
 (in thousand Czech crowns)

	Share capital	Other capital funds	Retained earnings	Total
<b>As at 1 January 2019</b>	<b>280,000</b>	<b>170,896</b>	<b>93,128</b>	<b>544,024</b>
Allocation to funds	-	206,500	-	206,500
Net profit/(loss) for the current period	-	-	(20,020)	(20,020)
Adjustments between the decisive and effective day of the merger CNGvital s.r.o.	-	(8,726)	-	(8,726)
<b>As at 31 December 2019</b>	<b>280,000</b>	<b>368,670</b>	<b>73,108</b>	<b>721,778</b>
Transformation - the impact of the merger	-	(122,436)	25,021	(97,415)
<b>As at 1 January 2020</b>	<b>280,000</b>	<b>246,234</b>	<b>98,129</b>	<b>624,363</b>
Net profit/(loss) for the current period	-	-	(236)	(236)
Adjustments between the decisive and effective day of the merger CNGvital s.r.o.	-	(3,546)	-	(3,546)
<b>As at 31 December 2020</b>	<b>280,000</b>	<b>242,688</b>	<b>97,893</b>	<b>620,581</b>

Note

The financial statements have been prepared in the Czech language and in English. In all matters of interpretation of information, views or opinions, the Czech version of our report takes precedence over the English version.

## 4.2 Notes to Financial Statements

### 1. General information

#### Introductory information about the Company

innogy Energo, s.r.o. (the „Company“) was incorporated on 21 March 1997 to the Commercial Register held by the Municipal Court in Prague, Section C, insert 50971 and has its registered office at Limuzská 3135/12 Prague 10 - Strašnice. The Company's main business activities are the production and distribution of heat, the production and distribution of electric power, the sale of gas (CNG), 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 251 15 171.

#### **Executive Directors as at 31 December 2020:**

Zdeněk Kaplan	Chairman of the Executive Directors
Jiří Šimek	Executive Director

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

#### **Domestic merger**

In 2020, a domestic merger project between the Company (Successor Company) and Areal Blansko LDS a.s. (Dissolving Company) and TEPLO T s.r.o. (Dissolving Company) was approved. The Company entered the merger project into the Collection of Documents of the Commercial Register maintained by the Municipal Court in Prague on 25 May 2020.

The share in the Dissolving Company TEPLO T s.r.o was purchased as at 28 February 2019 for CZK 63,628 thousand. The share in the Dissolving Company Areal Blansko LDS a.s. was purchased as at 10 December 2019 for CZK 63,146 thousand. As of the effective date of the merger, this share was eliminated against the equity funds of the Successor Company.

Successor Company owns a 100% share in the Dissolving Companies and is the sole partner of the Dissolving Companies. The deposit of the Dissolving Companies was fully paid. Due to this fact, there is no exchange of shares and in accordance with the provisions of the Act on Transformations business companies and cooperatives, § 97 paragraph a) in the case of TEPLO T s.r.o. and § 134 paragraph a) in the case of Areal Blansko LDS a.s. As there is no exchange of shares, there is no exchange ratio, nor is there a surcharge or its amount and maturity.

In accordance with §70 paragraph 1 point c) of the Act on Transformations of Companies and Cooperatives the decisive day of the domestic merger was 1 January 2020. From that date, any proceedings of the Dissolving Company shall be deemed as performed on behalf of the Successor Company. The legal effects of the merger occurred at the beginning of the day on which the merger was entered in the Commercial Register, i.e. on 1 July 2020.

The participating companies agreed to the merger thus the Dissolving Company has discontinued its activities without liquidation and dissolved by merger with the Successor Company, while all assets including rights and obligations from the labour relations of the Dissolving Company has been passed to the Successor Company as at 1 July 2020.



The Successor Company entered the legal position of the Dissolving Companies.

Comparative figures for the period 2019 have not been adjusted in these financial statements for the effect of the merger - they represent only the Company's pre-merger data and therefore are not comparable with the corresponding data without taking into account the effect of the merger. The financial statements and notes to the financial statements should be read together with the

opening balance sheet and the notes to the opening balance sheet of the Company as at 1 January 2020.

The merger effect is shown in the following table (CZK'000):

Ref	ASSETS	innogy Energo	Areal Blansko LDS	TEPLO T	Merger effect	innogy Energo
		31.12.2019	31.12.2019	31.12.2019		01.01.2020
		Net	Net	Net		Net
a	b	3	3	3		3
	<b>TOTAL ASSETS</b>	<b>1,676,141</b>	<b>7,437</b>	<b>60,476</b>	<b>(150,070)</b>	<b>1,593,984</b>
<b>B.</b>	<b>Fixed assets</b>	<b>1,417,375</b>	<b>2,234</b>	<b>55,092</b>	<b>(147,960)</b>	<b>1,326,741</b>
<b>B. I.</b>	<b>Intangible fixed assets</b>	<b>4,043</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>4,051</b>
<b>B. II.</b>	<b>Tangible fixed assets</b>	<b>1,173,667</b>	<b>2,234</b>	<b>55,084</b>	<b>-</b>	<b>1,230,985</b>
<b>B. III.</b>	<b>Long-term investments</b>	<b>239,665</b>	<b>-</b>	<b>-</b>	<b>(147,960)</b>	<b>91,705</b>
<b>C.</b>	<b>Current assets</b>	<b>257,388</b>	<b>4,000</b>	<b>5,247</b>	<b>(1,308)</b>	<b>265,327</b>
<b>C. I.</b>	<b>Inventories</b>	<b>19,794</b>	<b>-</b>	<b>95</b>	<b>-</b>	<b>19,889</b>
<b>C. II.</b>	<b>Receivables</b>	<b>230,736</b>	<b>2,225</b>	<b>4,952</b>	<b>(1,308)</b>	<b>236,605</b>
<b>C. IV.</b>	<b>Cash</b>	<b>6,858</b>	<b>1,775</b>	<b>200</b>	<b>-</b>	<b>8,833</b>
<b>D.</b>	<b>Prepayments and accrued income</b>	<b>1,378</b>	<b>1,203</b>	<b>137</b>	<b>(802)</b>	<b>1,916</b>

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Ref	LIABILITIES	innogy Energo	Areal Blansko LDS	TEPLO T	Merger effect	innogy Energo
		31.12.2019	31.12.2019	31.12.2019		01.01.2020
		5	5			5
A	b	5	5			5
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,676,141</b>	<b>7,437</b>	<b>60,476</b>	<b>(150,070)</b>	<b>1,593,984</b>
<b>A.</b>	<b>Equity</b>	<b>721,778</b>	<b>3,493</b>	<b>25,866</b>	<b>(126,774)</b>	<b>624,363</b>
<b>A. I.</b>	<b>Share capital</b>	<b>280,000</b>	<b>2,000</b>	<b>2,100</b>	<b>(4,100)</b>	<b>280,000</b>
<b>A. II.</b>	<b>Share premium and capital ontributions</b>	<b>368,670</b>	<b>28</b>	<b>-</b>	<b>(122,464)</b>	<b>246,234</b>
<b>A. III.</b>	<b>Other reserves</b>	<b>-</b>	<b>-</b>	<b>210</b>	<b>(210)</b>	<b>-</b>
<b>A. IV.</b>	<b>Retained earnings / Accumulated losses</b>	<b>93,128</b>	<b>-</b>	<b>19,160</b>	<b>(14,159)</b>	<b>98,129</b>
<b>A. V.</b>	<b>Profit / (loss) for the current period</b>	<b>(20,020)</b>	<b>1,465</b>	<b>4,396</b>	<b>14,159</b>	<b>-</b>
<b>B. + C.</b>	<b>Liabilities</b>	<b>950,865</b>	<b>3,925</b>	<b>33,808</b>	<b>(22,494)</b>	<b>966,104</b>
<b>B.</b>	<b>Provisions</b>	<b>9,841</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>9,848</b>
<b>C.</b>	<b>Payables</b>	<b>941,024</b>	<b>3,918</b>	<b>33,808</b>	<b>(22,494)</b>	<b>956,256</b>
<b>C. I.</b>	<b>Long-term liabilities</b>	<b>727,752</b>	<b>359</b>	<b>15,889</b>	<b>(15,889)</b>	<b>728,111</b>
<b>C. II.</b>	<b>Short-term liabilities</b>	<b>213,272</b>	<b>3,559</b>	<b>17,919</b>	<b>(6,605)</b>	<b>228,145</b>
<b>D.</b>	<b>Accruals and deferred income</b>	<b>3,498</b>	<b>19</b>	<b>802</b>	<b>(802)</b>	<b>3,517</b>

## Other information

As at 11 March 2018, the companies RWE AG and E.ON SE made an announcement about the agreement, by which the Group RWE AG would sell its 76.79% share in innogy SE to the E.ON Group and exchange some other parts of assets. As at 17 September 2019, the European Commission authorized this transaction. E.ON SE has become the shareholder of innogy SE and therefore indirectly of innogy Česká republika a.s., which represents, together with its subsidiaries, innogy group in the Czech Republic. However, as a part of the remedies to preserve the competitive environment, E.ON SE offered for sale the complete activities of innogy companies operating on the retail market with gas, electricity, heat and CNG in the Czech Republic.

In accordance with this decision, the selling process of innogy Česká republika, a.s. with its following subsidiaries: innogy Energie, s.r.o., innogy Zákaznické služby, s.r.o., innogy Energo, s.r.o. and innogy TelNet Holding, s.r.o. began in 2019. The basic objective is to meet the conditions of the European Commission and to sell it to a new investor until the first half of 2020. The subsidiary of innogy Česká republika a.s., innogy Gas Storage, s.r.o., which operates underground gas storage facilities, was transferred to innogy International Participations N.V. as a result of the transaction as at 31 March 2020.

Mr. Tomáš Varcop was appointment as so-called Hold Separate Manager in terms of the sale. His task was operating the sold part independently of the rest of the E.ON Group business. Furthermore, a so-called Monitoring Trustee was established to monitor compliance with E.ON SE's obligations arising from the decision of the European Commission as at 17 September 2019 and report on this issue to the European Commission. Alcis Advisers GmbH have been named the Monitoring Trustee.

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The above-mentioned process of selling innogy companies in the Czech Republic engaged in doing business on the so-called retail market was completed as at 30 October 2020 with the transfer of a 100% share to innogy Česká republika a.s., including all controlled parties by it into the hands of the multinational energy group MVM, specifically directly owned by MVM Magyar Villamos Művek Zártkörűen Működő Részvénytársaság, with registered office 1031 Budapest, Szentendrei út 207-209, Hungary (since 1 January 2021 it has been operating under the changed business name MVM Energetika Zártkörűen Működő Részvénytársaság), which is the ultimate Parent Company of the entire MVM Group.

The existence of the novel coronavirus causing the COVID-19 disease was confirmed in early 2020 and has spread globally. The pandemic and especially the restrictive measures taken in order to mitigate the health impacts have caused disruptions to businesses and economic activities and have affected the Company's operations in the year ending 31 December 2020.

Government restrictive measures for the Company meant a reduction in sales of commodities and CNG in the B2B segment (automotive, hotels, gastronomy and services) with a negative financial impact from the sale of commodities. Employees made the most of the opportunity to work in the home office mode. Since October the innogy call center has joined to help hygienic stations with tracing people. The Company did not receive any state aid.

## 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 amortized 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
Royalties	6 years
Other intangible fixed assets	6 years

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The 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 is not depreciated, are depreciated applying the straight-line method over their estimated useful lives. 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
Machineries, 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 certain asset.

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

Emission allowances are presented by the Company as other intangible fixed assets, divided into allocated and purchased emission allowances.

Emission allowances allocated to the Company by the National Allocation Plan are recorded to the account of other intangible fixed assets and to the account taxes and state subsidies payable upon being credited to the Company in the Register of Emission Allowances in the Czech Republic. The allocated emission allowances are used only to cover the CO<sub>2</sub> emissions in the production of heat. The Company uses purchased emission allowances to cover insufficient number of allocated emission allowances or creates provision in such situation.

Emission allowances allocated to the Company free of charge are recorded at replacement cost. Purchased emission allowances are recorded at cost, which includes the purchase price and related costs. The Company acquires emission allowances in order to cover the estimated CO<sub>2</sub> emission related to production of electricity in the disclosed period, eventually in order to cover CO<sub>2</sub> emission related to production of heat in case of deficit of allocated emission allowances.

The consumption of emission allowances is recorded to other operating expenses on the basis of an estimation of actual CO<sub>2</sub> emission produced in the period. At the same time the emission allowance liability is released and recorded to other operating income, in case of the allocated emission allowances. A provision is created for the deficit in emission allowances to cover their consumption in the disclosed period.

The FIFO method is applied for all disposals of emission allowances. Sales of emission allowances are recorded as other operating revenue and are stated at the selling price. At the same time, their book value is disposed from assets.

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

Valuation differences arising upon the acquisition of Teplárna Náchod, CNGvitall s.r.o. and Areal Blansko LDS a.s, represent the difference between the fair value of the enterprise acquired, in accordance with the Commercial Code, and the aggregate carrying amount of assets and liabilities acquired as recorded in the accounts of the original owner.

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

### 2.3. Investments in subsidiaries and investments in associates

Investments in subsidiaries represent ownership interests in enterprises that are controlled by the Company (“the subsidiary”).

Investments in associates represent ownership interests in enterprises over which the Company has significant influence, but not control (“the associate”).

Investments in subsidiaries and associates are recorded at cost less a provision for impairment.

### 2.4. Inventories

Purchased inventories are stated at the lower of cost and net realisable amount. Cost includes all costs related with its acquisition (mainly transport costs, customs duty, etc.). The weighted average cost 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.

### 2.5. Unbilled heat and advances received for heat

The Company reconsidered its approach to reporting unbilled heat and advances received for heat. Since 2020, The Company does not compensate the amount of estimated unbilled heat receivable with the total amount of advance payments received for heat from individual customers.

Comparable balance sheet data have been adjusted to ensure comparability of data. The result is an increase in lines C.II.2.4.5 in assets and C.II.3 in liabilities as at 31 December 2019 in the amount of CZK 240,759 thousand (see note 8).

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### 2.6. 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 credit worthiness of the customers.

The Company does not create a provision for doubtful accounts for related parties.

### 2.7. 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 gains and losses on cash, receivables and liabilities balances are recorded in the income statement.

The Company treats advances paid for the acquisition of fixed assets or inventories as receivables and therefore these assets are translated at the exchange rate published by the Czech National Bank as at the balance sheet date.

## 2.8. Provisions

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

The Company recognises mainly a provision relating to untaken holidays and rewards and bonuses of employees. Also, provision for severance payments, provision for long-term motivational program, provision for mining damages and rehabilitation.

## 2.9. 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." Value of unbilled supplies is booked via anticipated receivables on the basis of actual energy consumption. Settlement of the estimated items is performed in the following year.

Revenue from leases is also recorded via anticipated receivables on a monthly basis based on lease contracts. Settlement is performed in the end of the accounting period.

Revenue from the sale of compressed gas (CNG) is recognised on the basis of regular monthly billing for real consumption of compressed gas.

## 2.10. 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 12.

### 2.11. Interest expense

All borrowing costs are expensed.

### 2.12. 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.

### 2.13. Cash-flow statement

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

### 2.14. 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. Intangible fixed assets

(CZK'000)	Merger impact	1 January 2020	Additions / transfers	Disposals	31 December 2020
<b>Cost</b>					
Royalties	91	24,556	605	-	25,161
Other intangible fixed assets	-	841	6,529	(5,444)	1,926
Advances paid for intangible fixed assets and intangible fixed assets in the course of construction		90	(90)	-	-
<b>Total</b>	<b>91</b>	<b>25,487</b>	<b>7,044</b>	<b>(5,444)</b>	<b>27,087</b>
<b>Accumulated amortisation</b>					
Royalties	(83)	(21,436)	(2,878)		(24,314)
<b>Total</b>	<b>(83)</b>	<b>(21,436)</b>	<b>(2,878)</b>	<b>-</b>	<b>(24,314)</b>
<b>Net book value</b>	<b>8</b>	<b>4,051</b>			<b>2,773</b>

(CZK'000)	1 January 2019	Additions / transfers	Disposals	31 December 2019
<b>Cost</b>				
Royalties	24,216	699	(450)	24,465
Other intangible fixed assets	804	12,666	(12,629)	841
Advances paid for intangible fixed assets and intangible fixed assets in the course of construction	-	90	-	90
<b>Total</b>	<b>25,020</b>	<b>13,455</b>	<b>(13,079)</b>	<b>25,396</b>
<b>Accumulated amortisation</b>				
Royalties	(18,454)	(3,349)	450	21,353
<b>Total</b>	<b>(18,454)</b>	<b>(3,349)</b>	<b>450</b>	<b>21,353</b>
<b>Net book value</b>	<b>6,566</b>			<b>4,043</b>

As at 31 December 2020, other intangible fixed assets include CZK 1,926 thousand relating to emission allowances (as at 31 December 2019: CZK 841 thousand).

## 4. Tangible fixed assets

(CZK'000)	Merger impact	1 January 2020	Additions / transfers	Disposals	31 December 2020
<b>Cost</b>					
Land	1,438	10,320	23	-	10,343
Constructions	1,179	783,054	25,872	(575)	808,351
Equipment	120,803	1,300,055	126,214	(4,023)	1,422,246
Other tangible fixed assets	109	244	-	-	244
Advances paid for tangible fixed assets and tangible fixed assets in the course of construction	1	126,044	(29,272)	(6,271)	90,501
Adjustments to acquired fixed assets	2,462	39,173			39,173
<b>Total</b>	<b>125,992</b>	<b>2,258,890</b>	<b>122,837</b>	<b>(10,869)</b>	<b>2,370,858</b>
<b>Accumulated depreciation and impairment</b>					
Constructions	(1,179)	(265,421)	(24,409)	80	(289,750)
Equipment	(67,158)	(709,356)	(72,212)	940	(780,628)
Other tangible fixed assets	(9)	(9)	(18)		(27)
Impairment	-	(1,700)	-	220	(1,480)
Adjustments to acquired fixed assets	(328)	(51,419)	(921)	-	(50,498)
<b>Total</b>	<b>(68,674)</b>	<b>(1,027,905)</b>	<b>95,718</b>	<b>1,240</b>	<b>(1,122,383)</b>
<b>Net book value</b>	<b>57,318</b>	<b>1,230,985</b>			<b>1,248,475</b>

(CZK'000)	Merger impact	1 January 2019	Additions / transfers	Disposals	31 December 2019
<b>Cost</b>					
Land	1,212	8,322	714	(154)	8,882
Constructions	68,915	655,973	148,634	(22,732)	781,875
Equipment	118,441	1,096,296	119,293	(36,337)	1,179,252
Other tangible fixed assets	-	135	-	-	135
Advances paid for tangible fixed assets and tangible fixed assets in the course of construction	15,730	186,745	(58,837)	(1,595)	126,043
Adjustments to acquired fixed assets	(16,279)	36,711	-	-	36,711
<b>Total</b>	<b>188,019</b>	<b>1,983,912</b>	<b>209,804</b>	<b>(60,818)</b>	<b>2,132,898</b>
<b>Accumulated depreciation and impairment</b>					
Constructions	(9,836)	(260,761)	(21,318)	17,837	(264,242)
Equipment	(40,437)	(617,479)	(60,275)	35,556	(642,198)
Impairment	(1,921)	(1,921)	-	221	(1,700)
Adjustments to acquired fixed assets	814	(52,176)	1,085	-	(51,091)
<b>Total</b>	<b>(51,380)</b>	<b>(932,337)</b>	<b>(80,508)</b>	<b>53,614</b>	<b>(959,231)</b>
<b>Net book value</b>	<b>136,639</b>	<b>1,051,575</b>			<b>1,173,667</b>

Adjustments to acquired fixed assets in the amount of CZK 2,462 thousand was taken over in a domestic merger by merging with the Dissolving Company Areal Blansko LDS a.s. (see note 1). As at 31 December 2020 the net book value of the adjustment was CZK 1,969 thousand. The adjustment is amortized on a straight-line basis over 15 years in line with the Decree no. 500/2002 Sb.

Adjustments to acquired fixed assets in the amount of CZK 16,279 thousand was taken over in a domestic merger by merging with the Company CNGvitall s.r.o. As at 31 December 2020 the net

book value of the adjustment was CZK 13,294 thousand (as at 31 December 2019: CZK 14,380 thousand). The adjustment is amortized on a straight-line basis over 15 years in line with the Decree no. 500/2002 Sb.

Adjustments to acquired fixed assets in the amount of CZK 52,990 thousand were created in 2003 due the purchase of Teplárna Náchod and were fully depreciated in 2018.

As at 31 December 2020, the Company recorded an allowance for the technological container of the CNG station in the amount of CZK 1,480 thousand (as at 31 December 2019: CZK 1,700 thousand).

No assets of the Company are pledged.

## 5. Investments in subsidiaries and investments in associates

As at 31 December 2020	Cost (CZK'000)	Carrying value (CZK'000)	% of capital	2020 net profit/(loss)* (CZK'000)	Equity* (CZK'000)	2020 dividend income (CZK'000)
<b>Domestic</b>						
innogy Energetika Plhov – Náchod, s.r.o.	91,285	91,285	93	3,358	132,181	1,137
Ginger Teplo, s.r.o.	400	400	100	-	380	-
TEPLO Votice, s.r.o.	20	20	20	2,417	4,400	-
<b>Total</b>	<b>91,705</b>	<b>91,705</b>				<b>1,137</b>

\* Information was not audited as at date of financial statements preparation

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As at 31 December 2019	Cost (CZK'000)	Carrying value (CZK'000)	% of capital	2019 net profit/(loss)* (CZK'000)	Equity* (CZK'000)	2019 dividend income (CZK'000)
<b>Domestic</b>						
Areal Blansko LDS, a.s.	63,146	63,146	100	1,660	3,688	-
innogy Energetika Plhov – Náchod, s.r.o.	91,285	91,285	93	1,223	130,046	-
Ginger Teplo, s.r.o.	400	400	100	(20)	380	-
TEPLO T s.r.o.	50,906	50,906	100	4,817	26,288	2,507
TEPLO Votice, s.r.o.	20	20	20	1,597	1,859	-
<b>Total</b>	<b>91,705</b>	<b>91,705</b>				<b>2,507</b>

\* Information was not audited as at date of financial statements preparation

There are no differences between the percentage of ownership and the percentage of voting rights in any subsidiary or any associate.

As at 10 December 2019 the Company acquired a share in Areal Blansko LDS with the registered office at Pražská 2536/7, 678 01 Blansko at the acquisition cost of CZK 63,146 thousand. The share was settled as part of a domestic merger (see Note 1.1).

As at 1 August 2019 part of the Company's plant was transferred as a non-monetary contribution to the share capital of innogy Energetika Plhov - Náchod, s.r.o., with its registered office at Plhovská 544, 547 01 Náchod. As at 6 August 2019, a 7% share was exchanged for the set of assets with the city of Náchod. The acquisition price of 93% of the share amounts is CZK 91,285 thousand.

As at 28 February 2019 the Company acquired 80% share in TEPLO T s.r.o. with the registered office at Jungmannova 1899, 666 01 Tišnov at the acquisition cost of CZK 50,906 thousand and 20% share

which will be acquired as at 31 March 2020 at the acquisition cost of CZK 12,722 thousand. The share was settled as part of a domestic merger (see Note 1.1).

As at 8 February 2019 a company Ginger Teplo, s.r.o., was established as a subsidiary of the Company.

## 6. Inventories

Inventory represents mainly supplies of material for photovoltaics, CNG stations and light fuel oil. The Company did not create a provision for inventories as at 31 December 2020 or 31 December 2019.

## 7. Receivables

(CZK'000)	31 December 2020	31 December 2019
Trade receivables - due	29,238	68,186
- overdue	13,365	17,784
<b>Total trade receivables</b>	<b>42,603</b>	<b>85,970</b>
Provision for doubtful receivables	(9,923)	(13,276)
<b>Net book value of trade receivables</b>	<b>32,680</b>	<b>72,694</b>
Receivables - subsidiaries/controlling parties	231,784	85,665
<b>Receivables - other</b>		
Other receivables	4,602	25,962
Taxes and state subsidies receivables	488	791
Short-term advances paid	2,183	1,721
Estimated receivables (see Note 8)	313,400	284,662
<b>Net book value of other receivables</b>	<b>320,673</b>	<b>313,136</b>
<b>Total net book value of receivables</b>	<b>585,137</b>	<b>471,495</b>

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Receivables - subsidiaries/controlling parties includes cash-pooling receivables (see note 12 Related party transactions).

Short-term advances paid represent mainly deposits and advances paid for the purchase of gas and electricity.

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

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

The provision for doubtful receivables as at 31 December 2020 was CZK 9,923 thousand (as at 31 December 2019: CZK 13,276 thousand). The most significant provision for doubtful receivables in the amount of CZK 4,312 thousand from SUGAL spol. s.r.o was dissolved in year 2020 and this receivable was written off.

## 8. Receivables/payables - unbilled supplies/advances received

The Company recognised the following amounts of unbilled heat, hot service water, electricity and cold and advances received for heat, hot service water, electricity and cold sold.

(CZK'000)	31 December 2020	31 December 2019
Receivables from unbilled heat, supplies of hot water and electric power	296,796	276,539
Advances received	(266,251)	(240,759)
<b>Closing balance of estimated receivables</b>	<b>30,545</b>	<b>35,780</b>

In 2020, the Company changed the reporting of these items (see Note 2.5).

## 9. Equity

The Company is fully owned by innogy Česká republika a.s., incorporated in the Czech Republic with registered office Prague 10 – Strašnice, Limuzská 3135/12, Postcode 100 98, identification number: 242 75 051.

The Company MVM Magyar Villamos Művek Zártkörűen Működő Részvénytársaság (from 1 January 2021 as MVM Energetika Zártkörűen Működő Részvénytársaság), with registered office 1031 Budapest, Szentendrei út 207-209, Hungary, is the ultimate controlling Company. The consolidated financial statements can be obtained at its registered office.

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As at 18 May 2020 the sole shareholder approved the financial statements for 2019 and decided about the allocation of the loss incurred in 2019 of CZK 20,020 thousand in the form of settlement from retained earnings of previous years.

Until the date of preparation of these financial statements, the Company has not proposed distribution of the loss incurred in 2020.

## 10. Provisions

Tax-deductible provisions are represented by provisions for waste storing, rehabilitation and re-cultivation.

As at 31 December 2020 other provisions consist mainly of provisions for employment benefits of CZK 6,957 thousand (as at 31 December 2019: CZK 6,679 thousand).

For an analysis of the current and deferred income tax, see Note 14 Income tax.

## 11. Payables, commitments and contingent liabilities

(CZK'000)	31 December 2020	31 December 2019
Trade payables:		
- due	66,476	94,128
- overdue	504	1,399
<b>Total trade payables</b>	<b>66,980</b>	<b>95,527</b>
Liabilities - subsidiaries and controlling party	3,312	-
<b>Liabilities - other</b>		
Short-term advances received	284,815	251,908
Taxes and state subsidies payable	12,332	7,421
Liabilities to employees	4,057	3,681
Estimated payables	80,194	72,834
Other liabilities	3,492	22,660
<b>Total short-term liabilities</b>	<b>455,182</b>	<b>454,031</b>
Trade payables - retention rights	3,709	13,322
Liabilities – subsidiaries and controlling party	860,000	710,000
Deferred tax liability	7,932	4,430
<b>Total long-term liabilities</b>	<b>871,641</b>	<b>727,752</b>
<b>Total short-term and long-term liabilities</b>	<b>1,326,823</b>	<b>1,181,783</b>

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

Estimated payables are mainly represented by unbilled purchases of energy of CZK 58,189 thousand (as at 31 December 2019: CZK 59,174 thousand).

The management of the Company is not aware of any contingent liabilities as at 31 December 2020.

## 12. Related party transactions

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

(CZK'000)	1-10 2020*	11-12 2020	2019
<b>Revenues</b>			
Sales of goods and services	161,974	56,342	110,995
Income from the lease	1,403	3,330	211
Sales of assets	-	-	701
Interest from loan and cash-pooling	197	37	623
<b>Total</b>	<b>163,574</b>	<b>59,709</b>	<b>112,530</b>
<b>Costs</b>			
Purchase of goods and energy	395,749	100,159	445,375
Purchase of inventories and assets	762	189	21,870
Interest on loan and cash-pooling	23,037	5,188	21,738
Consumption of purchased emission allowances	-	-	5,337
<b>Total</b>	<b>419,548</b>	<b>105,536</b>	<b>494,320</b>

\*Related party transactions with E.ON. are disclosed for the period 1 January – 29 October 2020.

The following related party balances were outstanding as at:

(CZK'000)	31 December 2020	31 December 2019
<b>Receivables</b>		
Trade receivables	16,717	56,666
Estimated receivables	24,076	28,459
Short-term receivables - cash-pooling	231,784	85,665
Loans – subsidiaries/ controlling party	-	21,186
Advances paid	66	-
Accrued income	17	813
<b>Total</b>	<b>272,660</b>	<b>192,789</b>
<b>Liabilities</b>		
Trade payables	4,380	50,676
Estimated payables	54,574	32,128
Long-term and short-term liabilities - loan and cash-pooling	863,312	710,000
Advances received	3,413	10,659
Accrued expenses	5,875	3,354
<b>Total</b>	<b>931,554</b>	<b>806,817</b>

As at 22 October 2019, the Company concluded a loan agreement of CZK 210,000 thousand with its related party from innogy group, innogy International Participations N.V., due 22 October 2024. The loan interest is 3.2975% p.a. As at 30 March 2020, the Parent Company innogy Česká republika a.s. became the lender under the same conditions on the basis of a loan transfer agreement. The total unpaid amount as at 31 December 2020 is CZK 210,000 thousand.

36 As at 22 November 2018, the Company concluded a loan agreement of CZK 500,000 thousand with its related party from innogy group, innogy International Participations N.V., due 23 November 2023. The loan interest is 3.67% p.a. As at 30 March 2020, the Parent Company innogy Česká republika a.s. became the lender under the same conditions on the basis of a loan transfer agreement. The total unpaid amount as at 31 December 2020 is CZK 500,000 thousand.

As at 15 July 2020, the Company concluded a loan agreement of CZK 150,000 thousand with the Parent Company innogy Česká republika a.s., due 15 July 2030. The loan interest is 3,56 % p.a. The total unpaid amount as at 31 December 2020 is CZK 150,000 thousand.

As at 28 February 2019, the Company concluded a loan agreement of CZK 21,186 thousand with its subsidiary TEPLŮ T s.r.o., due 28 February 2023. The loan interest is 4.44% p.a. The loan was settled in a domestic merger (see Note 1.1).

Received profit shares for the years 2020 and 2019 are disclosed in Note 5 Investments in subsidiaries and associates.

Neither the shareholder nor the management members received any loans, credits, deposits or other benefits other than those disclosed herein. Company cars are made available for use by management. A long-term motivational program has been created for the management of the Company (see Note 10).

In 2020, the Company did not purchase any emission allowances (including the correction of consumption for 2019) from innogy Energie, s.r.o. In 2020, the Company did not use any emission allowances, which purchased in 2019 from innogy Energie, s.r.o. In 2019, the Company purchased 8,060 pieces of emission allowances in total amount of CZK 5,337 thousand (inclusive of correction for

2018 consumption) from innogy Energie, s.r.o. In 2019, the Company consumed 8,614 pieces of emission allowances in the total amount of CZK 5,300 thousand, which were purchased in 2018 and 2019 from innogy Energie, s.r.o.

### 13. Employees

	2020	2019
Average number of other staff	75	73
<b>Total number of employees</b>	<b>75</b>	<b>73</b>
<b>(CZK'000)</b>	<b>2020</b>	<b>2019</b>
Wages and salaries	61,280	58,131
Social security costs	20,405	19,727
Other social costs	2,165	2,378
<b>Total staff costs</b>	<b>84,390</b>	<b>80,236</b>

Based on Section 39b paragraph 6 point d) Implementing Decree no. 500/2002 Coll., the Company does not present the remuneration of the Board of Directors separately.

### 14. Income tax

The income tax expense can be analysed as follows:

(CZK'000)	2020	2019
Deferred tax	3,143	(2,513)
<b>Total income tax expense</b>	<b>3,143</b>	<b>(2,513)</b>

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Current tax can be analysed as follows:

(CZK'000)	2020	2019
Net profit / (loss) before taxation	2,907	(22,533)
Non-tax-deductible expenses	5,508	4,468
Non-taxable income	(10,209)	(2,989)
Difference between tax and accounting depreciation	1,835	70,580
Use of tax losses from previous periods	(41)	(49,526)
<b>Tax base</b>	<b>-</b>	<b>-</b>

Estimation of income tax is recorded as a provision. Due to nil tax base the provision for the 2020 and 2019 was not created.

The deferred tax was calculated at 19% (the rate enacted for 2020 and subsequent years).



Deferred tax receivable/(liability) can be analysed as follows:


(CZK'000)	1 January 2020	31 December 2020	31 December 2019
<b>Deferred tax asset/liability arising from:</b>			
Difference between accounting and tax net book value of fixed assets	(7,900)	(11,580)	(7,900)
Accounting allowance for doubtful receivables	1,643	1,849	1,643
Provisions	1,645	1,799	1,645
Tax losses carried forward	182	-	182
Change – merger impact	(359)	-	-
<b>Net deferred tax liability</b>	<b>(4,789)</b>	<b>(7,932)</b>	<b>(4,430)</b>

As at 31 December 2020 the Company does not recognise any tax losses (as at 31 December 2019: CZK 959 thousand), which can be utilised in the following years.

## 15. Subsequent events

No events have occurred subsequent to year-end that would have a material impact on the financial statements as at 31 December 2020.

12 March 2021

  
**Zdeněk Kaplan**  
 Chairman of the Executive Directors, CEO

  
**Jiří Šimek**  
 Executive Director, COO

## 5 Independent auditor's report



### Independent auditor's report

to the shareholder of innogy Energo, s.r.o.

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#### Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of innogy Energo, s.r.o., with its registered office at Limuzská 3135/12, Praha 10 (the "Company") as at 31 December 2020, of the Company's financial performance and cash flows for the year ended 31 December 2020 in accordance with Czech accounting legislation.

#### What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2020,
- the income statement for the year ended 31 December 2020,
- the statement of changes in equity for the year ended 31 December 2020,
- the statement of cash flows for the year ended 31 December 2020, and
- the notes to the financial statements including significant accounting policies and other explanatory information.

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#### Basis for opinion

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

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

#### Independence

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

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#### Other information

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

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T: +420 251 151 111, www.pwc.com/cz

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

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

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

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

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#### Responsibilities of the statutory body of the Company for the financial statements

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

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

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#### Auditor's responsibilities for the audit of the financial statements

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

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

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



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

We communicate with the statutory body 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.

12 March 2021

PricewaterhouseCoopers Audit, s.r.o.  
represented by

Václav Prýmek

Danuše Polívková  
Statutory Auditor, Licence No. 2462

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This report is addressed to the shareholder of innogy Energo, s.r.o.

## 6 Report on relations for the accounting period of 2020

This Report on transactions carried out during the fiscal year 2020 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 Energo, 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 2020 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 was a member of the E.ON Group until 29 October 2020. As part of remedies, remedial measures intended to preserve competition, E.ON SE proposed to sell the entire retail business (natural gas, electricity, heat, and CNG) of innogy in the Czech Republic. On 30 October 2020, a 100% share in innogy Česká republika a.s., including all thereby controlled parties, was sold to MVM Energetika Zártkörűen Működő Részvénytársaság.

On 30 October 2020, the Company became a member of the MVM Group. The Company was 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 was disclosed on the Company's website.

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#### a) Controlling parties

In the past accounting period the Company was controlled by the following controlling persons from 1 January 2020 to 1 June 2020:

- i. Directly
  - innogy Česká republika a.s., with its registered office at Limuzská 3135/12, Praha 10 - Strašnice, Post Code 100 98, Company No. 242 75 051, which was the sole shareholder of the Company,
- ii. Indirectly
  - innogy Beteiligungsholding GmbH, with its registered office at Opernplatz 1, 45128 Essen, Germany,
  - innogy Zweite Vermögensverwaltungs GmbH, with its registered office at Opernplatz 1, 45128 Essen, Germany,
  - innogy International Participations N.V., with its registered office at 5211AK 's-Hertogenbosch, Willemsplein 4, The Netherlands,
  - innogy SE, with its registered office at Opernplatz 1, 45128 Essen, Germany,
  - E.ON Verwaltungs SE, with its registered office Brüsseler Platz 1, 45131 Essen, Germany,
  - E.ON Beteiligungen GmbH, with its registered office Brüsseler Platz 1, 45131 Essen, Germany,
  - E.ON SE, with its registered office Brüsseler Platz 1, 45131 Essen, Germany, which was the ultimate controlling party.

In the past accounting period the Company was controlled by the following controlling persons from 2 June 2020 to 29 October 2020:

- i. Directly
  - innogy Česká republika a.s., with its registered office at Limuzská 3135/12, Praha 10 - Strašnice, Post Code 100 98, Company No. 242 75 051, which was the sole shareholder of the Company,
- ii. Indirectly
  - innogy Beteiligungsholding GmbH, with its registered office at Opernplatz 1, 45128 Essen, Germany,
  - innogy Zweite Vermögensverwaltungs GmbH, with its registered office at Opernplatz 1, 45128 Essen, Germany,
  - innogy International Participations N.V., with its registered office at 5211AK 's-Hertogenbosch, Willemsplein 4, The Netherlands,
  - innogy SE, with its registered office Brüsseler Platz 1, 45131 Essen, Germany,
  - E.ON Beteiligungen GmbH, with its registered office Brüsseler Platz 1, 45131 Essen, Germany,
  - E.ON SE, with its registered office Brüsseler Platz 1, 45131 Essen, Germany, which was the ultimate controlling party.

From 30 October 2020 to 31 December 2020 the Company was controlled by the following controlling persons:

- i. Directly
  - innogy Česká republika a.s., with its registered office at Limuzská 3135/12, Praha 10 - Strašnice, Post Code 100 98, Company No. 242 75 051, which was the sole shareholder of the Company,
- ii. Indirectly
  - MVM Energetika Zártkörűen Működő Részvénytársaság, with its registered office at 1031 Budapest, Szentendrei út 207-209, Hungary, which was the sole Shareholder of the company and ultimate controlling person.

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 E.ON Group as at 29 October 2020 is disclosed in Annex No. 1 to this Report. The structure of related parties within the MVM Group as at 31 December 2020 is disclosed in Annex No. 2 to this Report.

*c) Role of the Controlled Party*

Within the E.ON Group, the Company was responsible for building, financing, upgrading, and operating district and local heat supply networks and for generating electricity, where focus mainly concentrated on comprehensive district and local heat supply network upgrade projects using cogeneration units, that was projects involving the combined generation of heat and power.



Another no less important business activity was the construction and operation of compressed natural gas (CNG) filling stations and the sale of compressed natural gas for transport applications.

The Company has the same function within the MVM Group.

*d) Method and means for Exercising Control*

During the period when the ultimate controlling person was E.ON SE, the controlled party was put up for sale. As part of the ring-fencing procedure, E.ON was required to separate the Czech retail business, which is the subject of the sale, from the rest of its business assets starting on the date of the European Commission's decision until the completion of sale. The controlled party was controlled by the controlling party through the general meeting, the powers of which were exercised by the controlling party as the sole member exercising the powers of the general meeting of the controlled party.

As part of the sale, a Hold Separate Manager has been appointed, namely Mr. Tomáš Varcop, who is responsible for operating the sold assets separately from the rest of the E.ON Group's business. In addition, a Monitoring Trustee has been appointed to oversee that E.ON SE conforms to the requirements ensuing from the European Commission's decision of 17 September 2019 and to submit reports to that effect to the Commission. The Monitoring Trustee is the company Alcis Advisers GmbH. During the period in which the ultimate controlling person was MVM Energetika Zártkörűen Működő Részvénytársaság, the controlled person was controlled by the controlling person through the general meeting, the powers of which were exercised by the controlling person as the sole shareholder exercising the powers of the general meeting of the controlled person.

## 2 Overview of Transactions

In the last accounting period, the Company completed a legal act at the behest or in the interest of the related parties referred to in Section 1 of this Report, which involved assets in excess of 10% of the Company's equity reported in the last Financial Statements for the year ended 31 December 2020, which amounts to CZK 62,058 thousand.

- the loans from innogy Česká republika a.s. in the total nominal amount of CZK 710,000 thousand transferred from innogy International Participations N.V. and the loan from innogy Česká republika a.s. in the nominal amount of CZK 150,000 thousand.
- the domestic merger

## 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 paragraph 1 of this report arising on the basis of the agreements listed in Annex 3 hereto (concerning the controlling party E.ON SE) and Annex 4 hereto (concerning the controlling party MVM Energetika Zártkörűen Működő Részvénytársaság).

## 4 Assessment and Settlement of Losses

The Company is not aware of any benefits or disadvantages arising from relations between group-member entities in the framework of control within the E.ON Group.

In the framework of control exercised by the MVM Group during a part of the past accounting period, the Company benefited from advantages stemming from the Group-wide financing arrangement, which ensures stability in the provision of financial resources. The Company is aware of no detriments arising from its membership in the MVM Group. The Company has identified no risks arising from relations between parties within the Group.

## 5 Confidentiality

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

## 6 Conclusion

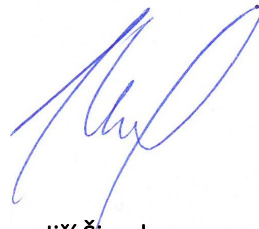
This Report was approved by the Company's Executive Directors on 12 March 2021.

Prague, 12 March 2021



**Zdeněk Kaplan**

Chairman of the Executive Directors, CEO



**Jiří Šimek**

Executive Director, COO



Annex 1: Scheme of relations between related parties within the E.ON Group

**E.ON SE**

100.00 %	E.ON Beteiligungen GmbH
100.00 %	E.ON Česká republika, s. r. o.
100.00 %	E.ON Energie, a.s.
49.00 %	DUKO Hlinsko s.r.o.
100.00 %	E.ON Distribuce, a.s.
100.00 %	Local Energies, a.s.
100.00 %	E.ON Telco, s.r.o.
100.00 %	eg.d, s.r.o.
100.00 %	Jihočeská plynárenská, a.s.
42.50 %	ŠKO-ENERGO FIN, s.r.o.
100.00 %	innogy SE
100.00 %	innogy International Participations N.V.
100.00 %	innogy Zweite Vermögensverwaltungs GmbH
100.00 %	innogy Beteiligungsholding GmbH
100.00 %	innogy Česká republika a.s.
100.00 %	innogy Zákaznické služby, s.r.o.
100.00 %	innogy Energie, s.r.o.
100.00 %	innogy Energo, s.r.o.
100.00 %	Ginger Teplo, s.r.o.
93.00 %	innogy Energetika Plhov - Náchod, s.r.o.
100.00 %	innogy TelNet Holding, s.r.o.
85.00 %	Magnalink, a.s.
100.00 %	CERBEROS s.r.o.
100.00 %	HELIOS MB s.r.o.

## Annex 2: 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	96.41	96.41
2	HUPX Zrt.	Hungary	96.41	96.41
3	CEEGEX Zrt.	Hungary	96.41	96.41
3	HUDEX Energiatőzsde Zrt.	Hungary	96.41	96.41
2	Római Irodaház Kft.	Hungary	50.00	100.00
1	MVM Paksi Atomerőmű Zrt.	Hungary	100.00	100.00
2	ATOMIX Kft.	Hungary	100.00	100.00
2	MVM Nukleáris Karbantartó Zrt.	Hungary	25.00	100.00
1	MVM NET Zrt.	Hungary	100.00	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. (Horvátország)	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
2	NÜSZ Informatikai Kft.	Hungary	50.00	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	ENERGO-MERKUR Kft.	Hungary	100.00	100.00
2	MVM Engineering Zrt.	Hungary	100.00	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	95.09	100.00
2	Raaba Energy Kft.	Hungary	100.00	100.00
2	Raaba Power Group Kft.	Hungary	100.00	100.00
2	Raaba Service Kft.	Hungary	100.00	100.00
2	Raaba Tech Kft.	Hungary	100.00	100.00
2	MVM ZG Solar Alpha Kft.	Hungary	100.00	100.00
2	MVM ZG Solar Beta Kft.	Hungary	100.00	100.00
2	MVM ZG Solar Gamma Kft.	Hungary	100.00	100.00
2	MVM ZG Solar Delta Kft.	Hungary	100.00	100.00
2	MVM ZG Solar Zeta Kft.	Hungary	100.00	100.00
2	MVM ZG Solar Kappa Kft.	Hungary	100.00	100.00
2	Saphire Solar Epsilon 346 Kft.	Hungary	100.00	100.00
2	MVM ZG Solar Service Kft.	Hungary	100.00	100.00
2	Kom Hull Villamosenergia Kereskedő Kft.	Hungary	100.00	100.00
1	Magyar Földgázkereskedő Zrt.	Hungary	100.00	100.00
2	MFGK Austria GmbH	Austria	100.00	100.00
2	MFGK SLOVAKIA s.r.o.	Slovakia	100.00	100.00
2	MFGK Croatia d.o.o.	Croatia	100.00	100.00
2	MFGK CZ s.r.o. (Csehország)	Czech Republic	100.00	100.00

1	NRG Finance Kft.	Hungary	100.00	100.00
2	Rába Energiaszolgáltató Kft.	Hungary	96.67	96.67
1	MVM BSZK Zrt.	Hungary	100.00	100.00
1	MVM ERBE Zrt.	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 GTER Zrt.	Hungary	100.00	100.00
2	Tisza Erőmű Kft.	Hungary	100.00	100.00
1	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
1	MVM Mobiliti Kft.	Hungary	100.00	100.00
2	e-Mobi Nonprofit Kft.	Hungary	100.00	100.00
1	Kapos CNG Kft.	Hungary	99.635	99.635
1	MVM Otthon Plusz Zrt.	Hungary	100.00	100.00
1	MVM Xpert Zrt.	Hungary	100.00	100.00
1	MVM ESCO Zrt.	Hungary	100.00	100.00
1	Nemzeti Üzleti Szolgáltató Zrt.	Hungary	100.00	100.00
2	NÜSZ Informatikai Kft.	Hungary	50.00	100.00
1	Grape Solutions Zrt.	Hungary	52.19	100.00
1	Mátrai Erőmű Zrt.	Hungary	53.26	100.00
2	Mátrai Erőmű Központi Karbantartó Kft.	Hungary	100.00	100.00
2	Mátrai Erőmű Bányászati Mélyépítő Kft.	Hungary	100.00	100.00
2	Status Geo Invest Kft.	Hungary	100.00	100.00
3	Geosol Kft.	Hungary	100.00	100.00
4	Bakony-Sol Kft.	Hungary	50.00	50.00
1	Status Power Invest Kft.	Hungary	100.00	100.00
2	MÁTRA ENERGY HOLDING Zrt.	Hungary	100.00	100.00
3	Mátrai Erőmű Zrt.	Hungary	46.74	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
2	MVM Főgáz Kft.	Hungary	100.00	100.00
3	MVM Ügyfélkapcsolati Kft.	Hungary	12.00	100.00
2	MVM Ügyfélkapcsolati Kft.	Hungary	52.00	100.00
2	Flogiston Kft.	Hungary	67.00	67.00
2	Gerecsegáz Zrt.	Hungary	49.36	49.36
2	Komunálinfó Zrt.	Hungary	42.40	42.40
1	MVM Optimum Zrt.	Hungary	100.00	100.00
2	Grape Solutions Zrt.	Hungary	47.81	100.00
1	MVM Égáz-Dégáz Zrt.	Hungary	100.00	100.00
2	MVM Ügyfélkapcsolati Kft.	Hungary	12.00	100.00
1	MVM OTSZ Zrt.	Hungary	100.00	100.00
1	MVM Watt Eta Kft.	Hungary	100.00	100.00
1	MVM Nukleáris Karbantartó Zrt.	Hungary	75.00	100.00
1	ENEXIO Hungary Zrt.	Hungary	100.00	100.00
2	EGI Cooling System Tr.	China	100.00	100.00
2	EGI Cooling Systém	China	100.00	100.00
1	MVM Energy Romania s.r.l.	Romania	99.99	100.00

2	MVM FET SRL	Romania	90.00	100.00
2	H2O Energy SRL	Romania	100.00	100.00
2	CYEB SRL	Romania	1.00	100.00
2	Aqua Energia S.A.	Romania	99.01	100.00
1	MVM Switzerland AG	Switzerland	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 TEPLo s.r.o.	Czech Republic	100.00	100.00
3	innogy Energetika Plhov - Náchod s.r.o.	Czech Republic	100.00	93.00
2	innogy TelNet Holding s.r.o.	Czech Republic	100.00	100.00
3	Cerberos s.r.o.	Czech Republic	100.00	100.00
3	Helios MB s.r.o.	Czech Republic	100.00	100.00
3	Magnalink, a.s.	Czech Republic	85.00	85.00
1	Panrusgáz Gázkereskedelmi Zrt.	Hungary	50.00	50.00
1	EKS-Service Kft.	Hungary	50.00	50.00
1	Déli Áramlat Magyarország Zrt.	Hungary	50.00	50.00
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 or indirectly by MVM Zrt.

Annex no. 3: Overview of mutual agreements between the Company and Related Parties within the E.ON Group effective from 1 January 2020 to 29 October 2020

Contracting Party	Type of Agreement / Subject Matter of Agreement	Quantity
innogy Česká republika a.s.	Framework Agreement on Entry into Contracts for Services in Facility Management, Fleet Management and Procurement	1
	Master Agreement on Entry into Contracts for Corporate Services	1
	Amendment no. 1 to Master Agreement on Entry into Contracts for Corporate Services	1
	Contract for Corporate Services	1
	Amendment no. 1 to Contract for Corporate Services	1
	Business Space Lease Agreement	1
	Amendments nos. 1 to 11 Business Space Lease Agreement	11
	Non-residential Business Space Sublease Agreement	1
	Agreement on Withdrawal from Non-Residential Business Space Sublease Agreement	1
	Amendment no .1 to Non-residential Business Space Sublease Agreement	1
	Non-residential Space Lease Agreement	1
	Agreement on Withdrawal from Non-residential Space Lease Agreement	1
	Amendment no .1 to Non-residential Space Lease Agreement	1
	Agreement on Insurance Premium Payment	1
	Grant of Consent to Trademark Use	1
	Loan Agreement	3
	Amendments nos. 1 to 3 to Loan Agreement	3
	Agreement on the Non-profit Transfer of Jointly Used Services Related to Electrical Energy Supply from a Subsidiary Electricity Meter	2
	Electricity, Heat and Cooling Supply Agreement	3
	Amendment no. 1 to Electricity, Heat and Cooling Supply Agreement	1

Contracting Party	Type of Agreement / Subject Matter of Agreement	Quantity
	Trigeneration Lease Agreement	1
	Amendment no. 1 to Trigeneration Lease Agreement	1
	Master Agreement on Entry into Contracts for Services in Accounting and Taxes	1
	Framework Agreement for Entry into Contracts for Information Technology and Electronic Communications Services	1
	Contract for Information Technology and Electronic Communications Services	1
	Amendment no. 1 to Contract for Information Technology and Electronic Communications Services	1
	Amendment no. 2 to Contract for Information Technology and Electronic Communications Services	1
	Personal Data Processing Agreement	2
	Licence Agreement with Agreement on Basic Maintenance of and Support for the ZIS SoD Application	1
	Amendment no. 1 to Licence Agreement with Agreement on Basic Maintenance of and Support for the ZIS SoD Application	1
	Land Sublease Agreement	1
	Amendment no. 1 to Land Sublease Agreement	1
	Agreement on the Provision on Real One-Way Cash Pooling	1
	Amendment no. 1 to Agreement on the Provision on Real One-Way Cash Pooling	1
	Service Level Agreement – SCADA	1
innogy Energie, s.r.o.	Service Level Agreement for Marketing	1
	Agreement on Application Use and Payment of Costs	1
	Agreement on Splitting Mervis System Development Costs	3
	Emission Allowance Purchase Agreement	1
	Master Agreement for Entry into Service Level Agreement for Photovoltaics	1
	Service Level Agreement for Photovoltaics	1
	Contract for Work – Náchod Heating Plant Electricity Substation	1

Contracting Party	Type of Agreement / Subject Matter of Agreement	Quantity
	Low-Voltage Electricity Distribution Agreement with Electricity Trader	1
	Agreement on Bundled Electricity Supply Services	8
	Amendment no. 1 to Agreement on Bundled Electricity Supply Services	4
	Amendment no. 2 to Agreement on Bundled Electricity Supply Services	2
	Amendment no. 3 to Agreement on Bundled Electricity Supply Services	1
	Amendment no. 4 to Agreement on Bundled Electricity Supply Services	1
	Amendment no. 5 to Agreement on Bundled Electricity Supply Services	1
	Cooperation Agreement – CNG 2019	1
	Agreement on Bundled Gas Supply Services	12
	Amendment no. 1 to Agreement on Bundled Gas Supply Services	8
	Amendment no. 2 to Agreement on Bundled Gas Supply Services	3
	Amendment no. 3 to Agreement on Bundled Gas Supply Services	2
	Amendment no. 4 to Agreement on Bundled Gas Supply Services	2
	Amendment no. 5 to Agreement on Bundled Gas Supply Services	2
	Amendment no. 6 to Agreement on Bundled Gas Supply Services	1
	Amendment no. 7 to Agreement on Bundled Gas Supply Services	1
innogy Zákaznické služby, s.r.o.	Master Agreement on Entry into Agreement for Services Provided by innogy Zákaznické služby, s.r.o.	1
	Agreement for Services Provided by innogy Zákaznické služby, s.r.o.	2
	Personal Data Processing Agreement	1
innogy SE	Contract – regarding access to the electronic trading platform I-TEX	1
innogy Gas Storage, s.r.o.	Service Level Agreement for Natural Gas Extraction and Processing	1
	Master Agreement for Supply of CNG	1

Contracting Party	Type of Agreement / Subject Matter of Agreement	Quantity
TEPLO T s.r.o.	Loan Agreement	2
	Amendment no. 1 to Loan Agreement	1
innogy Energetika Plhov – Náchod, s.r.o.	Heating Plant Lease Agreement	1
	Real Estate Lease Agreement	1
	Contract for Corporate Services	1
	Amendment no. 1 to Contract for Corporate Services	1
	Loan Agreement	1
	Service Level Agreement for Securing Operations, Maintenance, Repairs, and Investments	1
	Amendment No. 1 to Service Level Agreement for Securing Operations, Maintenance, Repairs, and Investments	1
	Agreement on the Re-Billing of Electricity Costs	1
	Heat Supply Agreement	1
	Agreement on the Re-Billing of Natural Gas Supply Costs	1
innogy Česká republika, a.s. innogy International Participations N.V.	Agreement for the Transfer of Loan Contract	1
innogy International Participations N.V.	Loan Contract	1
E.ON Distribuce, a.s.	Distribution System Connection Agreement at the Low-Voltage Level	7
	Distribution System Connection Agreement for Production and Offtake System	3
	Service Level agreement for Distribution System Services	3
	Agreement on Payment of Contribution for Electricity from Combined Electricity and Heat Generation	1
	Amendment no. 1 to Agreement on Payment of Contribution for Electricity from Combined Electricity and Heat Generation	1
	Distribution System Connection Agreement at the High-Voltage Level	5
	Distribution System Connection Agreement for Gas Offtake Equipment	2



Contracting Party	Type of Agreement / Subject Matter of Agreement	Quantity
	Construction Site Approval Agreement	1
	Easement Agreement	1
E.ON Energie, a.s.	Agreement on Bundled Electricity Supply Services	1
	Contract for Work for Inspecting and Servicing CNG Compressor Stations	1
	Master Agreement for Low-Voltage Distribution System Services	1
	Amendment no. 1 to Master Agreement for Low-Voltage Distribution System Services	1

Annex no. 4: Overview of mutual agreements between the Company and Related Parties within the MVM Group effective from 30 October 2020 to 31 December 2020

Contracting Party	Type of Agreement / Subject Matter of Agreement	Quantity
innogy Česká republika a.s.	Framework Agreement on Entry into Contracts for Services in Facility Management, Fleet Management and Procurement	1
	Master Agreement on Entry into Contracts for Corporate Services	1
	Amendment no. 1 to Master Agreement on Entry into Contracts for Corporate Services	1
	Contract for Corporate Services	1
	Amendment no. 1 to Contract for Corporate Services	1
	Business Space Lease Agreement	1
	Amendments nos. 1 to 11 Business Space Lease Agreement	11
	Non-Residential Business Space Sublease Agreement	1
	Agreement on Withdrawal from Non-Residential Business Space Sublease Agreement	1
	Amendment no. 1 to Non-Residential Business Space Sublease Agreement	1
	Non-Residential Space Lease Agreement	1
	Agreement on Withdrawal from Non-Residential Space Lease Agreement	1
	Amendment no. 1 to Non-Residential Space Lease Agreement	1
	Insurance Payment Premium Agreement	1
	Grant of Consent to Trademark Use	1
	Loan Agreement	3
	Amendments nos. 1 to 3 to Loan Agreement	3
	Agreement on the Non-profit Transfer of Jointly Used Services Related to Electrical Energy Supply from a Subsidiary Electricity Meter	2
	Electricity, Heat and Cooling Supply Agreement	3
	Amendment no. 1 to Electricity, Heat and Cooling Supply Agreement	1

Contracting Party	Type of Agreement / Subject Matter of Agreement	Quantity
	Trigeneration Lease Agreement	1
	Amendment no. 1 to Trigeneration Lease Agreement	1
	Master Agreement on Entry into Contracts for Services in Accounting and Taxes	1
	Framework Agreement for Entry into Contracts for Information Technology and Electronic Communications Services	1
	Contract for Information Technology and Electronic Communications Services	1
	Amendment no. 1 to Contract for Information Technology and Electronic Communications Services	1
	Amendment no. 2 to Contract for Information Technology and Electronic Communications Services	1
	Personal Data Processing Agreement	2
	Licence Agreement with Agreement on Basic Maintenance of and Support for the ZIS SoD Application	1
	Amendment no. 1 to Licence Agreement with Agreement on Basic Maintenance of and Support for the ZIS SoD Application	1
56	Land Sublease Agreement	1
	Amendment no. 1 to Land Sublease Agreement	1
	Agreement on the Provision on Real One-Way Cash Pooling	1
	Amendment no. 1 to Agreement on the Provision on Real One-Way Cash Pooling	1
	Service Level Agreement – SCADA	1
innogy Energie, s.r.o.	Service Level Agreement for Marketing	1
	Agreement on Application Use and Payment of Costs	1
	Agreement on Splitting Mervis System Development Costs	3
	Emission Allowance Purchase Agreement	1
	Master Agreement for Entry into Service Level Agreement for Photovoltaics	1
	Service Level Agreement for Photovoltaics	1
	Contract for Work – Náchod Heating Plant Electricity Substation	1

Contracting Party	Type of Agreement / Subject Matter of Agreement	Quantity
	Low-Voltage Electricity Distribution Agreement with Electricity Trader	1
	Agreement on Bundled Electricity Supply Services	8
	Amendment no. 1 to Agreement on Bundled Electricity Supply Services	4
	Amendment no. 2 to Agreement on Bundled Electricity Supply Services	2
	Amendment no. 3 to Agreement on Bundled Electricity Supply Services	1
	Amendment no. 4 to Agreement on Bundled Electricity Supply Services	1
	Amendment no. 5 to Agreement on Bundled Electricity Supply Services	1
	Cooperation Agreement – CNG 2019	1
	Agreement on Bundled Gas Supply Services	12
	Amendment no. 1 to Agreement on Bundled Gas Supply Services	8
	Amendment no. 2 to Agreement on Bundled Gas Supply Services	3
	Amendment no. 3 to Agreement on Bundled Gas Supply Services	2
	Amendment no. 4 to Agreement on Bundled Gas Supply Services	2
	Amendment no. 5 to Agreement on Bundled Gas Supply Services	2
	Amendment no. 6 to Agreement on Bundled Gas Supply Services	1
	Amendment no. 7 to Agreement on Bundled Gas Supply Services	1
innogy Zákaznické služby, s.r.o.	Master Agreement on Entry into Agreement for Services Provided by innogy Zákaznické služby, s.r.o.	1
	Agreement for Services Provided by innogy Zákaznické služby, s.r.o.	2
	Personal Data Processing Agreement	1
innogy Energetika Plhov – Náchod, s.r.o.	Heating Plant Lease Agreement	1
	Real Estate Lease Agreement	1
	Contract for Corporate Services	1

Contracting Party	Type of Agreement / Subject Matter of Agreement	Quantity
	Amendment no. 1 to Contract for Corporate Services	1
	Loan Agreement	1
	Service Level Agreement for Securing Operations, Maintenance, Repairs, and Investments	1
	Amendment no. 1 to Service Level Agreement for Securing Operations, Maintenance, Repairs, and Investments	1
	Agreement on the Re-Billing of Electricity Costs	1
	Heat Supply Agreement	1
	Agreement on the Re-Billing of Natural Gas Supply Costs	1
MVM Magyar Viliamos Müvek Zrt.	Agreement on the Provision on Real One-Way Cash Pooling	1

**innogy Energo, s.r.o.**

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