



innogy

# Annual Report 2021

innogy Energo

Powered  
by MVM

## Key Ratios (according to CAS)

|                                | 2021    |
|--------------------------------|---------|
| Total sales (CZK m)            | 1 033.0 |
| EBITDA (CZK m)                 | 138.1   |
| Operating result (CZK m)       | 36.0    |
| Profit before taxation (CZK m) | 7.8     |
| Profit after taxation (CZK m)  | 8.8     |
| Investments (CZK m)            | 113.3   |
| Number of employees (FTE)      | 84      |

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

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

## 1 The chairman's statement

Ladies and Gentlemen,

The year 2021 was marked by the continuing COVID-19 pandemic and an unexpected rise in the prices of gas and electricity on wholesale markets, which began in the second half of the year. Despite these adverse factors, our financial results for 2021 were very good, and we recorded a number of other accomplishments during this challenging year.

Thanks to experience gained thus far and the responsible attitude of all of our employees, the COVID-19 pandemic had a minimal impact on our business. Strategies that paid off included ongoing testing, the use of home office arrangements where permitted by the nature of work, and, no less importantly, measures consistently separating shifts in heat generating facilities.

While energy prices were increasing gradually in the first half of the year, they began rising sharply starting at the beginning of the summer. In September in particular, we witnessed the beginning of an unprecedented surge, where prices skyrocketed to levels four times higher than at the beginning of the year. The most significantly impacted were our heating plants and the CNG business, where we had no choice but to increase the prices of supplied heat and CNG. Thanks to the strong backing of the innogy Group and active management of gas procurement, we were able to deal with the turbulent situation better than the competition. On the whole, we performed well in the clean mobility segment. Despite the complicated situation, our CNG filling stations maintained acceptable prices thanks to purchases made sufficiently in advance, where CNG prices charged by other market players, particularly smaller ones, climbed to as high as CZK 60 per kilogram. High prices charged by competitors made their customers switch to our CNG filling stations, particularly at the end of the year. In total, we sold 14% more CNG to drivers than compared to 2020. At the same time, we continued increasing the share of the renewable component – biomethane. BioCNG accounted for 43% of CNG sales last year, and we are committed to continuing increasing its share. The year saw the execution of three CNG technology projects on a turnkey basis. The largest contract consisted of installing an all-inclusive facility for the Fire Rescue Service of the Moravian-Silesian Region, where we acted as the general contractor and built a CNG filling station, a charging station, and a conventional fuel station.

Last year was a milestone in regard to the acceleration of the enlargement of the network of charging stations. We acquired the Olife Energy Net network. We obtained an EU subsidy for the Park & Charge Net project under the Transport Operational Programme. Together with Olife projects, we have secured subsidies for 200 charging stations, which will be built over the next two years. Intensive cooperation continued within the MVM Group on the integration of surveillance and payment systems. The first implementation stage is planned to be completed at the beginning of 2022.

We also recorded major accomplishments in the heat supply business. As one of the first suppliers in the Czech Republic, we became an aggregator of support services, where we began using cogeneration units in our heating plants to provide balancing services to ČEPS. The results from the first six months of operation are very favorable, and we plan to continue developing this service in view of the growing portfolio of our own cogeneration units and the inclusion of our partners' cogeneration units. Likewise, we are developing a new high-potential business that focuses on micro-generation. We have completed the first contract for the supply of this modern technology to the Kamenice nad Lipou Elementary School. As part of our own investment projects, we completed an upgrade of the Beroun Centrum Heating Plant, including the installation of a new cogeneration unit.

The enormous demand for solar power plants exceeded all our expectations. Consequently, an important task will be increasing the installation capacity in the portfolio of partner firms. To further develop the solar business, investments were made into our facilities in Králův Dvůr, where new office space and, more importantly, a component warehouse for solar plant installations were built.

As part of a corporate restructuring within the innogy Group, we took over as of 1 December 2021 the innogy Energie team providing supplementary services, such as energy audits, installation of substations, lighting, etc. In the coming months, the new team will be incorporated into our corporate structure, which will mainly consist of defining the strategy for providing these products that help our customers save energy costs.

I want to thank all employees for their tremendous dedication and enthusiasm thanks to which all of our projects continued to advance throughout the year despite the obstacles and challenges we faced. I trust that the excellent teamwork will continue in the current year. Likewise, I look forward to continuing cooperation with our trading partners.

  
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 amalgamation 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 amalgamation, executed under a notarial deed, whereby the subsidiary TEPLO Rumburk, s.r.o. was dissolved 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 of 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 effect as at 1 July 2020, innogy Energo, s.r.o., the successor company, carried out mergers by amalgamation with the dissolving company TEPLO T s.r.o. and the dissolving company Areal Blansko LDS a.s. As part of the mergers, the assets of both of the dissolving 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.

#### Organizational 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 2021, 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 2021

#### 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, Chairman of the Board of Directors of Olife Energy Net, a.s., 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., Chairman of the Olife Energy Net, a.s. Supervisory Board, 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 2021.

## 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 2021

**Audit firm:**

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

**Auditor in charge:**

Václav Loubek  
Statutory Auditor, Registration No. 2037

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 2021 Annual Report of innogy Energo

**8** 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, 17 March 2022

**Zdeněk Kaplan**

Chairman of the Executive Directors, CEO

**Jiří Šimek**

Executive Director, COO



## 3 Management report for 2021

### 3.1 Results

#### Revenues, Expenses, Profit

The Company recorded CZK 1,033 million in total revenues. Factors that had a favorable effect on the results included proceeds from CO<sub>2</sub> emission allowances (payments permitting the discharge of requirements to reduce greenhouse gas emissions) and colder climatic conditions that resulted in a higher heat consumption and consequently also higher electricity generation. Revenues from ancillary services were another favorable factor (regulation of electric output based on requirements of the transmission system operator – ČEPS). The economic result was adversely affected (particularly in the fourth quarter) by high prices of natural gas procured for the CNG segment. In addition, the high prices of natural gas increased heat generation costs. However, we compensated these costs by raising selling prices. Due to the foregoing, the Company recorded CZK 8.8 million in earnings in 2021, compared to a CZK 0.2 million loss accumulated in 2020.

#### Assets and Liabilities

The Company's balance sheet total as at 31 December 2021 amounted to CZK 2,098 million.

#### Investments

During 2021, the Company made investments in the total amount of CZK 113.3 million in accordance with the investment plan. In the heat and electricity cogeneration segment, investments were mainly made into our existing plants in Beroun and Náchod as well as into recently acquired facilities, such as LDS Hořovice and CHP Kamenice. In addition, an investment was made in 2021 into warehouse and office facilities for the solar power segment in Beroun. Likewise, investments were made into the continually expanding network of electric car charging stations. All investment projects were executed in the Czech Republic.

#### Financing

The financing of operations and investments was mainly secured by long-term loans negotiated in 2018, 2019, and 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 financial impact. There is a clearly defined owner of every risk who is responsible for its management. 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. Depending on their nature, serious risks are hedged against by means of insurance, provisions, hedging

transactions, risk position caps, and various other preventative measures. In 2021, the Company's management identified no risks liable to jeopardize the Company's existence. The Company reevaluates all financial derivative transactions at their fair value as at the balance sheet date. The Company does not use hedge accounting.

### 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.

Individual facilities are either run by innogy Energo, s.r.o. 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. Selected operations were insourced in 2021. As a result, the Company's personnel took over the operation of the Odolena Voda Facility, Králův Dvůr-Beroun Heat Plant, and the facilities in Prague starting in October.

As part of its business, innogy Energo conducts activities aimed at maintaining and optimizing existing profitable ventures. Another stage of upgrading the heat distribution network continued (Kladská II.), which consisted of replacing steam pipes with hot-water conduits.

The Company continued to expand its activities in the combined heat and electricity generation segment. In 2021, a cogeneration unit with an installed electricity generating capacity of 999 kW was put into operation in Beroun Centrum, where it delivers heat to the district heat supply network. In addition, the Company was successful in connecting new development projects to the district heating network, for example in such localities as Berounské terasy, Na Máchovně, and Hlinky.

Likewise, we continued projects involving the supply of heat from local sources. Apart from building and renovating gas-fired heating plants, the Company plans to use energy contracting to develop business activities in the segment of micro-generation units. Units of this type are able to cover a considerable part of consumers' heat and electricity consumption, thus eliminating risks relating to disruptions in the energy supply chain. At the same time, their operation is based on sound economic considerations. Last year, the Company completed the first installation of a micro-generation unit for the Kamenice nad Lipou Elementary School.

Another business segment to which the Company pays close attention is the construction and operation of local electricity distribution systems (LDS). In the reported year, another LDS system was put into service for the "Nová Vltava" residential complex in České Budějovice.

In 2021, the Company successfully introduced ancillary services and obtained certification from the transmission system operator (ČEPS). In the course of the year, the Company began providing the Balancing Service, relying on our own aggregation block (AB) with an output of 10 MW. Ten cogeneration units with an output ranging from 160 kW to 1.56 MW were included in the aggregation block. For the past several years, the Company has operated cogeneration units on a virtual power plant basis. We entered the new market segment following many months of thorough preparations and tests. The Company is one of the first integrated aggregators in the Czech Republic. Our aggregation block provides ČEPS with the so-called 15-minute backup service. As decentralization continues, the scope of ancillary services will need to be enlarged. Accordingly, the Company will complement the aggregation block with additional services in the forthcoming period by using its own resources (cogeneration units and electric boilers) and by incorporating trading partners.

Another, no less important, business activity carried out by the Company is clean mobility, the use of alternative fuels in transport. Clean mobility encompasses 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 2021, the Company operated 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. In 2021, the Company used its own network to deliver to end users approximately 12.1 million kg of CNG, which is a nearly 14% year-over-year increase from 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 consisted of delivering CNG technology for a CNG filling station in Hořice. Additional projects are currently in progress, where delivery is planned in the course of 2022. The Company's performance was very successful as regards the sale and lease of mobile CNG technologies, specifically in Poland and Slovakia.

The current trend in the CNG segment shows a growing share of biomethane vis-à-vis standard natural gas. In 2021, bioCNG accounted for 43% of the Company's CNG sales. BioCNG is a renewable energy source that is gradually gaining popularity among consumers. This year, the Company is planning to further increase the share of bioCNG.

In the electromobility segment, we continued building private and public charging stations for the needs of the innogy Group as well as for companies with a fleet of electric cars. At the end of 2021, the Company operated charging stations in 11 localities in the Czech Republic. These sites are fitted with seven fast-charging DC stations, including Prague, Tábor, and Nepomuk, where the first 150 kW

fast-charging stations have been installed, and eight public double AC stations situated throughout the entire country. Charging stations served for more than 9,500 charges, where supplied electricity was in excess of 130 MWh. During the reported year, the Company supplied to its customers and activated 28 new AC charging stations. Thanks to the acquisition of Olife Energy Net, a.s. in the summer, the Company's network was enlarged by the addition of 21 charging stations. Overall, the Company now operates as many as 64 public and private charging stations with 106 charging points. Negotiations aimed at the construction of new facilities are underway. In 2022, the Company plans to put into service an additional 112 charging stations as part of the Park & Charge Net and 102 as part of the Olife Energy Net project in the innogy and Olife networks, respectively. The objective is to reinforce considerably the Company's position on the electromobility market. The close partnership with MVM Mobiliti Kft. continued.

Acting as a service organization for the installation of solar power plants, the Company performed more than 430 installations on family homes with an aggregate output over 2.8 MW in 2021, a year-over-year increase by more than 100%. The reported year underscored a trend that began in 2020 toward facilities with a higher output and a battery storage system, as over 90% of installations featured battery storage and an output over 5 kWp. In view of the new conditions of the New Green Savings subsidy program, the installed capacity of new facilities can be expected to continue increasing in the forthcoming years. Interest in installations at the end of the year was strongly affected by a sharp rise in energy prices in August and September, when demand for home solar plants installations grew nearly four-fold compared to the previous period. The Company signed several lucrative installation contracts with corporate customers, where the largest deals concerned such companies as ČEPRO, Eurovia, Sloupský, and the Biophysical Institute of the Czech Academy of Sciences. No less importantly, the Company enlarged the portfolio of its services for corporate clients by the addition of expert solar plant construction studies, where the most extensive study was conducted for Vítkovice, a.s.

### 3.3 Marketing and Communication Activities

Despite the fact that the organization of all events, marketing campaigns, exhibitions, and trade shows was strongly affected throughout 2021 by the need to conform to COVID-19 restrictions adopted by the Czech government, we supported and actively participated in several important events.

In 2021, the Company mainly focused on promoting the use of alternative fuels in transport. The main event was the Electromobility Forum, a conference dedicated to the present and future of electromobility held in Fórum Karlín in the fall. As every year, the event provided a meeting opportunity for electromobility experts, media representatives, and public officials. The Company was represented by a delegate from MVM Mobility who mainly addressed the charging infrastructure and services, a current issue on the Hungarian market that is also becoming the norm on the Czech market within the Company's operations.

The last quarter was marked by changes in the CNG pricing policy, where the Company tried to maintain advantageous prices for this alternative fuel for its customers despite the turbulent situation

on the natural gas market. We promoted the advantages of CNG and the future of the emission-neutral bioCNG in the media, such as the Business Car fleet magazine.

As every year, the Company supported several notable cultural projects in 2021, 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 continue providing generous support for cultural events in 2022. Support for sports was another important area for the Company. As every year, we assisted the AERO Odolená Voda volleyball club and the Králův Dvůr Soccer Club.

### 3.4 Human Resources

During 2021, we continued digitizing employment records and converting personnel processes into electronic form in consideration of the Company's needs and targets. In addition, we focused on preparations for the replacement of the entire HR information system in the subsequent period. We followed in the footsteps of the preceding year's activities concerning the "Welcome to innogy" onboarding application. The application was expanded by the addition of a segment dedicated to workers working based on a work performance contract or a casual work contract. Moreover, access to the application was provided to employees returning to work after maternity or parental leave.

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In the Fair Employer contest, innogy repeated its victorious performance, advancing from the third to the top position thanks to feedback from our employees who rated innogy in several categories, such as workplace relations, meaningfulness of work tasks, remuneration, and others.

In June 2021, a new competence model entered into effect. The model serves for defining cooperation and communication across the Company, supporting sustainable performance, and influencing the Company's overall corporate culture. The competence model reflects our new corporate values, which include responsibility, cooperation, trust, customer orientation, and proactive involvement. The new competence model was also reflected in development activities, which in 2021 chiefly focused on strengthening required competences.

#### Staffing Levels

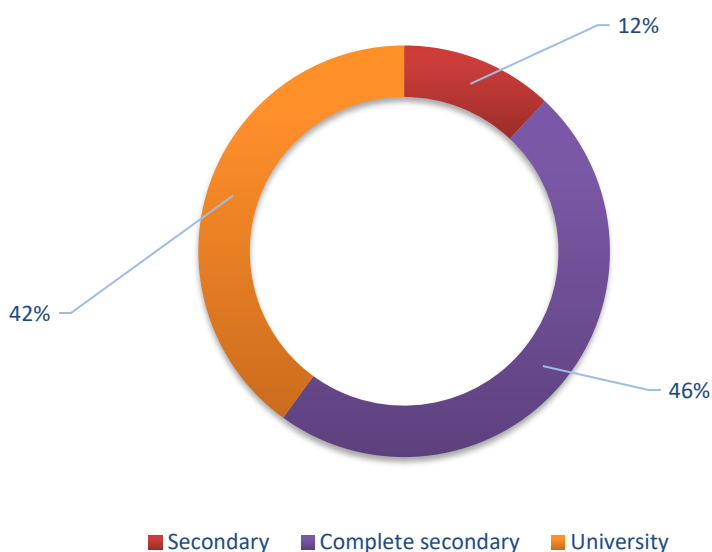
In 2021, employee headcount (FTE) in the Company was 84, an increase mainly caused by hiring additional staff in the solar power segment and a transfer of Energy Services staff from the sister company innogy Energie, s.r.o.

#### Development of Employee Headcount (FTE)

| Year               | 2021 | 2020 | 2019 | 2018 |
|--------------------|------|------|------|------|
| Employee headcount | 84   | 75   | 73   | 69   |

**Staff Structure by Education**

| Company       | Secondary | Complete secondary | University | Elementary | Total  |
|---------------|-----------|--------------------|------------|------------|--------|
| innogy Energo | 12.1%     | 45.8%              | 42.1%      | 0.0%       | 100.0% |

**Employee Structure by Education in the Year Ended 31 December 2021****Wages**

The development of wages in 2021 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 2021, the Company spent 0.83% of wage costs on training and personal development programs, organizing 626 learning projects for 917 trainees. The average annual training cost per employee amounted to approximately CZK 5,586. The number of trainees increased, mainly due to mandatory training requirements relating to employee qualifications.

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**

Like the preceding year, 2021 was marked by efforts to fight the COVID-19 pandemic and to protect our employees. In this regard, the Company mainly focused in the course of the year on implementing new legislative requirements, creating internal regulations (across-the-board staff testing, third-party entry to the Company's premises), defining regimens, and procuring certified antigen test kits and personal protective equipment with a view to ensuring maximum protection for the health of all of the Company's workers.

Despite strict conformity to occupational health and safety laws and regulations, two occupational injuries were recorded at innogy Energo s.r.o. in 2021, one resulting in incapacity for work.

In 2021, the Company continued a project of restoring protective paint at Vitall CNG stations. In the course of the year, the Company carried out occupational safety inspections, preventative fire-safety checks, and regular reviews of work processes aimed at identifying and assessing risk factors relating to occupational health. The inspections identified no deficiencies liable to endanger lives, health, or property.

#### **Environmental Protection**

An active, responsible attitude to environmental protection is one of the fundamental principles adhered to by innogy Energo, s.r.o. The Company places emphasis on complying with legislative requirements, improving environmental protection in line with the Environmental Protection Policy, and increasing workers' awareness of environmental issues.

In 2021, a new cogeneration unit was installed in Beroun Centrum. The Company used a fleet of 57 vehicles, including 49 CNG-driven vehicles, two hybrid vehicles, and one electric car. 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 2021, government authorities carried out an inspection of compliance with the requirements laid down in Act No. 201/2012 Coll. on Air Protection. No violations of legislative requirements were identified during the inspection.

There was no serious incident at the Company's facilities with a negative impact on the environment in the reported year.

### 3.6 Subsequent Events

On 16 December 2021, the Company concluded a loan agreement with its subsidiary, Innogy Energetika Plhov – Náchod, s.r.o., in the amount of CZK 32,550 thousand, which has not yet been drawn.

On 24 February 2022, Russia launched a military invasion of Ukraine. Western states have responded by imposing a series of sanctions against the Russian aggressor. The aim of the measure is to isolate Russia politically and economically and cause it as much damage as possible, thus preventing it from continuing its military aggression. It cannot be ruled out that one of the consequences of this development could be the suspension of gas supplies from Russia to Europe, even if it would have negative effects on both sides. Should this situation occur, it could have significant negative effects on the Company's finances and possibly the value of its assets or liabilities, which, however, cannot be quantified at this time.

There were no other subsequent events that would have a material impact on the financial statements as at 31 December 2021.

### 3.7 Outlook

The Company will continue focusing on modernizing its heat generation capacities and enlarging their scope by the addition of flexible cogeneration units with the aim of facilitating further development of ancillary services provided to the transmission system operator, a segment that has become an integral part of the Company's business operations. The Company will offer heat and electricity generated using modern microgeneration technologies to customers operating facilities with medium energy consumption, such as hotels, schools, and office buildings.

In the clean mobility segment, the Company will mainly focus on enlarging the public charging infrastructure through its subsidiary Olife Energy Net, a.s. In cooperation with its partners, the Company will offer customers the option of converting their fleet to electric vehicles. As part of promoting the use of CNG, the Company will, as in previous years, offer its clients the option to use bioCNG and thus contribute to environmental protection. In addition, customers will be offered technology for CNG stations, including servicing.

In previous years, the installation of solar power plants in combination with battery storage systems has become an integral part of the Company's business. Considering the growth in demand, particularly in the residential segment, it will be necessary to secure sufficient installation resources allowing us to respond to our customers' expectations. In addition, the Company will have to satisfy growing demand in this segment on the part of corporate clients.



In 2021, the Company assumed the responsibility for offering other products within the Group, such as the installation of lighting systems and substations as well as the provision of energy audit and other energy-related services. These new products will need to be incorporated into the Company's overall portfolio of products and services, and the relevant sales and implementation process will have to be defined.

## 4 Financial section

## 4.1 Financial Statements

| BALANCE SHEET<br>full version<br>As at<br>31/12/2021<br>(in CZK thousand) |   | innogy Energo, s.r.o.<br>Corporate ID 251 15 171<br>Limuzská 3135/12<br>108 00 Praha 10 |                  |                  |                  |
|---|---|---|------------------|------------------|------------------|
|   |   | 31/12/2021  |                  |                  | 31/12/2020       |
|   |   | Gross   | Adjustment       | Net              | Net              |
|   | <b>TOTAL ASSETS</b>   | <b>3,362,028</b>  | <b>1,264,059</b> | <b>2,097,969</b> | <b>1,964,014</b> |
| <b>B.</b>   | <b>Fixed assets</b>   | <b>2,613,878</b>  | <b>1,248,034</b> | <b>1,365,844</b> | <b>1,342,953</b> |
| <i>B.I.</i>   | <i>Intangible fixed assets</i>  | <b>23,853</b>   | <b>22,608</b>    | <b>1,245</b>     | <b>2,773</b>     |
| B.I.2.  | <i>Valuable rights</i>  | <b>23,327</b>   | <b>22,608</b>    | <b>719</b>       | <b>847</b>       |
| B.I.2.1.  | Software  | 17,821  | 17,569           | 252              | 66               |
| B.I.2.2.  | Other valuable rights   | 5,506   | 5,039            | 467              | 781              |
| B.I.4.  | Other intangible fixed assets   | 526   | 0                | 526              | 1,926            |
| <i>B.II.</i>  | <i>Tangible fixed assets</i>  | <b>2,473,927</b>  | <b>1,225,426</b> | <b>1,248,501</b> | <b>1,248,475</b> |
| B.II.1.   | <i>Land and structures</i>  | <b>856,061</b>  | <b>315,015</b>   | <b>541,046</b>   | <b>528,944</b>   |
| B.II.1.1.   | Land  | 10,356  | 0                | 10,356           | 10,343           |
| B.II.1.2.   | Structures  | 845,705   | 315,015          | 530,690          | 518,601          |
| B.II.2.   | Tangible movable assets and sets of tangible movable assets                               | 1,495,976   | 851,773          | 644,203          | 640,138          |
| B.II.3.   | Valuation difference on acquired assets   | 39,173  | 49,577           | (10,404)         | (11,325)         |
| B.II.4.   | <i>Other tangible fixed assets</i>  | <b>244</b>  | <b>45</b>        | <b>199</b>       | <b>217</b>       |
| B.II.4.3.   | Other tangible fixed assets   | 244   | 45               | 199              | 217              |
| B.II.5.   | <i>Prepayments for tangible fixed assets and tangible fixed assets under construction</i> | <b>82,473</b>   | <b>9,016</b>     | <b>73,457</b>    | <b>90,501</b>    |
| B.II.5.1.   | Prepayments for tangible fixed assets   | 7,029   | 0                | 7,029            | 4,522            |
| B.II.5.2.   | Tangible fixed assets under construction  | 75,444  | 9,016            | 66,428           | 85,979           |
| <i>B.III.</i>   | <i>Non-current financial assets</i>   | <b>116,098</b>  | <b>0</b>         | <b>116,098</b>   | <b>91,705</b>    |
| B.III.1.  | Equity investments - controlled or controlling entity                                     | 115,787   | 0                | 115,787          | 91,685           |
| B.III.3.  | Equity investments in associates  | 20  | 0                | 20               | 20               |
| B.III.7.  | <i>Other non-current financial assets</i>   | <b>291</b>  | <b>0</b>         | <b>291</b>       | <b>0</b>         |
| B.III.7.1.  | Sundry non-current financial assets   | 291   | 0                | 291              | 0                |
| <b>C.</b>   | <b>Current assets</b>   | <b>746,499</b>  | <b>16,025</b>    | <b>730,474</b>   | <b>620,882</b>   |
| <i>C.I.</i>   | <i>Inventories</i>  | <b>79,098</b>   | <b>0</b>         | <b>79,098</b>    | <b>30,553</b>    |
| C.I.1.  | Material  | 31,436  | 0                | 31,436           | 11,377           |
| C.I.2.  | Work in progress and semifinished goods   | 47,662  | 0                | 47,662           | 19,176           |
| <i>C.II.</i>  | <i>Receivables</i>  | <b>659,595</b>  | <b>16,025</b>    | <b>643,570</b>   | <b>585,137</b>   |
| C.II.1.   | <i>Long-term receivables</i>  | <b>54</b>   | <b>0</b>         | <b>54</b>        | <b>0</b>         |
| C.II.1.5.   | <i>Receivables - other</i>  | <b>54</b>   | <b>0</b>         | <b>54</b>        | <b>0</b>         |
| C.II.1.5.2.   | Long-term prepayments made  | 54  | 0                | 54               | 0                |
| <i>C.II.2.</i>  | <i>Short-term receivables</i>   | <b>659,541</b>  | <b>16,025</b>    | <b>643,516</b>   | <b>585,137</b>   |
| C.II.2.1.   | Trade receivables   | 112,736   | 10,540           | 102,196          | 32,680           |
| C.II.2.2.   | Receivables - controlled or controlling entity  | 96,068  | 0                | 96,068           | 231,784          |
| C.II.2.4.   | <i>Receivables - other</i>  | <b>450,737</b>  | <b>5,485</b>     | <b>445,252</b>   | <b>320,673</b>   |
| C.II.2.4.3.   | State - tax receivables   | 943   | 0                | 943              | 488              |
| C.II.2.4.4.   | Short-term prepayments made   | 7,632   | 0                | 7,632            | 2,183            |
| C.II.2.4.5.   | Estimated receivables   | 436,320   | 0                | 436,320          | 313,400          |
| C.II.2.4.6.   | Sundry receivables  | 5,842   | 5,485            | 357              | 4,602            |
| <i>C.IV.</i>  | <i>Cash</i>   | <b>7,806</b>  | <b>0</b>         | <b>7,806</b>     | <b>5,192</b>     |
| C.IV.1.   | Cash on hand  | 5   | 0                | 5                | 5                |
| C.IV.2.   | Cash at bank  | 7,801   | 0                | 7,801            | 5,187            |
| <b>D.</b>   | <b>Other assets</b>   | <b>1,651</b>  | <b>0</b>         | <b>1,651</b>     | <b>179</b>       |
| D.1.  | Deferred expenses   | 1,621   | 0                | 1,621            | 162              |
| D.3.  | Accrued income  | 30  | 0                | 30               | 17               |

|              |   | 31/12/2021       | 31/12/2020       |
|--------------|---|------------------|------------------|
|              | <b>TOTAL LIABILITIES &amp; EQUITY</b>               | <b>2,097,969</b> | <b>1,964,014</b> |
| <b>A.</b>    | <b>Equity</b>                                       | <b>624,360</b>   | <b>620,581</b>   |
| A.I.         | <b>Share capital</b>                                | <b>280,000</b>   | <b>280,000</b>   |
| A.I.1.       | Share capital                                       | 280,000          | 280,000          |
| A.II.        | <b>Share premium and capital funds</b>              | <b>237,654</b>   | <b>242,688</b>   |
| A.II.2.      | <b>Capital funds</b>                                | <b>237,654</b>   | <b>242,688</b>   |
| A.II.2.1.    | Other capital funds                                 | 237,654          | 242,688          |
| A.IV.        | <b>Retained earnings (+/-)</b>                      | <b>97,893</b>    | <b>98,129</b>    |
| A.IV.1.      | Accumulated profits or losses brought forward (+/-) | 97,893           | 98,129           |
| A.V.         | <b>Profit or loss for the current period (+/-)</b>  | <b>8,813</b>     | <b>(236)</b>     |
| <b>B.+C.</b> | <b>Liabilities</b>                                  | <b>1,467,675</b> | <b>1,337,474</b> |
| <b>B.</b>    | <b>Reserves</b>                                     | <b>10,397</b>    | <b>10,651</b>    |
| B.III.       | Reserves under special legislation                  | 0                | 1,183            |
| B.IV.        | Other reserves                                      | 10,397           | 9,468            |
| <b>C.</b>    | <b>Payables</b>                                     | <b>1,457,278</b> | <b>1,326,823</b> |
| C.I.         | <b>Long-term payables</b>                           | <b>871,107</b>   | <b>871,641</b>   |
| C.I.4.       | Trade payables                                      | 4,183            | 3,709            |
| C.I.6.       | Payables - controlled or controlling entity         | 860,000          | 860,000          |
| C.I.8.       | Deferred tax liability                              | 6,924            | 7,932            |
| C.II.        | <b>Short-term payables</b>                          | <b>586,171</b>   | <b>455,182</b>   |
| C.II.3.      | Short-term prepayments received                     | 294,499          | 284,815          |
| C.II.4.      | Trade payables                                      | 108,884          | 66,980           |
| C.II.6.      | Payables - controlled or controlling entity         | 14,171           | 3,312            |
| C.II.8.      | <b>Other payables</b>                               | <b>168,617</b>   | <b>100,075</b>   |
| C.II.8.3.    | Payables to employees                               | 5,244            | 4,057            |
| C.II.8.4.    | Social security and health insurance payables       | 2,686            | 2,294            |
| C.II.8.5.    | State - tax payables and subsidies                  | 922              | 12,332           |
| C.II.8.6.    | Estimated payables                                  | 159,634          | 80,194           |
| C.II.8.7.    | Sundry payables                                     | 131              | 1,198            |
| <b>D.</b>    | <b>Other liabilities</b>                            | <b>5,934</b>     | <b>5,959</b>     |
| D.1.         | Accrued expenses                                    | 5,876            | 5,875            |
| D.2.         | Deferred income                                     | 58               | 84               |

| <b>PROFIT AND LOSS ACCOUNT</b><br>structured by the nature of expense method |   | innogy Energy, s.r.o.<br>Corporate ID 251 15 171 |                          |
|--|---|--|--------------------------|
| Year ended<br>31/12/2021<br>(in CZK thousand)                                |   | Limuzská 3135/12<br>108 00 Praha 10              |                          |
|  |   | Year ended<br>31/12/2021                         | Year ended<br>31/12/2020 |
| I.   | Sales of products and services  | 1,033,049  | 847,377                  |
| A.   | Purchased consumables and services  | <b>912,764</b>                                   | <b>681,484</b>           |
| A.2.   | Consumed material and energy  | 760,628  | 558,140                  |
| A.3.   | Services  | 152,136  | 123,344                  |
| B.   | Change in internally produced inventory (+/-)                             | (28,486)   | (16,062)                 |
| C.   | Own work capitalised (-)  | (10,778)   | (10,277)                 |
| D.   | Staff costs   | <b>92,558</b>                                    | <b>84,390</b>            |
| D.1.   | Payroll costs   | 66,656   | 61,820                   |
| D.2.   | Social security and health insurance costs and other charges              | <b>25,902</b>                                    | <b>22,570</b>            |
| D.2.1.   | Social security and health insurance costs                                | 22,533   | 20,405                   |
| D.2.2.   | Other charges   | 3,369  | 2,165                    |
| E.   | Adjustments to values in operating activities                             | <b>117,510</b>                                   | <b>95,871</b>            |
| E.1.   | <i>Adjustments to values of intangible and tangible fixed assets</i>      | <b>111,408</b>                                   | <b>99,461</b>            |
| E.1.1.   | Adjustments to values of intangible and tangible fixed assets - permanent | 102,116  | 99,681                   |
| E.1.2.   | Adjustments to values of intangible and tangible fixed assets - temporary | 9,292  | (220)                    |
| E.3.   | Adjustments to values of receivables                                      | 6,102  | (3,590)                  |
| III.   | Other operating income  | <b>109,081</b>                                   | <b>49,665</b>            |
| III.1.   | Sales of fixed assets   | 3,897  | 6,784                    |
| III.3.   | Sundry operating income   | 105,184  | 42,881                   |
| F.   | Other operating expenses  | <b>22,597</b>                                    | <b>31,361</b>            |
| F.1.   | Net book value of sold fixed assets                                       | 3,905  | 6,248                    |
| F.3.   | Taxes and charges   | 3,316  | 3,631                    |
| F.4.   | Reserves relating to operating activities and complex deferred expenses   | (254)  | 803                      |
| F.5.   | Sundry operating expenses   | 15,630   | 20,679                   |
| *  | <b>Operating profit or loss (+/-)</b>                                     | <b>35,965</b>                                    | <b>30,275</b>            |
| IV.  | Income from non-current financial assets - equity investments             | 3,123  | 1,137                    |
| IV.1.  | Income from equity investments - controlled or controlling entity         | 3,123  | 1,137                    |
| VI.  | Interest income and similar income  | <b>187</b>                                       | <b>251</b>               |
| VI.1.  | Interest income and similar income - controlled or controlling entity     | 179  | 235                      |
| VI.2.  | Other interest income and similar income                                  | 8  | 16                       |
| J.   | Interest expenses and similar expenses                                    | <b>31,080</b>                                    | <b>28,225</b>            |
| J.1.   | Interest expenses and similar expenses - controlled or controlling entity | 31,043   | 28,225                   |
| J.2.   | Other interest expenses and similar expenses                              | 37   | 0                        |
| VII.   | Other financial income  | 422  | 767                      |
| K.   | Other financial expenses  | 812  | 1,298                    |
| *  | <b>Financial profit or loss (+/-)</b>                                     | <b>(28,160)</b>                                  | <b>(27,368)</b>          |
| **   | <b>Profit or loss before tax (+/-)</b>                                    | <b>7,805</b>                                     | <b>2,907</b>             |
| L.   | Income tax  | <b>(1,008)</b>                                   | <b>3,143</b>             |
| L.2.   | Deferred income tax (+/-)   | (1,008)  | 3,143                    |
| **   | <b>Profit or loss net of tax (+/-)</b>                                    | <b>8,813</b>                                     | <b>(236)</b>             |
| ***  | <b>Profit or loss for the current period (+/-)</b>                        | <b>8,813</b>                                     | <b>(236)</b>             |
| *  | Net turnover for the current period                                       | <b>1,145,862</b>                                 | <b>899,197</b>           |

| STATEMENT OF CHANGES IN EQUITY                   |                |                |                                 |   |                                       |                                   |                                       | innogy Energo, s.r.o.<br>Corporate ID 251 15 171 |  |
|--|----------------|----------------|---------------------------------|---|---------------------------------------|-----------------------------------|---------------------------------------|--|--|
| Year ended<br>31/12/2021<br>(in CZK thousand)    |                |                |                                 |   |                                       |                                   |                                       | Limuzská 3135/12<br>108 00 Praha 10              |  |
|  | Share capital  | Capital funds  | Funds from profit, reserve fund | Accumulated profits or losses brought forward | Other profit or loss from prior years | Profit share prepayments declared | Profit or loss for the current period | TOTAL EQUITY                                     |  |
| <b>Balance at 31 December 2020</b>               | <b>280,000</b> | <b>242,688</b> | <b>0</b>                        | <b>98,129</b>                                 | <b>0</b>                              | <b>0</b>                          | <b>(236)</b>                          | <b>620,581</b>                                   |  |
| Distribution of profit or loss                   |                |                |                                 | (236)   |                                       |                                   | 236                                   | 0  |  |
| Elimination of business share in CNGvital s.r.o. |                | (5,034)        |                                 |   |                                       |                                   |                                       |  |  |
| Profit or loss for the current period            |                |                |                                 |   |                                       |                                   | 8,813                                 | 8,813  |  |
| <b>Balance at 31 December 2021</b>               | <b>280,000</b> | <b>237,654</b> | <b>0</b>                        | <b>97,893</b>                                 | <b>0</b>                              | <b>0</b>                          | <b>8,813</b>                          | <b>624,360</b>                                   |  |

| <b>CASH FLOW STATEMENT</b>                    |  | <b>innogy Energo, s.r.o.</b><br><b>Corporate ID 251 15 171</b> |                          |
|---|--|--|--------------------------|
| Year ended<br>31/12/2021<br>(in CZK thousand) |  | Limuzská 3135/12<br>108 00 Praha 10                            |                          |
|   |  | Year ended<br>31/12/2021                                       | Year ended<br>31/12/2020 |
| <b>P.</b>                                     | <b>Opening balance of cash and cash equivalents</b>                      | <b>5,192</b>   | <b>8,833</b>             |
|   | <b>Opening balance of cash and cash equivalents after transformation</b> |  |                          |
|   | <b><i>Cash flows from ordinary activities (operating activities)</i></b> |  |                          |
| Z.  | Profit or loss before tax  | 7,805  | 2,907                    |
| A.1.  | Adjustments for non-cash transactions                                    | 162,914  | 118,344                  |
| A.1.1.  | Depreciation of fixed assets   | 102,116  | 99,681                   |
| A.1.2.  | Change in provisions and reserves  | 15,140   | (3,007)                  |
| A.1.3.  | Profit/(loss) on the sale of fixed assets                                | 8  | (536)                    |
| A.1.4.  | Revenues from profit shares  | (3,123)  | (1,137)                  |
| A.1.5.  | Interest expense and interest income                                     | 30,893   | 27,974                   |
| A.1.6.  | Adjustments for other non-cash transactions                              | 17,880   | (4,631)                  |
| <b>A.*</b>                                    | <b>Net operating cash flow before changes in working capital</b>         | <b>170,719</b>   | <b>121,251</b>           |
| A.2.  | Change in working capital  | 18,500   | (128,699)                |
| A.2.1.  | Change in operating receivables and other assets                         | (65,716)   | (102,791)                |
| A.2.2.  | Change in operating payables and other liabilities                       | 132,761  | (15,244)                 |
| A.2.3.  | Change in inventories  | (48,545)   | (10,664)                 |
| <b>A.**</b>                                   | <b>Net cash flow from operations before tax</b>                          | <b>189,219</b>   | <b>(7,448)</b>           |
| A.3.  | Interest paid  | (31,079)   | (25,704)                 |
| A.4.  | Interest received  | 174  | 1,048                    |
| A.5.  | Income tax paid from ordinary operations                                 | (490)  | (452)                    |
| A.6.  | Received profit shares   | 3,123  | 1,137                    |
| <b>A.***</b>                                  | <b>Net operating cash flows</b>  | <b>160,947</b>   | <b>(31,419)</b>          |
|   | <b><i>Cash flows from investing activities</i></b>                       |  |                          |
| B.1.  | Fixed assets expenditures  | (157,670)  | (122,705)                |
| B.2.  | Proceeds from fixed assets sold  | 3,897  | 6,784                    |
| <b>B.***</b>                                  | <b>Net investment cash flows</b>   | <b>(153,773)</b>   | <b>(115,921)</b>         |
|   | <b><i>Cash flow from financial activities</i></b>                        |  |                          |
| C.1.  | Change in payables from financing  | 474  | 143,699                  |
| C.2.  | Impact of changes in equity  | (5,034)  | 0                        |
| C.2.5.  | Payments from capital funds  | (5,034)  |                          |
| <b>C.***</b>                                  | <b>Net financial cash flows</b>  | <b>(4,560)</b>   | <b>143,699</b>           |
| <b>F.</b>                                     | <b>Net increase or decrease in cash and cash equivalents</b>             | <b>2,614</b>   | <b>(3,641)</b>           |
| <b>R.</b>                                     | <b>Closing balance of cash and cash equivalents</b>                      | <b>7,806</b>   | <b>5,192</b>             |

## 4.2 Notes to Financial Statements

### 1. General information

#### 1.1 Introductory information about the Company

innogy Energo, s.r.o. (the “Company”) was incorporated on 21 March 1997 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 of 31 December 2021:**

|               |                                     |
|---------------|-------------------------------------|
| Zdeněk Kaplan | Chairman of the Executive Directors |
| Jiří Šimek    | Executive Director                  |

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

#### **Other information**

On 30 October 2020, a 100% share in innogy Česká republika a.s. including all parties under its control was transferred from the original owner innogy Beteiligungsholding GmbH from the E.ON group into the hands of the multinational energy group MVM, specifically to be directly owned by MVM Magyar Villamos Művek Zártkörűen Működő Részvénytársaság, with its registered office at 1031 Budapest, Szentendrei út 207-209, Hungary, operating under a new name MVM Energetika Zártkörűen Működő Részvénytársaság since 1 January 2021, which is the ultimate parent company of the entire MVM Group.

The COVID-19 pandemic continued in 2021. The government restrictive measures taken in order to mitigate the health impacts, especially in services, gastronomy and the travel industry, had no material impact on the Company’s business. Customer supplies were provided without limitations. Employees made the most of the opportunity to work from home. The Company did not receive any state aid.

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

## 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 large companies and have been prepared under the historical cost convention.

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

### 2.2 Intangible and tangible fixed assets

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

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

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

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

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

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

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

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

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

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



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

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

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

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 State - tax payables and subsidies 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 a reserve 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, or 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 expert estimation of actual CO<sub>2</sub> emission produced in the period. At the same time, the emission allowance liability recorded under State - tax payables and subsidies is released and recorded to other operating income, in case of the allocated emission allowances. A reserve is created for the deficit in emission allowances to cover the total estimate of actual CO<sub>2</sub> emission in the disclosed period.

The FIFO method is applied for all disposals of emission allowances. Sales of emission allowances are recorded as other operating income 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 as at the balance sheet date.

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 amortised 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. The acquisition cost of investments includes internal and external acquisition costs relating to, for example, participation in due diligence, etc. Internal acquisition costs predominantly include payroll costs of employees participating in the acquisition process. External acquisition costs are the costs of advisory provided by consulting companies, etc. If an investment is finally not acquired due to objective reasons, it is a so-called thwarted investment and assets are charged to expenses.

### 2.4 Inventories

Purchased inventories are stated at cost net of provisions. The cost includes all costs relating to the acquisition of these inventories (mainly transport costs, customs duty, etc.). The FIFO 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.

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26 Inventories relating to the photovoltaic work in progress and other projects in progress are valued at the direct costs incurred.

### 2.5 Unbilled heat and prepayments received for heat

The Company does not compensate the total amount of unbilled heat receivable with the total amount of prepayments received for heat from individual customers.

### 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 creditworthiness of the customers.

The Company does not create a provision for receivables from 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

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

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

## 2.8 Reserves

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

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

The Company recognises mainly a reserve relating to untaken holidays and rewards and bonuses of employees and also a reserve for severance payments, a reserve for long-term motivational programme, a reserve 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." The value of unbilled supplies is booked via estimated receivables on the basis of actual energy consumption. Settlement of the estimated items is performed in the following year.

Revenue from leases is also recorded via estimated 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.

Revenue from other services provided is recognised at the date of the service provision net of discounts and value added tax.

## 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 13.

## 2.11 Interest expenses

All interest expenses are charged to expenses.

## 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 in Note 17, but are not themselves recognised in the financial statements.

### 3. Intangible fixed assets

| (CZK'000)                       |  | 1 January 2021  | Additions / transfers | Disposals       | 31 December 2021 |
|---------------------------------|--|-----------------|-----------------------|-----------------|------------------|
| <b>Cost</b>                     |  |                 |                       |                 |                  |
| Valuable rights                 |  | 25,161          | 882                   | (2,716)         | 23,327           |
| Other intangible fixed assets   |  | 1,926           | 10,938                | (12,338)        | 526              |
| <b>Total</b>                    |  | <b>27,087</b>   | <b>11,820</b>         | <b>(15,054)</b> | <b>23,853</b>    |
| <b>Accumulated amortisation</b> |  |                 |                       |                 |                  |
| Royalties                       |  | (24,314)        | (1,010)               | 2,716           | (22,608)         |
| <b>Total</b>                    |  | <b>(24,314)</b> | <b>(1,010)</b>        | <b>2,716</b>    | <b>(22,608)</b>  |
| <b>Net book value</b>           |  | <b>2,773</b>    |                       |                 | <b>1,245</b>     |

| (CZK'000)  | Merger impact | 1 January 2020  | Additions / transfers | Disposals      | 31 December 2020 |
|--|---------------|-----------------|-----------------------|----------------|------------------|
| <b>Cost</b>  |               |                 |                       |                |                  |
| Valuable rights  | 91            | 24,556          | 605                   | 0              | 25,161           |
| Other intangible fixed assets  | 0             | 841             | 6,529                 | (5,444)        | 1,926            |
| Prepayments for intangible fixed assets and intangible fixed assets under construction |               | 90              | (90)                  | 0              | 0                |
| <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>  |               |                 |                       |                |                  |
| Valuable rights  | (83)          | (21,436)        | (2,878)               |                | (24,314)         |
| <b>Total</b>   | <b>(83)</b>   | <b>(21,436)</b> | <b>(2,878)</b>        | <b>0</b>       | <b>(24,314)</b>  |
| <b>Net book value</b>  | <b>8</b>      | <b>4,051</b>    |                       |                | <b>2,773</b>     |

As at 31 December 2021, other intangible fixed assets include CZK 526 thousand relating to emission allowances (as at 31 December 2020: CZK 1,926 thousand).

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### 4. Tangible fixed assets

| (CZK'000)  | 1 January 2021     | Additions / transfers | Disposals       | 31 December 2021   |
|--|--------------------|-----------------------|-----------------|--------------------|
| <b>Cost</b>  |                    |                       |                 |                    |
| Land   | 10,343             | 13                    | 0               | 10,356             |
| Structures   | 808,351            | 37,379                | (25)            | 845,705            |
| Tangible movable assets and sets of tangible movable assets                        | 1,422,246          | 83,879                | (10,149)        | 1,495,976          |
| Other tangible fixed assets  | 244                | 0                     | 0               | 244                |
| Prepayments for tangible fixed assets and tangible fixed assets under construction | 90,501             | (6,370)               | (1,658)         | 82,473             |
| Valuation difference on acquired assets  | 39,173             | 0                     | 0               | 39,173             |
| <b>Total</b>   | <b>2,370,858</b>   | <b>114,901</b>        | <b>(11,832)</b> | <b>2,473,927</b>   |
| <b>Accumulated depreciation and provision</b>                                      |                    |                       |                 |                    |
| Structures   | (289,750)          | (25,290)              | 25              | (315,015)          |
| Tangible movable assets and sets of tangible movable assets                        | (780,628)          | (75,633)              | 6,244           | (850,017)          |
| Other tangible fixed assets  | (27)               | (18)                  |                 | (45)               |
| Provision  | (1,480)            | (10,772)              | 1,480           | (10,772)           |
| Valuation difference on acquired assets  | (50,498)           | 921                   | 0               | (49,577)           |
| <b>Total</b>   | <b>(1,122,383)</b> | <b>(110,792)</b>      | <b>7,749</b>    | <b>(1,225,426)</b> |
| <b>Net book value</b>  | <b>1,248,475</b>   |                       |                 | <b>1,248,501</b>   |

| (CZK'000)  | Merger 1 January 2020<br>impact | 1 January 2020     | Additions /<br>transfers | Disposals       | 31 December 2020   |
|--|---------------------------------|--------------------|--------------------------|-----------------|--------------------|
| <b>Cost</b>  |                                 |                    |                          |                 |                    |
| Land   | 1,438                           | 10,320             | 23                       | 0               | 10,343             |
| Structures   | 1,179                           | 783,054            | 25,872                   | (575)           | 808,351            |
| Tangible movable assets and sets of<br>tangible movable assets                           | 120,803                         | 1,300,055          | 126,214                  | (4,023)         | 1,422,246          |
| Other tangible fixed assets  | 109                             | 244                | 0                        | 0               | 244                |
| Prepayments for tangible fixed assets<br>and tangible fixed assets<br>under construction | 1                               | 126,044            | (29,272)                 | (6,271)         | 90,501             |
| Valuation difference on acquired assets  | 2,462                           | 39,173             | 0                        | 0               | 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 provision</b>  |                                 |                    |                          |                 |                    |
| Structures   | (1,179)                         | (265,421)          | (24,409)                 | 80              | -289,750           |
| Tangible movable assets and sets of<br>tangible movable assets                           | (67,158)                        | (709,356)          | (72,212)                 | 940             | (780,628)          |
| Other tangible fixed assets  | (9)                             | (9)                | (18)                     |                 | (27)               |
| Provision  | 0                               | (1,700)            | 0                        | 220             | (1,480)            |
| Valuation difference on acquired assets  | (328)                           | (51,419)           | 921                      | 0               | (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>   |

Valuation difference on acquired assets in the amount of CZK 2,462 thousand was taken over in a domestic merger by amalgamation with Areal Blansko LDS a.s. As at 31 December 2021, the net book value of the valuation difference was CZK 1,805 thousand (as at 31 December 2020: CZK 1,969 thousand). The valuation difference is amortised on a straight-line basis over 15 years in line with Regulation 500/2002 Coll.

Valuation difference on acquired assets in the amount of CZK (16,279) thousand was taken over in a domestic merger by amalgamation with CNGvitall s.r.o. As at 31 December 2021, the net book value of the valuation difference was CZK (12,209) thousand (as at 31 December 2020: CZK (13,294) thousand). The valuation difference is amortised on a straight-line basis over 15 years in line with Regulation 500/2002 Coll.

Valuation difference on acquired assets in the amount of CZK 52,990 thousand was created in 2003 due to the purchase of Teplárna Náchod and was fully depreciated in 2018.

As at 31 December 2021, the Company released a provision for the technological container of the CNG station in the amount of CZK 1,480 thousand (as at 31 December 2020: CZK 1,480 thousand).

As at 31 December 2021, the Company created a provision for the technological container of the CNG station in the amount of CZK 10,772 thousand, of which CZK 9,016 related to tangible fixed assets under construction and CZK 1,756 thousand to tangible fixed assets in use.

No assets of the Company are pledged.

## 5. Investments in subsidiaries and investments in associates

| As at 31 December 2021                   | Cost<br>(CZK'000) | Carrying value<br>(CZK'000) | % of<br>capital | 2021 net<br>profit/(loss)*<br>(CZK'000) | Equity*<br>(CZK'000) | 2021 dividend<br>income<br>(CZK'000) |
|--|-------------------|-----------------------------|-----------------|---|----------------------|--------------------------------------|
| <b>Domestic</b>                          |                   |                             |                 |   |                      |                                      |
| innogy Energetika Plhov – Náchod, s.r.o. | 91,285            | 91,285                      | 93              | 3,358                                   | 132,181              | 3,123                                |
| Ginger Teplo, s.ro.                      | 400               | 400                         | 100             | 0                                       | 380                  | 0                                    |
| Olife Energy Net, a.s.                   | 24,102            | 24,102                      | 100             | (1,377)                                 | 23,148               | 0                                    |
| TEPLO Votice, s.r.o.                     | 20                | 20                          | 20              | 3,512                                   | 7,511                | 0                                    |
| <b>Total</b>                             | <b>115,807</b>    | <b>115,807</b>              |                 |   |                      | <b>3,123</b>                         |

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

| As at 31 December 2020                   | Cost<br>(CZK'000) | Carrying value<br>(CZK'000) | % of<br>capital | 2020 net<br>profit/(loss)*<br>(CZK'000) | Equity*<br>(CZK'000) | 2020 dividend<br>income<br>(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.ro.                      | 400               | 400                         | 100             | 0                                       | 380                  | 0                                    |
| TEPLO Votice, s.r.o.                     | 20                | 20                          | 20              | 2,417                                   | 4,400                | 0                                    |
| <b>Total</b>                             | <b>91,705</b>     | <b>91,705</b>               |                 |   |                      | <b>1,137</b>                         |

\*Information was not audited as of the 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.

On 21 July 2021, the Company acquired a share in Olife Energy Net, a.s. with its registered office at Lazarská 11/6, 120 00 Prague 2 – Nové Město at the acquisition cost of CZK 8,300 thousand. On 25 August 2021, the registered office changed to Limuzská 3135/12, 108 00 Prague 10 – Strašnice.

## 6. Inventories

Inventory represents mainly supplies of material and work in progress for photovoltaics, CNG stations and light fuel oil.

The Company did not create a provision for inventories as at 31 December 2021 or 31 December 2020.

## 7. Receivables

| (CZK'000)   | 31 December<br>2021 | 31 December<br>2020 |
|---|---------------------|---------------------|
| Trade receivables - due   | 97,374              | 29,238              |
| - overdue   | 15,362              | 13,365              |
| <b>Total trade receivables</b>                                      | <b>112,736</b>      | <b>42,603</b>       |
| Provision for doubtful receivables                                  | (10,540)            | (9,923)             |
| <b>Net book value of trade receivables</b>                          | <b>102,196</b>      | <b>32,680</b>       |
| Receivables – controlled or controlling entity                      | 96,068              | 231,784             |
| <b>Receivables - other</b>  |                     |                     |
| Total sundry receivables  | 5,842               | 4,602               |
| Provision for doubtful receivables                                  | (5,485)             | 0                   |
| Sundry receivables - net  | 357                 | 4,602               |
| State – tax receivables   | 943                 | 488                 |
| Short-term prepayments made   | 7,632               | 2,183               |
| Estimated receivables (see Note 8)                                  | 436,320             | 313,400             |
| <b>Net book value of other receivables</b>                          | <b>445,252</b>      | <b>320,673</b>      |
| <b>Total net book value of short-term receivables</b>               | <b>643,516</b>      | <b>585,137</b>      |
| Long-term prepayments made  | 54                  | 0                   |
| <b>Total net book value of long-term receivables</b>                | <b>54</b>           | <b>0</b>            |
| <b>Total net book value of short-term and long-term receivables</b> | <b>643,570</b>      | <b>585,137</b>      |

Receivables - controlled or controlling entity includes cash-pooling receivables (see note 13 Related party transactions).

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Long-term prepayments made represent security deposits, short-term prepayments made represent mainly prepayments made for the purchase of gas and electricity.

Receivables have not been secured and none of them are due after more than 5 years. The Company has no receivables or contingent receivables which are not included in the balance sheet.

The provision for receivables as at 31 December 2021 was CZK 16,025 thousand (as at 31 December 2020: CZK 9,923 thousand). As at 31 December 2021, a provision was created against other receivables from GOLEM Velké Hamry, a.s. in the amount of CZK 5,485 thousand which was made subject to insolvency proceedings and for which a bankruptcy petition was filed. The provision for receivables in the amount of CZK 4,312 thousand from SUGAL spol. s r.o. was dissolved in 2020 and the receivable was written off.

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

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

| (CZK'000)  | 31 December<br>2021 | 31 December<br>2020 |
|--|---------------------|---------------------|
| Receivables from unbilled heat, supplies of hot water, cold and electric power | 346,991             | 296,796             |
| Prepayments received for heat, electricity and cold sold                       | (269,594)           | (266,251)           |
| <b>Closing balance</b>   | <b>77,397</b>       | <b>30,545</b>       |



## 9. Equity

The Company is fully owned by innogy Česká republika a.s., incorporated in the Czech Republic, with its registered office at Limuzská 3135/12, 108 00 Prague 10 – Strašnice, identification number: 242 75 051.

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

As at 22 March 2021, the sole shareholder approved the Company's financial statements for 2020 and decided about the allocation of the loss of CZK 236 thousand incurred in 2020 in the form of settlement from accumulated profits brought forward.

Until the date of preparation of these financial statements, the Company has not proposed distribution of the profit generated in 2021.

## 10. Reserves

Reserves under special legislation are represented by reserves for waste storing, rehabilitation and re-cultivation, which was released as at 31 December 2021 based on a statement of the Ministry of the Environment.

As at 31 December 2021 other reserves consist mainly of reserves for employment benefits of CZK 7,728 thousand (as at 31 December 2020: CZK 6,957 thousand).

For an analysis of the current and deferred income tax, see Note 16 Income tax.

## 11. Payables, commitments and contingent liabilities

| (CZK'000)                                      | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| Trade payables: - due                          | 108,808          | 66,476           |
| - overdue                                      | 76               | 504              |
| <b>Total trade payables</b>                    | <b>108,884</b>   | <b>66,980</b>    |
| Payables – controlled or controlling entity    | 14,171           | 3,312            |
| <b>Liabilities - other</b>                     |                  |                  |
| Short-term prepayments received                | 294,499          | 284,815          |
| State – tax payables and subsidies             | 922              | 12,332           |
| Payables to employees                          | 5,244            | 4,057            |
| Estimated payables                             | 159,634          | 80,194           |
| Other liabilities                              | 2,817            | 3,492            |
| <b>Total short-term payables</b>               | <b>586,171</b>   | <b>455,182</b>   |
| Trade payables - retention rights              | 4,183            | 3,709            |
| Payables – controlled or controlling entity    | 860,000          | 860,000          |
| Deferred tax liability                         | 6,924            | 7,932            |
| <b>Total long-term payables</b>                | <b>871,107</b>   | <b>871,641</b>   |
| <b>Total short-term and long-term payables</b> | <b>1,457,278</b> | <b>1,326,823</b> |

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 128,068 thousand (31 December 2020: CZK 58,189 thousand). The management of the Company is not aware of any contingent liabilities as at 31 December 2021 and 31 December 2020.

## 12. Revenue recognition

Revenues may be analysed as follows:

| (CZK'000)  | 2021             | 2020           |
|--|------------------|----------------|
| Revenues from heat, cold, electric power and LDS | 591,655          | 491,443        |
| Revenues from CNG                                | 277,769          | 235,651        |
| Revenues from photovoltaics                      | 88,024           | 47,814         |
| Revenues from SLA – related parties              | 41,290           | 31,866         |
| Other revenues                                   | 34,311           | 40,603         |
| <b>Total revenues</b>                            | <b>1,033,049</b> | <b>847,377</b> |

## 13. Related party transactions

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

| (CZK'000)                          | 2021           | 1-10 2020*     | 11-12 2020     |
|------------------------------------|----------------|----------------|----------------|
| <b>Income</b>                      |                |                |                |
| Sales of goods and services        | 339,892        | 161,974        | 56,342         |
| Income from the lease              | 3,330          | 1,403          | 3,330          |
| Interest on loan and cash-pooling  | 179            | 197            | 37             |
| <b>Total</b>                       | <b>343,401</b> | <b>163,574</b> | <b>59,709</b>  |
| <b>Expenses</b>                    |                |                |                |
| Purchase of services and energy    | 662,882        | 395,749        | 100,159        |
| Purchase of inventories and assets | 10,295         | 762            | 189            |
| Interest on loan and cash-pooling  | 31,043         | 23,037         | 5,188          |
| Purchase of emission allowances    | 2,016          | 0              | 0              |
| <b>Total</b>                       | <b>706,236</b> | <b>419,548</b> | <b>105,536</b> |

\*Related party transactions with entities from the E.ON Group are disclosed for the period 1 - 10 2020.

The following related party balances were outstanding as at:

| (CZK'000)   | 31 December 2021 | 31 December 2020 |
|---|------------------|------------------|
| <b>Receivables</b>  |                  |                  |
| Trade receivables   | 69,331           | 16,717           |
| Estimated receivables                                     | 67,002           | 24,076           |
| Short-term receivables - cash-pooling                     | 96,068           | 231,784          |
| Loans and borrowings – controlled or controlling entity   | 0                | 0                |
| Prepayments made  | 8                | 66               |
| Accrued income  | 30               | 17               |
| <b>Total</b>  | <b>232,439</b>   | <b>272,660</b>   |
| <b>Liabilities</b>  |                  |                  |
| Trade payables  | 34,757           | 50,676           |
| Estimated payables  | 120,828          | 32,128           |
| Long-term and short-term payables - loan and cash-pooling | 874,171          | 710,000          |
| Prepayments received                                      | 9,801            | 10,659           |
| Accrued expenses  | 5,876            | 3,354            |
| <b>Total</b>  | <b>1,045,433</b> | <b>806,817</b>   |

On 17 December 2021, the Company provided its subsidiary, Olife Energy Net, a.s., with a monetary contribution to other capital funds of CZK 23,000 thousand.

On 13 December 2021, the Company concluded an agreement on the provision of a financial guarantee of CZK 50,000 thousand with its parent company, innogy Česká republika a.s., to secure debts in connection with the purchase of components and accessories for photovoltaic power stations from BayWa r.e. Solar Systems s.r.o.

On 2 August 2021, the Company concluded a borrowing agreement with its subsidiary, Olife Energy Net, a.s., of CZK 500 thousand, due on 31 August 2021. The borrowing bore interest at 1.16% p.a. and was repaid on 31 August 2021.

On 15 July 2020, the Company concluded a loan agreement of CZK 150,000 thousand with its parent company, innogy Česká republika a.s., due on 15 July 2030. The loan bears interest at 3.56% p.a. The total outstanding amount of the loan as at 31 December 2021 is CZK 150,000 thousand.

As at 22 October 2019, the Company concluded a loan agreement of CZK 210,000 thousand with a related party from the innogy group, innogy International Participations N.V., due on 22 October 2024. The loan bears interest at 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 outstanding amount of the loan as at 31 December 2021 is CZK 210,000 thousand.

As at 22 November 2018, the Company concluded a loan agreement of CZK 500,000 thousand with a related party from the innogy group, innogy International Participations N.V., due on 23 November 2023. The loan bears interest at 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 outstanding amount of the loan as at 31 December 2021 is CZK 500,000 thousand.

Received profit shares for 2021 and 2020 are disclosed in Note 5 *Investments in subsidiaries and investments in associates*.

Neither the shareholder nor the management members received any borrowings, credits, deposits or other benefits other than those disclosed herein. Company cars are made available for use by management. A long-term motivational programme established for the management members was terminated on 31 January 2021, and the related reserves were fully used as of this date.

In 2021, the Company purchased 1,000 pieces of emission allowances in the total amount of CZK 2,016 thousand from Innogy Energie, s.r.o. In 2021, the Company used 2,028 pieces of emission allowances in the total amount of CZK 2,330 thousand, which were purchased from Innogy Energie, s.r.o. in 2019 and 2021. In 2020, the Company did not purchase any emission allowances from Innogy Energie, s.r.o. In 2020, the Company did not use any emission allowances purchased from Innogy Energie, s.r.o. in 2019.

## 14. Employees

|  | 2021          | 2020          |
|--|---------------|---------------|
| Average recalculated number of employees | 84            | 75            |
| <b>Total number of employees</b>         | <b>84</b>     | <b>75</b>     |
| <b>(CZK'000)</b>                         | <b>2021</b>   | <b>2020</b>   |
| Wages and salaries                       | 66,656        | 61,820        |
| Social security costs                    | 22,533        | 20,405        |
| Other social costs                       | 3,369         | 2,165         |
| <b>Total staff costs</b>                 | <b>92,558</b> | <b>84,390</b> |

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

## 15. Fee to the audit company

Information on the fee to the audit firm, Deloitte Audit, s.r.o., is provided in the notes to the consolidated financial statements of MVM Energetika Zártkörűen Működő Részvénytársaság, the parent company of the single consolidation group to which the Company belongs.

## 16. Income tax

The income tax expense can be analysed as follows:

36

| (CZK'000)                       | 2021           | 2020         |
|---------------------------------|----------------|--------------|
| Deferred tax                    | (1,008)        | 3,143        |
| <b>Total income tax expense</b> | <b>(1,008)</b> | <b>3,143</b> |

Current tax can be analysed as follows:

| (CZK'000)   | 2021     | 2020     |
|---|----------|----------|
| Profit or loss before tax                                       | 7,805    | 2,907    |
| Tax non-deductible expenses                                     | 36,354   | 5,508    |
| Tax non-deductible income                                       | (23,830) | (10,209) |
| Difference between tax and accounting depreciation/amortisation | (20,329) | 1,835    |
| Use of tax losses from prior years                              | 0        | (41)     |
| <b>Tax base</b>   | <b>0</b> | <b>0</b> |

Estimation of income tax is recorded as a reserve. Due to a nil tax base, the reserve for 2021 and 2020 was not created.

The deferred tax was calculated at 19% (the rate enacted for 2021 and subsequent years).

Deferred tax liability can be analysed as follows:

| (CZK'000)  | 31 December 2021 | 31 December 2020 |
|--|------------------|------------------|
| <b>Deferred tax asset(+)/liability(-) arising from:</b>              |                  |                  |
| Difference between accounting and tax net book value of fixed assets | (11,912)         | (11,580)         |
| Accounting provisions for receivables                                | 3,012            | 1,849            |
| Reserves and provisions  | 1,975            | 1,799            |
| <b>Net deferred tax liability</b>                                    | <b>(6,924)</b>   | <b>(7,932)</b>   |

As at 31 December 2021 and 2020, the Company does not recognise any tax losses which could be utilised in the following years.

## 17. Subsequent events

On 16 December 2021, the Company concluded a loan agreement with its subsidiary, Innogy Energetika Plhov – Náchod, s.r.o., in the amount of CZK 32,550 thousand, which has not yet been drawn.

On 24 February 2022, Russia launched a military invasion of Ukraine. Western states have responded by imposing a series of sanctions against the Russian aggressor. The aim of the measure is to isolate Russia politically and economically and cause it as much damage as possible, thus preventing it from continuing its military aggression. It cannot be ruled out that one of the consequences of this development could be the suspension of gas supplies from Russia to Europe, even if it would have negative effects on both sides. Should this situation occur, it could have significant negative effects on the Company's finances and possibly the value of its assets or liabilities, which, however, cannot be quantified at this time.

There were no other subsequent events that would have a material impact on the financial statements as at 31 December 2021.

17 March 2022



Zdeněk Kaplan  
Chairman of the Executive Directors



Jiří Šimek  
Executive Director

## 5 Independent auditor's report



Deloitte Audit s.r.o.  
Churchill I  
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Czech Republic

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in Prague, Section C, File 24349  
ID. No.: 49620592  
Tax ID. No.: CZ49620592

### INDEPENDENT AUDITOR'S REPORT

#### To the Partner of innogy Energo, s.r.o.

Having its registered office at: Limuzská 3135/12, Strašnice, 108 00 Praha 10

#### Opinion

We have audited the accompanying financial statements of innogy Energo, s.r.o. (hereinafter also the "Company") prepared on the basis of accounting regulations applicable in the Czech Republic, which comprise the balance sheet as at 31 December 2021, and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Innogy Energo, s.r.o. as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations applicable in the Czech Republic.

#### Basis for Opinion

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

#### Emphasis of Matter

We draw attention to Note 17 to the financial statements which describes uncertainty resulting from the subsequent event - military conflict of the Russian Federation in Ukraine and related sanctions, which might have a material impact on the Company's finances and possibly the value of its assets or liabilities. Our opinion is not modified in respect of this matter.

#### Other Matter

The financial statements of innogy Energo, s.r.o. for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 12 March 2021.

#### Other Information in the Annual Report

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

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

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

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

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

#### Responsibilities of the Company's Statutory Executives for the Financial Statements

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

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

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

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

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

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

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

In Prague on 17 March 2022

Audit firm:

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



Statutory auditor:

Václav Loubek  
registration no. 2037



## 6 Report on relations for the accounting period of 2021

This Report on transactions carried out during the fiscal year 2021 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 2021 Annual Report. The Company's member has the right to examine the Report at the same time and under the same conditions as the Financial Statements.

### 1 Structure of relations

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

#### a) *Controlling parties*

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

- i. Directly
  - innogy 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 MVM Group as at 31 December 2021 is disclosed in Annex No. 1 to this Report.

#### c) *Role of the Controlled Party*

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



Another no less important business activity was the construction and operation of filling stations for compressed natural gas (CNG), the sale of CNG for transport applications, and the execution of projects in the segments of solar power and energy services.

*d) Method and means for Exercising Control*

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 rights and powers of the general meeting of the controlled party.

## 2 Overview of Transactions

In the last accounting period, the Company made, upon suggestion and/or in the interest of the related parties under point 1 above, the following legal acts concerning assets exceeding CZK 62,058.1 thousand and representing 10% of the Company's equity determined on the basis of the financial statements as at 31 December 2020:

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

## 3 Overview of mutual agreements

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

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

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

## 5 Confidentiality

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

## 6 Conclusion

This Report was approved by the Company's Executive Directors on 17 March 2022.

Prague, 17 March 2022



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

**Jiří Šimek**  
Executive Director, COO



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

| <i>Level</i> | <i>Company name</i>                                 | <i>Country</i> | <i>Company Share %</i> | <i>MVM Share %</i> |
|--------------|---|----------------|------------------------|--------------------|
| 0            | MVM Zrt.  | Hungary        |                        |                    |
| 1            | MAVIR ZRt.  | Hungary        | 96.41                  | 96.41              |
| 2            | HUPX Zrt.   | Hungary        | 100.00                 | 100.00             |
| 3            | CEEGEX Zrt.   | Hungary        | 100.00                 | 100.00             |
| 3            | HUDEX Energiatőzsde Zrt.                            | Hungary        | 100.00                 | 100.00             |
| 2            | Római Irodaház Kft.                                 | Hungary        | 50.00                  | 100.00             |
| 2            | MVM Energetikai Ágazati Képzőközpont Nonprofit Kft. | Hungary        | 4.35                   | 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 Partner Zrt.                                    | Hungary        | 100.00                 | 100.00             |
| 2            | MVM Partner Serbia d.o.o. Beograd                   | Serbia         | 100.00                 | 100.00             |
| 2            | MVM Partner d.o.o.                                  | Croatia        | 100.00                 | 100.00             |
| 2            | MVM Partner DOOEL Skopje                            | Macedonia      | 100.00                 | 100.00             |
| 2            | POWERFORUM Zrt.                                     | Hungary        | 100.00                 | 100.00             |
| 1            | MVMI Zrt.   | Hungary        | 100.00                 | 100.00             |
| 1            | Római Irodaház Kft.                                 | Hungary        | 50.00                  | 100.00             |
| 1            | Magyar Földgáztároló Zrt.                           | Hungary        | 100.00                 | 100.00             |
| 1            | MVM OVIT Zrt.                                       | Hungary        | 100.00                 | 100.00             |
| 2            | MVM Engineering Zrt.                                | Hungary        | 100.00                 | 100.00             |
| 2            | MVM Energetikai Ágazati Képzőközpont Nonprofit Kft. | Hungary        | 4.35                   | 100.00             |
| 1            | MVM MIFŰ Kft.                                       | Hungary        | 100.00                 | 100.00             |
| 1            | MVM Zöld Generáció Kft.                             | Hungary        | 100.00                 | 100.00             |
| 2            | MVM ZG Solar Kft.                                   | Hungary        | 95.70                  | 100.00             |
| 2            | Raaba Energy Kft.                                   | Hungary        | 100.00                 | 100.00             |
| 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            | MVM ZG Solar Epsilon Kft.                           | Hungary        | 100.00                 | 100.00             |
| 2            | MVM ZG Solar Service Kft.                           | Hungary        | 100.00                 | 100.00             |
| 2            | MVM ZG SOLAR STAR Kft.                              | Hungary        | 100.00                 | 100.00             |
| 2            | Kom Hull Villamosenergia Kereskedő Kft.             | Hungary        | 100.00                 | 100.00             |
| 2            | MVM Vízérőmű Kft.                                   | Hungary        | 100.00                 | 100.00             |
| 1            | MVM ZG Solar Kft.                                   | Hungary        | 4.30                   | 100.00             |
| 1            | MVM CEEnergy Zrt.                                   | Hungary        | 100.00                 | 100.00             |
| 2            | MFGK Austria GmbH                                   | Austria        | 100.00                 | 100.00             |
| 2            | MVM CEEnergy SLOVAKIA s.r.o.                        | Slovakia       | 100.00                 | 100.00             |
| 2            | MVM CEEnergy Croatia d.o.o.                         | Croatia        | 100.00                 | 100.00             |
| 2            | MFGK CZ s.r.o.                                      | Czech Republic | 100.00                 | 100.00             |
| 2            | Corvinus Energy Kft.                                | Hungary        | 50.00                  | 50.00              |
| 3            | HHE Sarkad Kft.                                     | Hungary        | 100.00                 | 50.00              |
| 1            | NRG Finance Kft.                                    | Hungary        | 100.00                 | 100.00             |
| 2            | Rába Energiaszolgáltató Kft.                        | Hungary        | 96.67                  | 96.67              |
| 1            | MVM 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 Balance Zrt.                                    | Hungary | 100.00 | 100.00 |
| 2 | Tisza Erőmű Kft.                                    | Hungary | 100.00 | 100.00 |
| 1 | MVM Smart Future Lab Zrt.                           | Hungary | 100.00 | 100.00 |
| 1 | MVM Titán Zrt.                                      | Hungary | 100.00 | 100.00 |
| 1 | MVM Services Zrt.                                   | Hungary | 100.00 | 100.00 |
| 2 | MVM Energetikai Ágazati Képzőközpont Nonprofit Kft. | Hungary | 69.55  | 100.00 |
| 1 | MVM Mobiliti Kft.                                   | Hungary | 100.00 | 100.00 |
| 2 | e-Mobi Nonprofit Kft.                               | Hungary | 100.00 | 100.00 |
| 2 | Mobiliti VOLÁNBUSZ Kft.                             | Hungary | 95.00  | 95.00  |
| 1 | Kapos CNG Kft.                                      | Hungary | 99.635 | 99.635 |
| 1 | MVM Otthon Plusz Zrt.                               | Hungary | 100.00 | 100.00 |
| 1 | MVM Xpert Zrt.                                      | Hungary | 100.00 | 100.00 |
| 2 | ENERGO-MERKUR Kft.                                  | Hungary | 100.00 | 100.00 |
| 2 | MVM Energetikai Ágazati Képzőközpont Nonprofit Kft. | Hungary | 4.35   | 100.00 |
| 1 | MVM ESCO Zrt.                                       | Hungary | 100.00 | 100.00 |
| 2 | MVM ESCO Urban Kft.                                 | Hungary | 100.00 | 100.00 |
| 1 | Grape Solutions Zrt.                                | Hungary | 100.00 | 100.00 |
| 1 | MVM Mátra Energy Zrt.                               | Hungary | 53.26  | 100.00 |
| 2 | MVM Mátra Gép Kft.                                  | Hungary | 100.00 | 100.00 |
| 2 | MVM Mátra Mélyépítő Kft.                            | Hungary | 100.00 | 100.00 |
| 2 | Bakony-Sol Kft.                                     | Hungary | 100.00 | 100.00 |
| 2 | MVM Energetikai Ágazati Képzőközpont Nonprofit Kft. | Hungary | 4.35   | 100.00 |
| 1 | Status Geo Invest Kft.                              | Hungary | 100.00 | 100.00 |
| 2 | Geosol Kft.   | Hungary | 100.00 | 100.00 |
| 1 | MÁTRA ENERGY HOLDING Zrt.                           | Hungary | 100.00 | 100.00 |
| 2 | MVM Mátra Energy 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 |
| 3 | MVM Energetikai Ágazati Képzőközpont Nonprofit Kft. | Hungary | 4.35   | 100.00 |
| 2 | MVM Főgáz Kft.                                      | Hungary | 100.00 | 100.00 |
| 3 | MVM Ügyfélkapcsolati Kft.                           | Hungary | 12.00  | 100.00 |
| 3 | MVM Energetikai Ágazati Képzőközpont Nonprofit Kft. | Hungary | 4.35   | 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 |
| 1 | MVM Égáz-Dégáz Zrt.                                 | Hungary | 100.00 | 100.00 |
| 2 | MVM Ügyfélkapcsolati Kft.                           | Hungary | 12.00  | 100.00 |
| 2 | MVM Energetikai Ágazati Képzőközpont Nonprofit Kft. | Hungary | 4.35   | 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 | MVM EGI Zrt.  | Hungary | 100.00 | 100.00 |
| 2 | EGI Cooling System Tr. (Beijing)                    | China   | 100.00 | 100.00 |
| 2 | EGI Cooling System (China)                          | China   | 100.00 | 100.00 |
| 1 | MVM Energy Romania SA                               | Romania | 0.01   | 100.00 |
| 2 | MVM FET SRL   | Romania | 100.00 | 100.00 |

|   |   |                |        |        |
|---|---|----------------|--------|--------|
| 2 | H2O Energy SRL                          | Romania        | 100.00 | 100.00 |
| 2 | CYEB SRL                                | Romania        | 100.00 | 100.00 |
| 2 | Aqua Energia SRL                        | Romania        | 100.00 | 100.00 |
| 1 | MVM Switzerland AG                      | Switzerland    | 100.00 | 100.00 |
| 2 | MVM Energy Romania SA                   | Romania        | 99.99  | 100.00 |
| 3 | MVM FET SRL                             | Romania        | 100.00 | 100.00 |
| 3 | H2O Energy SRL                          | Romania        | 100.00 | 100.00 |
| 3 | CYEB SRL                                | Romania        | 100.00 | 100.00 |
| 3 | Aqua Energia SRL                        | Romania        | 100.00 | 100.00 |
| 1 | NIKER d.o.o.                            | Croatia        | 100.00 | 100.00 |
| 1 | innogy Česká republika a.s              | Czech Republic | 100.00 | 100.00 |
| 2 | innogy Zákaznické služby s.r.o.         | Czech Republic | 100.00 | 100.00 |
| 2 | innogy Energie s.r.o                    | Czech Republic | 100.00 | 100.00 |
| 2 | innogy Energo s.r.o                     | Czech Republic | 100.00 | 100.00 |
| 3 | Ginger TEPLo s.r.o                      | Czech Republic | 100.00 | 100.00 |
| 3 | innogy Energetika Plhov - Náchod s.r.o. | Czech Republic | 93.00  | 93.00  |
| 3 | Olife Energy Net, a.s.                  | Czech Republic | 100.00 | 100.00 |
| 1 | Panrusgáz Gázkereskedelmi Zrt.          | Hungary        | 50.00  | 50.00  |
| 1 | MVM Ingatlankezelő Kft.                 | Hungary        | 100.00 | 100.00 |
| 1 | MVM KONTÓ Zrt.                          | Hungary        | 100.00 | 100.00 |
| 1 | MVM ÉMÁSZ Áramhálózati Kft.             | Hungary        | 100.00 | 100.00 |
| 1 | MVM Lumen Kft.                          | Hungary        | 100.00 | 100.00 |
| 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 and/or indirectly by MVM Zrt according to Hungarian Civil Code

Annex no. 2: Overview of mutual agreements between the Company and Related Parties within the MVM Group as at 31 December 2021

| Contracting party           | Type/purpose of agreement   | Quantity |
|-----------------------------|---|----------|
| innogy Česká republika a.s. | Master Agreement for Entry into Service Level Agreements for Facility Management, Fleet Management, and Procurement                           | 1        |
|                             | Termination Agreement for Master Agreement for Entry into Service Level Agreements for Facility Management, Fleet Management, and Procurement | 1        |
|                             | Master Agreement for Entry into Service Level Agreements for Corporate Services   | 1        |
|                             | Amendment 1 to Master Agreement for Entry into Service Level Agreements for Corporate Services  | 1        |
|                             | Service Level Agreement for Corporate Services  | 1        |
|                             | Amendments 1-3 to Service Level Agreement for Corporate Services  | 3        |
|                             | Commercial Lease Agreement  | 1        |
|                             | Amendments 1-13 to Commercial Lease Agreement   | 13       |
|                             | Commercial Sublease Agreement   | 1        |
|                             | Sublease Agreement for Installation and Operation of CNG Filling Station  | 1        |
|                             | Amendment 1 to Commercial Sublease Agreement  | 1        |
|                             | Commercial Sublease Agreement   | 1        |
|                             | Loan Contract   | 2        |
|                             | Amendment 1 to Loan Contract  | 2        |
|                             | Insurance Premium Payment Agreement   | 1        |
|                             | Financial Guarantee Agreement   | 1        |
|                             | Trademark Use Consent   | 1        |
|                             | Loan Agreement  | 2        |
|                             | Credit Agreement  | 1        |
|                             | Agreement on Not-for-Profit Assignment of Jointly Used Services relating to Electricity Supply from Secondary Meter                           | 2        |

| Contracting party      | Type/purpose of agreement   | Quantity |
|------------------------|---|----------|
|                        | Electricity, Heat, and Coolant Supply Agreement   | 3        |
|                        | Amendment 1 to Electricity, Heat, and Coolant Supply Agreement  | 1        |
|                        | Trigeneration Lease Agreement   | 1        |
|                        | Amendment 1 to Trigeneration Lease Agreement  | 1        |
|                        | Master Agreement for Entry into Service Level Agreements for Accounting and Taxation                                | 1        |
|                        | Termination Agreement for Master Agreement for Entry into Service Level Agreements for Accounting and Taxation      | 1        |
|                        | Master Agreement for Entry into Service Level Agreements for Information Technologies and Electronic Communications | 1        |
|                        | Service Level Agreement for Information Technologies and Electronic Communications                                  | 1        |
|                        | Amendments 1-4 to Service Level Agreement for Information Technologies and Electronic Communications                | 4        |
|                        | Personal Data Processing Agreement  | 2        |
|                        | Licensing Agreement and Agreement on Basic Maintenance and Support for CIS SoD Application                          | 1        |
|                        | Amendment 1 to Licensing Agreement and Agreement on Basic Maintenance and Support for CIS SoD Application           | 1        |
|                        | Land Sublease Agreement   | 1        |
|                        | Amendment 1 to Land Sublease Agreement  | 1        |
|                        | Purchase Agreement for Movable Assets   | 1        |
|                        | Service Level Agreement – SCADA   | 1        |
| innogy Energie, s.r.o. | Service Level Agreement for Marketing   | 1        |
|                        | Application Use and Cost Payment Agreement  | 1        |
|                        | Mervis System Development Cost Distribution Agreement   | 3        |
|                        | Emission Allowance Purchase Agreement   | 1        |
|                        | Master Agreement for Service Level Agreements for Solar Power Services  | 1        |
|                        | Service Level Agreements for Solar Power Services   | 1        |

| Contracting party | Type/purpose of agreement   | Quantity |           |
|-------------------|---|----------|-----------|
|                   | Amendment 1 to Service Level Agreements for Solar Power Services                  | 1        |           |
|                   | Contract for Work – Náchod Heating Plant Substation                               | 1        |           |
|                   | Low-Voltage Electricity Distribution Agreement with Electricity Trader            | 1        |           |
|                   | Heating and Cooling Plant Refurbishment Agreement                                 | 1        |           |
|                   | Contract for Work for Building Local Distribution System                          | 1        |           |
|                   | Electricity Supply Agreement  | 1        |           |
|                   | Master Agreement for Entry into Service Level Agreements by innogy Energo, s.r.o. | 1        |           |
|                   | Service Level Agreement for Services Provided by innogy Energo, s.r.o.            | 1        |           |
|                   | Electricity Supply Agreement  | 4        |           |
|                   | Agreement on Bundled Electricity Supply Services                                  | 7        |           |
|                   | Amendment 1 to Agreement on Bundled Electricity Supply Services                   | 3        | <b>47</b> |
|                   | Amendment 2 to Agreement on Bundled Electricity Supply Services                   | 2        |           |
|                   | Amendment 3 to Agreement on Bundled Electricity Supply Services                   | 1        |           |
|                   | Amendment 4 to Agreement on Bundled Electricity Supply Services                   | 1        |           |
|                   | Amendment 5 to Agreement on Bundled Electricity Supply Services                   | 1        |           |
|                   | Cooperation Agreement   | 1        |           |
|                   | Agreement on Bundled Gas Supply Services  | 11       |           |
|                   | Amendment 1 to Agreement on Bundled Gas Supply Services                           | 9        |           |
|                   | Amendment 2 to Agreement on Bundled Gas Supply Services                           | 5        |           |
|                   | Amendment 4 to Agreement on Bundled Gas Supply Services                           | 2        |           |
|                   | Amendment 5 to Agreement on Bundled Gas Supply Services                           | 2        |           |
|                   | Amendment 6 to Agreement on Bundled Gas Supply Services                           | 1        |           |

| Contracting party                        | Type/purpose of agreement  | Quantity |
|--|--|----------|
|  | Amendment 7 to Agreement on Bundled Gas Supply Services  | 1        |
|  | Amendment 8 to Agreement on Bundled Gas Supply Services  | 1        |
|  | Amendment 9 to Agreement on Bundled Gas Supply Services  | 1        |
|  | Amendment 10 to Agreement on Bundled Gas Supply Services   | 1        |
| innogy Zákaznické služby, s.r.o.         | Master Agreement for Entry into Service Level Agreements by innogy Zákaznické služby, s.r.o.       | 1        |
|  | Service Level Agreement for Services Provided by innogy Zákaznické služby, s.r.o. 2021 and 2022    | 2        |
|  | Personal Data Processing Agreement   | 1        |
| Olife Energy Net, a.s.                   | Master Agreement for Entry into Service Level Agreements by innogy Energo, s.r.o.                  | 1        |
|  | Service Level Agreement for Services Provided by innogy Energo, s.r.o.                             | 1        |
| innogy Energetika Plhov – Náchod, s.r.o. | Gas Asset Lease Agreement  | 1        |
| 48                                       | Amendment 1 to Gas Asset Lease Agreement   | 1        |
|  | Real Estate Lease Agreement  | 1        |
|  | Amendment 1 to Real Estate Lease Agreement   | 1        |
|  | Service Level Agreement for Corporate Services   | 1        |
|  | Amendments 1-2 to Service Level Agreement for Corporate Services                                   | 2        |
|  | Service Level Agreement for Provision of Loans   | 2        |
|  | Service Level Agreement for Operation, Maintenance, Repair, and Investment Services                | 1        |
|  | Amendment 1 to Service Level Agreement for Operation, Maintenance, Repair, and Investment Services | 1        |
|  | Electricity Cost Re-Billing Agreement  | 1        |
|  | Heat Supply Agreement  | 1        |
|  | Natural Gas Supply Cost Re-Billing Agreement   | 1        |
| MVM Zrt.                                 | One-Way Zero-Balancing Cash Pooling – ČSOB   | 1        |



| Contracting party | Type/purpose of agreement                                    | Quantity |
|-------------------|--|----------|
|                   | Amendments 2-3 to One-Way Zero-Balancing Cash Pooling – ČSOB | 2        |

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