



Annual Report 2017–2018

**We inspire
with energy.**

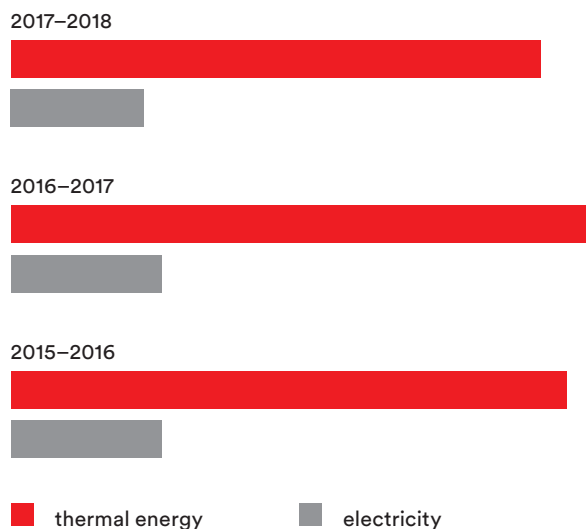


MVV Energie CZ Group – customers

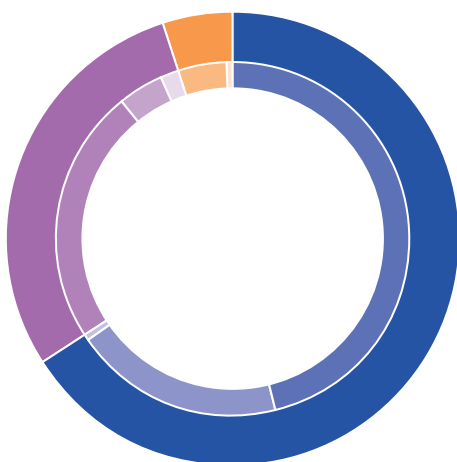
Supply of thermal energy to	
Households	69,889
Industrial customers / industrial facilities	47 / 3
Tertiary sector customers / facilities	638 / 1
Supply of electricity to*	
Customers	128
Energy services	
Customers	13
Water supply and sewerage to	
Households	3,116
Industrial customers	37
Tertiary sector customers	114
Electronic communications services to	
Customers	76

* excluding supplies to the distribution network.

MVV Energie CZ Group – sales of thermal energy and electricity (MWh)



MVV Energie CZ Group – fuel base



energy of fossil fuels	66.6%
gas	46.8%
coal	19.3%
oil	0.5%
energy from secondary and renewable sources	28.8%
municipal waste	23.3%
biomass	4.3%
geothermal and solar energy	1.2%
purchased energy	4.6%
electricity	4.2%
heat	0.4%

MVV Energie CZ Group – consolidated indicators (in thousands CZK)

Selected indicators	2017–2018	2016–2017	2015–2016
Total assets	4,398,776	4,360,346	4,498,676
Equity (including minority interest)	2,884,112	2,727,173	2,652,078
Corporate debt	783,013	946,042	1,155,971
Revenue**	1,976,637	2,095,594	2,119,297
Earnings before interest and taxes (EBIT)	325,738	361,461	378,954

Note: Prepared in accordance with the International Financial Reporting Standards (IFRS).

** Revenues adjusted for inventory capitalization.

**Heat from our heating plants
is a comprehensive service**



**CUSTOMER
SERVICE**



**TECHNICAL
DISPATCHING**



**24 HOUR
EMERGENCY SERVICE**



**MANAGEMENT
AND MAINTENANCE**



**ELECTRONIC
BILLING**

We inspire with energy.

The energy group MVV Energie CZ is among the leading producers and distributors of heat in the Czech Republic. The Group is also engaged in high-performance electricity generation, waste to energy production, energy consulting, water management and the provision of electronic communications services. At the same time it is one of the largest providers of energy services in the CR. It offers stimulating and stable employment to its 467 members of staff in the regions.

The Group's fifteen companies provide their services to residents, industrial plants and municipal authorities in fifteen cities of the Czech Republic, in particular in Moravia, northern Bohemia and the Vysočina region.

The Group's parent company is MVV Energie CZ a.s., which was established in October 1993. Since 1999 the company has been a subsidiary of MVV Energie AG, a German energy group, based in Mannheim, Germany.

We approach our production and supply of energy responsibly. We use environmentally friendly fuels and renewable resources. Thanks to modern technology, in connection with our expertise and long-term experience, we come up with innovative solutions. To our customers we provide a safe and convenient supply of energy.

A photograph of a construction site for the GreenNet modernization project. Large black pipes are being laid in a deep trench. In the background, a yellow excavator and a worker are visible. The scene is surrounded by trees and greenery.

Modernization of GreenNet steam networks is in full swing

The MVV Energie CZ Group is constantly investing in the renewal of resources and distribution networks and in increasing its effectiveness. In 2017–2018, the Group implemented an extensive project “GreenNet” in two cities: in Pelhřimov, the steam pipelines are being replaced by more effective heated-water pipelines, and the city of Liberec will have a hot-water distribution network.

- The renovation will replace almost 15 km of steam pipelines.
- **More favourable conditions for loyal customers** – GreenNet is part of a wider concept of technical and economic development of heat distribution systems in Pelhřimov and Liberec. The economic aspect includes the stabilization of the customer base through long-term partnership.
- **Over 90% of customers** in both cities have joined the loyalty programme. The security of multi-annual demand allows heating plants to carry out effective development of the heat distribution network and to make energy savings, thanks to which they are able to guarantee more favourable long-term conditions for loyal customers.

The logo for GreenNet, featuring a stylized white semi-circle above the text "GreenNet" in a bold, white, sans-serif font.

GreenNet



The new pipeline will be preinsulated and mainly led underground. GreenNet will reduce the heat loss of the heat distribution system by approximately

35%.

GreenNet in Pelhřimov supports production from renewable sources

IROMEZ s.r.o. produces heat for Pelhřimov from environmentally-friendly forest biomass. The company began the transition from steam to heated water last year by building a new central heat exchanger and by making adjustments to the secondary parts of the network. During the non-heating season of 2018, the company renovated the primary part of the network and installed over 5 km of new, pre-insulated heated-water pipelines. Supply of hot water to customers was provided alternately from biomass and fuel oil boiler units. After the renovation, IROMEZ was able to completely shut down the fuel oil boiler unit and produce heat using only biomass. Investment totalled CZK 60 million, part of which was thanks to subsidies from OPPIK.

GreenNet in Liberec changes pipelines along with the city landscape

The CZK 300 million project GreenNet is the biggest investment operation of Teplárna Liberec, a.s., since its construction at the end of the 1970s. A subsidy of CZK 70 million was provided by OPPIK to the heating plant for this project. The essence of the project is the transformation of one of three branches of the steam network to hot-water. The Nisa riverbed pipeline, which goes through the city centre, will therefore totally disappear and will be led underground. The journey towards a more beautiful Liberec and to cheaper heat started in summer 2018 with the replacement of 2.3 km of steam pipelines in Pavlovice and is continuing towards the heating plant. The route of the hot-water pipeline will remain identical to that of the steam pipeline. A total of over 9 km of steam pipelines will be replaced. The entire project is planned to be completed in 2020.

**Our EPC projects cut
energy and operating
costs of cities by up to**

30%.



The EPC projects implemented by MVV save energy in municipal areas

MVV Energie CZ a.s. is one of the largest providers of energy services using the EPC method in the Czech Republic. In the last year, it has implemented two new EPC projects in municipal areas.

- EPC (Energy Performance Contracting) is a “turnkey” service consisting of an upgrade to energy management systems **with a guaranteed reduction in energy costs.**
- MVV has realized EPC projects in the Czech Republic **since 1993**, and was the first company to do so.
- MVV has helped its customers save **CZK 960 million** through **46 EPC projects.**

EPC project in Jilemnice

MVV has implemented a whole range of energy-saving measures, costing CZK 18.7 million, which in the next nine years will bring the city guaranteed savings of CZK 22 million. These measures were implemented in six city facilities (two elementary schools and one nursery school, the city swimming pool, sports hall and community centre). The key measures include the installation of highly effective cogeneration units. All the facilities are connected to the central dispatching of MVV, which monitors and ensures the optimum operation of these heating systems. New LED lighting, which adjusts to the use of the sports hall and the levels of daylight, has been installed.

EPC project in Šluknov

The energy setup in Šluknov includes seven city facilities. Here, MVV has also used proven and effective LED public lighting with integrated adjustability. MVV has installed new, separate gas sources in three facilities. Thanks to this, the city was able to disconnect these facilities from the retiring city block boiler unit, which can now be taken completely out of service, saving on further operating expenses. The project also includes a new suspended ceiling for the local sports hall, which integrates radiators and new LED lighting. The advantage of this project – as for all EPC projects – is that the city will be able to repay the total investment of CZK 16.1 million for all these measures after savings are generated, which MVV guarantees at the total amount of CZK 19 million. The twelve-year guarantee period starts from January 2019.

MVV has launched its technological innovation Smart House Vision

The “Vize chytrý dům” (Smart House Vision), a unique and ecological system of electricity supply, brings electricity directly from your district, guaranteeing best-value prices and providing an overview of the current consumption.



- The Smart Kylešovice Vision – smart electricity directly from their district is already being used by the first customers in Opava Kylešovice.
- Other smart districts are being prepared by MVV Group, for example in Uherské Hradiště.



Futuristic concepts, such as smart house or smart energy, have been stirring up the waters of media space for some time. MVV Energie CZ has decided to bring its vision a step closer to reality, which is how the Smart House Vision was created, with the goal not only to provide good-value energy, but also to make our customers' life better thanks to technological innovations.

In addition to being an energy provider, MVV is visionary. It uses the technology of the future in real-world projects to improve the quality of life for its customers and to inspire current society. The basis of the entire system is a cogeneration unit producing electricity and heat from natural gas. The energy is then distributed to the surrounding houses. By using modern technology of electricity consumption measurement and its interconnection with telecommunications, MVV is developing the capabilities to utilize demand side response for optimal energy use.

Modern technologies are also used in households, which is why MVV is preparing projects focused on modernization of energy management and on energy savings. Further development of other innovations is also expected. As well as the connection of solar panels, MVV enables customers to connect an accumulator in which they can store the energy produced by their own source for later use.



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Company profile

History of the company

MVV Energie CZ a.s. was established on 6 October 1993. The main line of business of the company, formerly operating under the name EPS ČR s.r.o., was the provision of energy-related services. The company's original majority owner was the US-based Energy Performance Services Inc.

In 1999 the German company MVV Energie AG, one of the largest energy companies in Europe, purchased a majority stake. In the years that followed it managed to develop a large energy group in the Czech Republic, which today operates in fifteen cities throughout the country. MVV Energie CZ a.s. is wholly owned by MVV Energie AG.

Activities of the company

MVV Energie CZ Group companies operate mainly in the field of heat generation and distribution. The Group also produces electricity in eleven cities of the Czech Republic. In addition, some of its subsidiaries provide water management or electronic communications services as well as other services.

MVV Energie CZ a.s. has extensive experience with the implementation of energy-efficiency projects in the Czech Republic. In addition to projects employing EPC (Energy Performance Contracting), it also offers related energy services to customers across the country.

Energy generation

To generate heat MVV Energie CZ Group uses a fuel mix whose dominant component is natural gas. The Group generates electricity only by cogeneration, that is, through combined heat and power generation. Nineteen sites in eleven cities use cogeneration engines or turbines, with a total capacity of almost 56.7 MW_e to cogenerate electricity and heat.

MVV Energie CZ Group is the only operator in the Czech Republic to utilize geothermal water to generate heat, for thousands of households in Děčín. This geothermal source, which has brought significant improvements to the environment in the entire region, won the Project of the Decade award (a competition organized by the Association for District Heating of the Czech Republic) for systems supplying heat and cooling.



Jörg Lüdorf



Jaroslav Pantůček

In 2011 MVV Energie CZ Group entered the waste-to-energy business. In the Liberec region, MVV Energie CZ uses more than half of all the waste produced, which would otherwise end up in landfills, to generate heat and electricity.

Customers of MVV Energie CZ Group

Our customers in fifteen cities across the Czech Republic are households, small and large companies and municipalities. In 2017–2018, the MVV Energie CZ Group sold 679 thousand MWh of heat and 171 thousand MWh of electricity, and its turnover in the financial year was CZK 2 billion.

People in the company

The statutory body of MVV Energie CZ a.s. is its Board of Directors, which is comprised of two members. The head of the company is Jörg Lüdorf, the Chairman of the Board of Directors, responsible for strategy, trade, technology, energy services, and the management of all shareholdings. The second member of the Board of Directors, responsible for finance and information technologies is Jaroslav Pantůček.

MVV Energie CZ a.s. has 34 employees in total.* The company comprises four departments supervised by directors and two divisions, with some employees reporting directly to the Board of Directors.

* Total headcount as of 30. 9. 2018 (not including members of the statutory bodies).

Company management

Board of Directors

Jörg Lüdorf	Chairman of the Board of Directors
Jaroslav Pantůček	Member of the Board of Directors
Jiří Koptík	Chairman of the Board of Directors until 29 May 2018
Libor Žížala	Member of the Board of Directors until 29 May 2018

Management

Jan Vencour	Director of the Capital participation department
Tomáš Mičánek	Director of the Strategy department
Ivan Slavík	Director of the Technical department
Jan Regner	Manager of the Information systems and technologies division
Martin Hvozda	Manager of the Energy services division

The work of the company's Board of Directors is monitored by the four-member Supervisory Board, made up of representatives of the parent company, MVV Energie AG.

Supervisory Board

Ralf Klöpfer	Chairman of the Supervisory Board
Dr. Hansjörg Roll	Member of the Supervisory Board
Daniela Kirchner	Member of the Supervisory Board
Florian Pavel	Member of the Supervisory Board



In the photo, from left: Jan Regner, Tomáš Mičánek, Martin Hvozda, Ivan Slavík, Jan Vencour

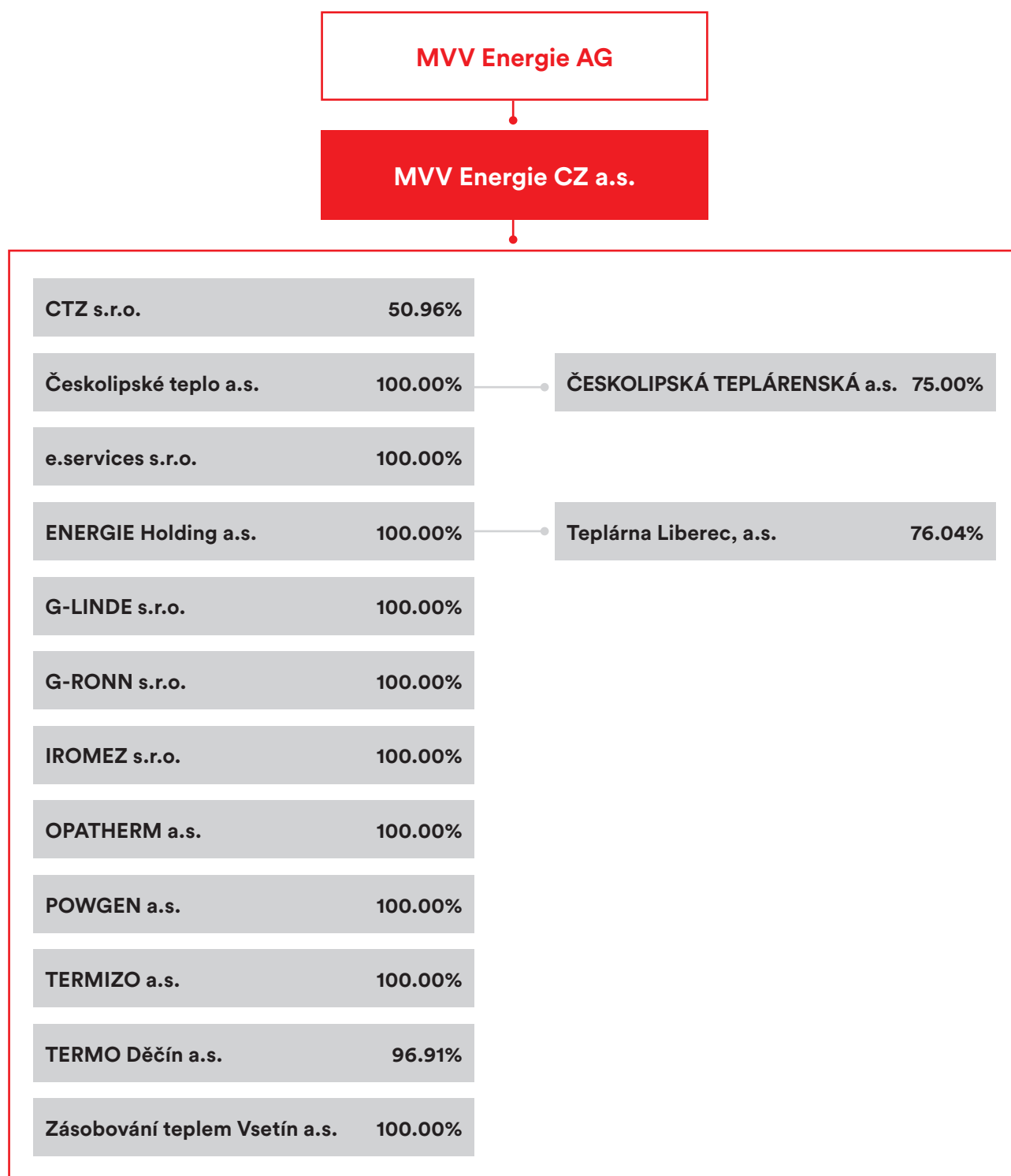
The fifteen companies

of the Group provide their services to residents, industrial plants and municipal authorities in fifteen cities of the Czech Republic, in particular in Moravia, northern Bohemia and the Vysočina region.



02

Organizational structure of the Group



Note: The organizational structure is valid as of 30. 9. 2018.

Interview with Jörg Lüdorf, Chairman of the Board of Directors

How do you evaluate the general developments in the energy sector?

It seems that in the follow-up to the Paris UN climate summit in 2015, the European Union started right away seriously cutting down the EU allowances for CO₂ emissions going forwards. This means that, after ten years of very low carbon emission real prices, in 2018 we saw the price per emission coming up from 199 CZK (€ 7.81) in January to 575 CZK (€ 22.5) in September.

Does that mean that we will have a common European energy market with common financial and economic fundamentals?

I am not sure, but for the first time we can see that individual subsidy schemes for selected energy sources such as photovoltaic or wind are supported by a common economic backbone, the EU Emission Trading Scheme, and in particular the Market Stability Reserve (MSR).

Saying that, heat and electricity production from lignite and black coal is becoming more and more expensive on a European level.

How is MVV Energie CZ Group prepared for this situation?

Many years ago we set out on the way to switch our production from coal to gas and to invest in renewable energy generation, like in the geothermal power plant in Děčín, the biomass plant in Pelhřimov or in environmentally friendly „waste-to-energy“ in Liberec. This has taken our energy volume per year produced from coal-based generation under 20%.

With the aim to lower our CO₂ emissions we will continue to strengthen renewables, gas and waste-to-energy generation in our portfolio. Whilst our coal-fired plants are strictly fulfilling environmental requirements, the companies which MVV Energie CZ Group is building in fifteen cities in the Czech Republic are at the forefront of the overall development in the energy market. They can really be considered as trusted partners for cities, business customers and households.



When the fundamentals of the Czech energy market change, MVV Energie CZ is well prepared to face the challenges involved.



Do you really know what your customers' needs are?

As we run a customer satisfaction survey every year in each location of our Group, we are pretty sure about this. We track the churn rate and offer customer loyalty programmes which give attractive advantages to loyal clients. My opinion is that we should do more than just deliver heat and electricity steadily without interruptions at a fair price.

The decentralisation and digitalisation of the energy sector will affect the Czech energy market too and requires answers for those customers who are looking for sustainable independent energy solutions for their private houses.

It is good to know that MVV Energie CZ, belonging to a Group which operates, among other countries, in Germany, the UK, and France, can rely on proven customer solutions developed in these energy markets.

When the fundamentals of the Czech energy market change, MVV Energie CZ is well prepared to face the challenges involved.

Which areas will MVV Energie CZ Group concentrate on in the future?

Building on the stability of the business, we will continue to invest in our grid infrastructure, like in Liberec and Pelhřimov, in reduction of emissions, and switch our production to environmentally friendly heat and electricity generation for the benefit of our final customers.

At the same time, we will be developing our energy saving projects for cities, communities and other public institutions. In 2018, in the framework of EPC projects, we served more than 60 buildings – mainly schools and cultural institutions, but even ice rinks and swimming pools. We also saved energy for public lighting systems. Overall, we helped our customers to save more than 26 million CZK last year.

In Opava this year we have served the first houses via our own electricity grid and delivered cheaper electricity for the inhabitants. In Uherské Hradiště we have already started to build the same kind of product for our customers.

As we are fully aware that our success is about much more than cost effective operations, and is based on the efforts of our employees, I would like to take this opportunity to thank all of them, throughout our Group, for their excellent performance and work.

Major events in 2017–2018

Jörg Lüdorf and Jaroslav Pantůček are at the head of MVV

Since May 2018, Jörg Lüdorf, with his many years of experience in managing international companies in the field of energy and services, has been the Head of the Board of Directors of MVV Energie CZ a.s. As the CEO and Chairman of the Board of Directors, he is responsible for the Group's overall strategy, trade, technology and human resources. In July 2018, Jaroslav Pantůček, who has been active on both the Czech and international energy market for over 20 years, became the second member of the Board of Directors and CFO of the company, and oversees finances and information technologies.

We protect the environment

MVV Energie CZ continuously invests in ecologization and the modernization of its resources, distribution systems and other production equipment. In addition to the extensive "GreenNet" projects, the Group has also made eco-friendly boiler units – in Vsetín Jasenice and in Uherské Hradiště – which will reduce sulphur emissions by approximately 40% compared to the current state; in Pelhřimov a new electrofilter has been installed.

The subsidiary CTZ has also implemented the project "Misting Wall", which will be operated all year round and will significantly reduce the dust levels on the site. Among the wall's advantages are low energy consumption and low requirements for the quality, purity and consumption of water. This project, along with the "Green Wall" implemented by the company in the recent years, will contribute to the further improvement of the environment in Uherské Hradiště.

MVV retained its prestigious Czech Stability Award

MVV Energie CZ a.s. was again awarded the prestigious AAA score in ranking by the CZECH TOP 100 Association, winning the Czech Stability Award and remaining in the ranks of the most stable companies in the Czech Republic. The ranking provides an independent view of the financial and non-financial standing of the company. The AAA grade, the best possible score, signifies that the company practices an open communication policy and provides sufficient information about its management. The Czech Stability Award is announced by Bisnode in collaboration with the CZECH TOP 100 Association. The resulting ranking is announced every year in the "Most Stable Company of the Year" category.

Heating plants were introduced to the public

Companies of MVV Group annually open the doors of their heating plants to visitors interested in how heat is delivered to their homes. As part of the Open Day Programme, visitors to the CTZ, POWGEN and Zásobování teplem Vsetín companies had the chance to try out, for example, archery, electric bicycles, recumbent low racers, or an ascent to the chimney of the heating plant under the supervision of experienced rock climbers. The youngest visitors enjoyed a bouncy castle and dancing. Visitors from housing cooperatives and private housing associations reacted positively to the guide on "How to heat your home effectively", which brought practical recommendations by specialists, answers to legislative questions and a comprehensive calendar for house caretakers.

Children made mascots for the heating plant

The CTZ, OPATHERM and Zásobování teplem Vsetín companies organized a fun educational programme in the form of competitions for nursery schools in Uherské Hradiště, Opava and Vsetín. The children, with their enthusiasm and unlimited imagination, gave shape to the "Warmth of Home" and created beautiful dwarfs, chimneys and mascots. The range was overwhelming. From the many options, "Little Carbon" was chosen as the mascot of the CTZ heating plant. As a prize for their participation in competitions, children received learning aids of their choice.

Group employees again participated in a tournament

MVV Energie CZ Group is committed to employee care and to the development of team activities and sports. For the fourteenth year, sports games for the Group's employees were held in June 2018 in Buly Aréna in Kravaře, organized by OPATHERM a.s. The teams competed, for example, in badminton, tennis, football tennis, table tennis and petanque. Individuals could test their skills in bowling and the "adventure minigolf" provided a minor highlight. The sporting event of almost a hundred contestants culminated in a team competition in basketball shooting. The most medals were won by teams from MVV, OPATHERM and Teplárna Liberec.



Top: The heating plants of MVV Group opened their doors to visitors

Middle: Children gave shape to the Warmth of Home and made mascots for the heating plant

Below: Employees of the Group tested their strengths at the XIV. sports games organized by OPATHERM







- CTZ s.r.o.
- ČESKOLIPSKÁ TEPLÁRENSKÁ a.s.
- Českolipské teplo a.s.
- e.services s.r.o.
- ENERGIE Holding a.s.
- G-LINDE s.r.o.
- G-RONN s.r.o.
- IROMEZ s.r.o.

- MVV Energie CZ a.s.
- OPATHERM a.s.
- POWGEN a.s.
- Teplárna Liberec, a.s.
- TERMIZO a.s.
- TERMO Děčín a.s.
- Zásobování teplem Vsetín a.s.



In 2017, as a part of the “Eco-friendly boiler unit CTZ s.r.o., Uherské Hradiště” investment project, which aims to reduce the emissions of sulphur oxide, CTZ installed a silo and made modifications to all boilers.

**These measures
will reduce
sulphur emissions
by about 40%**

and contribute to further improvement of the environment in the city.



Company name: CTZ s.r.o.

Registered office: Sokolovská 572, 686 01 Uherské Hradiště

Company identification No.: 63472163

Tax identification No.: CZ63472163

Date of establishment: 1 March 1996

Bodies of the company

Executive managers

Michal Chmela	Executive manager
Kamil Ondra	Executive manager

Supervisory Board

Jörg Lüdorf	Chairman of the Supervisory Board
Evžen Uher	Vice-chairman of the Supervisory Board
Vladimír Moštěk	Member of the Supervisory Board
Drahomír Hlaváč	Member of the Supervisory Board
Radovan Jančář	Member of the Supervisory Board
Jaromír Prokop, MBA	Member of the Supervisory Board
Jaroslav Pantůček	Member of the Supervisory Board

About the company

Company shareholding structure

MVV Energie CZ a.s.	50.96%
City of Uherské Hradiště	49.04%

Profit from operations for the accounting period	CZK 12,480 thousand
Total revenue	CZK 104,401 thousand
Number of employees	34
Installed heat/electricity output	41.8 MW / 1 MW

Customers

Supply of thermal energy to

Households	5,001
Industrial customers / industrial facilities	6 / 1
Tertiary sphere customers	40

Supply of electricity to

Regional electric power distribution system	1
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The company was established by the City of Uherské Hradiště as its sole founder on 1 March 1996.

As of 12 December 2000, CTZ s.r.o. became a subsidiary of MVV Energie CZ a.s., which purchased a 50.96% share in CTZ from the City of Uherské Hradiště.

CTZ s.r.o. generates and distributes thermal energy in Uherské Hradiště. The company supplies businesses with processed steam and households and businesses with hot water. Since 2009, CTZ s.r.o. has also been a producer of electricity co-generated by a turbine. It uses the generated electricity for its own purposes and supplies it also to the distribution network.

Among the biggest investment projects in the 2017–2018 financial year is the “Eco-friendly boiler unit CTZ s.r.o., Uherské Hradiště”, which will lead to a reduction of approximately 40% in sulphur emissions and contribute to improvement of the environment in the city.

In heating networks, the company has newly connected an apartment block and shops on Dlouhá street, an apartment block on the Štěpnice housing estate of FINNO invest II, and during September 2018, an apartment block on Kollárova 445 and Sadská výšina, block D on the Východ housing estate were connected and are due to receive supply from autumn 2018.

This year, CTZ s.r.o. has also continued its cooperation on social, sports and cultural projects with local organizations: Regional Charity Uherské Hradiště, the football club 1. FC SLOVÁCKO, and the Water park. The company also provided cooperation to the Slovácké divadlo Theatre, the Library of Bedřich Beneš Buchlovan, the Senior Centre, and cooperation has newly begun with the Medical Institute of Palliative and Hospice Care PAHOP. The company was involved with the “Slovácké léto”, a sport-music festival for the whole family, and organized a competition for nursery schools called “Draw a Mascot for the Heating Plant”, with the participation of 240 children. During the Open Doors Day, visitors were acquainted with the processes of how heat is produced and gets to their homes.

For households, the company has prepared a brochure containing practical tips on how to handle heat and hot water.

Details valid as of 30. 9. 2018; total headcount specified without members of the statutory bodies.



In September 2018, ČESKOLIPSKÁ TEPLÁRENSKÁ launched a new

loyalty programme

for all customers to whose buildings it supplies heat – to households, schools, nursery schools, health institutions, public buildings as well as businesses. An average apartment block can save tens of thousands of crowns on heating and treatment of hot water for the duration of the contract. The condition is the conclusion of a five-year contract.



Company name: ČESKOLIPSKÁ TEPLÁRENSKÁ a.s.

Registered office: Liberecká 132, Stará Líba,
470 01 Česká Líba

Company identification No.: 64653200

Tax identification No.: CZ64653200

Date of establishment: 22 February 1996

Bodies of the company

Board of Directors

Radomír Ondra	Chairman of the Board of Directors
Jan Sulík	Vice-chairman of the Board of Directors

Supervisory Board

Jörg Lüdorf	Chairman of the Supervisory Board
Jaroslav Pantůček	Vice-chairman of the Supervisory Board
Karel Tejnora M.D.	Member of the Supervisory Board
Petr Mertin	Member of the Supervisory Board
Jan Vencour	Member of the Supervisory Board

About the company

Company shareholding structure

Českolipské teplo a.s.	75%
Okresní stavební bytové družstvo Česká Líba	19.99%
City of Česká Líba	5.01%

Profit from operations for the accounting period	CZK 12,391 thousand
Total revenue	CZK 145,281 thousand
Number of employees	26
Installed heat/electricity output	78.95 MW / 0 MW

Customers

Supply of thermal energy to

Households	9,166
Tertiary sphere customers	58

ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. was established by the City of Česká Líba, as its sole founder, and registered on 22 February 1996. In 2001, the company joined the MVV Energie CZ Group. On 27 November 2008, the stake of MVV Energie CZ a.s. in the company was increased to a 94.99% majority.

In the financial year 2017–2018, the district construction housing cooperative OSBD Česká Líba, the biggest customer consuming heat from ČLT, decided to support the preservation and development of this modern and ecological heat distribution system and, on 27 September 2018, became one of its shareholders with 19.99% of shares. MVV Energie CZ continues to own 75% of ČLT shares through Českolipské teplo a.s. and the City of Česká Líba retains its 5.01% shares.

ČESKOLIPSKÁ TEPLÁRENSKÁ supplies thermal energy and hot water to more than nine thousand households in the towns of Česká Líba and Dubá. It also supplies schools, public authorities, shopping centres and other buildings, with the district heating system covering over 50% of all households in both towns.

Every year, the company contributes to improving the environment by reducing the level of pollution, thereby contributing to cleaner air in Česká Líba and its surroundings. In this way the heating plant fulfills its ecological goals and thus contributes to the healthier life of the city inhabitants on the Ploučnice river.

The company has been a long-standing co-organiser of cultural, social and sports activities in the city. It supported events organized by the City of Česká Líba, the 11th annual national kids and youth contest „Young Talk Show Presenter“, organized by the Slovanka elementary school, and the Children's League for young firefighters under the auspices of the Volunteer Fire Brigade of Česká Líba with international participation of children from Poland.

Details valid as of 30. 9. 2018; total headcount specified without members of the statutory bodies.

Českolipské teplo a.s.

Company name: Českolipské teplo a.s.

Registered office: Kutvirtova 339/5, 150 00 Prague 5

Company identification No.: 63149907

Tax identification No.: CZ63149907

Date of establishment: 11 September 1995

Bodies of the company

Board of Directors

Radomír Ondra	Chairman of the Board of Directors
Jan Sulík	Vice-chairman of the Board of Directors

Supervisory Board

Jörg Lüdorf	Chairman of the Supervisory Board
Jaroslav Pantůček	Member of the Supervisory Board

MVV Energie CZ a.s. manages its shares in ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. through Českolipské teplo a.s. Since 27 September 2018, the company holds 75% of shares. Prior to this, the company held 94.99% of shares of ČESKOLIPSKÁ TEPLÁRENSKÁ.

About the company

Company shareholding structure

MVV Energie CZ a.s.	100%
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Profit from operations for the accounting period	CZK 37,440 thousand
Total revenue	CZK 70,982 thousand

Details valid as of 30. 9. 2018.

Company name: e.services s.r.o.

Registered office: Oblouková 958/25, 405 02 Děčín I

Company identification No.: 28748514

Tax identification No.: CZ28748514

Date of establishment: 10 October 2011

Bodies of the company

Board of executive managers

Radomír Ondra Chairman of the Board of executive managers

Jan Černý Member of the Board of executive managers

About the company

Company shareholding structure

MVV Energie CZ a.s.	100%
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Profit from operations for the accounting period	CZK 196 thousand
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Total revenue	CZK 10,814 thousand
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Number of employees	8
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The company e.services s.r.o. was established in October 2011 as a centre for shared services for the MVV Energie CZ Group.

During the period concerned the company provided accounting services, reporting and controlling, and non-cash payments through direct e-banking.

These services were provided to the trading companies within the MVV Energie CZ Group.

Details valid as of 30. 9. 2018; total headcount specified without members of the statutory bodies.

The project of desulphurisation

in Litoměřice will contribute not only to increasing the convenience of heat supply to the customers of ENERGIE Holding, but also to the improvement of the environment across the entire city. Thanks to additivation, the heating plant will continue to fulfil the strict legislative requirements on compliance with SO₂ emission limits in the future, and by a large margin.





Company name: ENERGIE Holding a.s.

Registered office: Kutvirtova 339/5, 150 00 Prague 5

Company identification No.: 27594301

Tax identification No.: CZ27594301

Date of establishment: 27 September 2006

Bodies of the company

Board of Directors

Libor Štěpán	Chairman of the Board of Directors
Libor Hrnčířík	Vice-chairman of the Board of Directors

Supervisory Board

Jörg Lüdorf	Chairman of the Supervisory Board
Jaroslav Pantůček	Member of the Supervisory Board

About the company

Company shareholding structure

MVV Energie CZ a.s.	100%
---------------------	------

Profit from operations for the accounting period	CZK 60,280 thousand
Total revenue	CZK 243,508 thousand
Number of employees	55
Installed heat/electricity output	86.64 MW / 0.295 MW

Customers

Supply of thermal energy to

Households	12,180
Industrial customers	5
Tertiary sphere customers	115

Supply of electricity to

Customers	2
Regional electric power distribution system	1

ENERGIE Holding a.s. supplies thermal energy in particular to households and tertiary sector customers in Litoměřice, Louny and Mimoň. The company is also a producer of electric power in Mimoň.

A significant investment project of the past year in the area of CZT Litoměřice was a complete reconstruction of mechanical fly ash separators installed on the exits of the K2 and K5 boilers, which resulted in an increase in production efficiency. A regular shutdown of the source in CZT Litoměřice was utilized to carry out a replacement of the filtration pipes of the separator equipment system for fly ash in combustion products, hence ensuring smooth operation of the filtration system in future years.

The company constantly optimizes its distribution systems and operations. Another significant investment, with the aim of reducing costs, was the automation of the CZT Louny operation, which was expanded by the company in the financial year 2017–2018 to include the capability of transmitting data on consumption from block boiler units to the CZT Louny call out service. ENERGIE Holding has also continued with the replacement of heat meters in all three locations to enable remote radio readings, thanks to which it will no longer be necessary to physically access the heated buildings to take meter readings.

ENERGIE Holding supported town festivities in Mimoň as well as the ice hockey team in Litoměřice. The company also participated in the organization of an important sports event, the Para Athletics European Championship, held in Louny for the sixteenth time. For customers from housing cooperatives and apartment owner communities, the company developed a practical guide on how to effectively heat their homes.

Details valid as of 30. 9. 2018; total headcount specified without members of the statutory bodies.



G-LINDE

Company name: G-LINDE s.r.o.

Registered office: Kutvirtova 339/5, 150 00 Prague 5

Company identification No.: 24684538

Tax identification No.: CZ24684538

Date of establishment: 28 May 2010

Bodies of the company

Executive managers

Libor Stuchlík	Executive manager
Michal Chmela	Executive manager

About the company

Company shareholding structure

MVV Energie CZ a.s.	100%
---------------------	------

Profit from operations for the accounting period	CZK 1,171 thousand
Total revenue	CZK 9,652 thousand
Installed heat/electricity output	1.1 MW / 0.971 MW

Customers

Supply of thermal energy to

Industrial customers	1
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Supply of electricity to

Customers	1
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Details valid as of 30. 9. 2018.

G-LINDE s.r.o. was established on 28 May 2010 as a wholly owned subsidiary of MVV Energie CZ a.s.

In the financial year 2017–2018, the company continued its reliable operation of the cogeneration unit installed in Česká Lípa.



G-RONN

Company name: G-RONN s.r.o.

Registered office: Kutvirtova 339/5, 150 00 Prague 5

Company identification No.: 24679399

Tax identification No.: CZ24679399

Date of establishment: 28 May 2010

Bodies of the company

Executive managers

Libor Stuchlík	Executive manager
Michal Chmela	Executive manager

About the company

Company shareholding structure

MVV Energie CZ a.s.	100%
---------------------	------

Profit from operations for the accounting period	CZK 8,926 thousand
Total revenue	CZK 82,458 thousand
Installed heat/electricity output	11.552 MW / 8.06 MW

G-RONN s.r.o. was established on 28 May 2010 as a wholly owned subsidiary of MVV Energie CZ a.s.

In the financial year 2017–2018, the company provided reliable operation of the cogeneration units installed in Česká Lípa, and carried out maintenance work based on number of operating hours. Heat generated in cogeneration units was supplied to the central heat supply plant in the town of Česká Lípa.

Customers

Supply of thermal energy to

Industrial customers	1
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Supply of electricity to

Customers	1
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Details valid as of 30. 9. 2018.



IROMEZ has received the Crystal Chimney award for its unique project of long-term partnership between the heating plant, its customers and the City of Pelhřimov.

The company executive managers, Hana Zíková and Pavel Rychetský (on the right), accepted the award from the then Chief Executive Officer of the Association for District Heating of the CR, Miroslav Topolánek (on the left).

The prestigious award

“Project of the Year”

placed the project among the five best projects successfully implemented in the heat sector in the Czech Republic during 2017.



Company name: IROMEZ s.r.o.

Registered office: Pod Náspem 2005, 393 01 Pelhřimov

Company identification No.: 24707341

Tax identification No.: CZ24707341

Date of establishment: 14 July 2010

Bodies of the company

Executive managers

Hana Zíková, MBA	Executive manager
Pavel Rychetský	Executive manager

About the company

Company shareholding structure

MVV Energie CZ a.s.	100%
---------------------	------

Profit from operations for the accounting period	CZK 4,115 thousand
Total revenue	CZK 100,936 thousand
Number of employees	30
Installed heat/electricity output	53.8 MW / 1.21 MW

Customers

Supply of thermal energy to

Households	3,108
Industrial facilities	1
Tertiary sphere customers	36

Supply of electricity to

Regional electric power distribution system	1
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IROMEZ s.r.o. was established in 2010 and provided business continuity for the company of the same name, legally established in 1992 when it purchased thermal energy management facilities from the City of Pelhřimov. Since 1995, electric power has been generated in Pelhřimov through the incineration of biomass in a cogeneration unit. The original company became a member of MVV Energie CZ Group in November 2009.

The company generates and supplies thermal energy and electricity. In Pelhřimov it supplies heat to households, schools, nursery schools and buildings owned by the city and businesses. 96% of the heat generated is from biomass. Fuel oils constitute a supplement. Natural gas boilers are used as back-up sources. Electricity is generated in two back-pressure turbines in combination with cogeneration.

The most significant investment activity in the 2017–2018 period in Pelhřimov was the GreenNet project. IROMEZ followed up on phase I, during which a new central heat substation was built, by laying over 5 km of new heated-water pipes during phase II, thereby replacing the original steam pipes. This project also received financial support from the “Operational Programme Enterprise and Innovations for Competitiveness”.

The prestigious award “Project of the Year”, which is annually awarded by the Association for District Heating of the CR, placed the heating plant among the five best projects successfully implemented in the heat sector in the Czech Republic during 2017. IROMEZ received the Crystal Chimney award for its unique project of long-term partnership between the IROMEZ heating plant, its customers and the City of Pelhřimov. The executive managers of the company accepted the award from the Chief Executive Officer of the ADH CR.

This year, the company participated once again in sports and cultural events in the region. The company organized the “Devils swimming with IROMEZ”, which was a great success with participants of all age groups. The company has also become a partner of the first indoor beach volleyball tournament of the CEV Master Series in Pelhřimov. The “Day of Nature” event organized in Počátky in May 2018, where the company demonstrated wood chipping, enjoyed record-breaking attendance with an estimated six to eight thousand visitors.

Details valid as of 30. 9. 2018; total headcount specified without members of the statutory bodies.



In May 2018, OPATHERM a.s. launched its “Smart Kylešovice Vision”

project, thus expanding its portfolio of services provided to customers to now include the distribution and supply of electricity using its own local distribution network.

The first customers in Opava Kylešovice are able to use smart energy from their own neighbourhood at favourable prices and with an overview of their current consumption.



Company name: OPATHERM a.s.

Registered office: Horní náměstí 283/58, 746 01 Opava

Company identification No.: 25385771

Tax identification No.: CZ25385771

Date of establishment: 21 November 1997

Bodies of the company

Board of Directors

Libor Stuchlík	Chairman of the Board of Directors
Michal Chmela	Vice-chairman of the Board of Directors

Supervisory Board

Jörg Lüdorf	Chairman of the Supervisory Board
Jaroslav Pantůček	Member of the Supervisory Board

About the company

Company shareholding structure

MVV Energie CZ a.s.	100%
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Profit from operations for the accounting period	CZK 18,968 thousand
Total revenue	CZK 153,510 thousand
Number of employees	38
Installed heat/electricity output	88.657 MW / 0.199 MW

Customers

Supply of thermal energy to

Households	9,927
Tertiary sphere customers / facilities	49 / 1

Supply of electricity to

Customers	3
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OPATHERM a.s. was established as a private joint-stock company in 1997. In January 1998, the company took over the generation, distribution and supply of heat in Opava from the wound-up Městský podnik bytového hospodářství, s.p. Since June 2001, OPATHERM a.s. has been a member of the MVV Energie CZ Group.

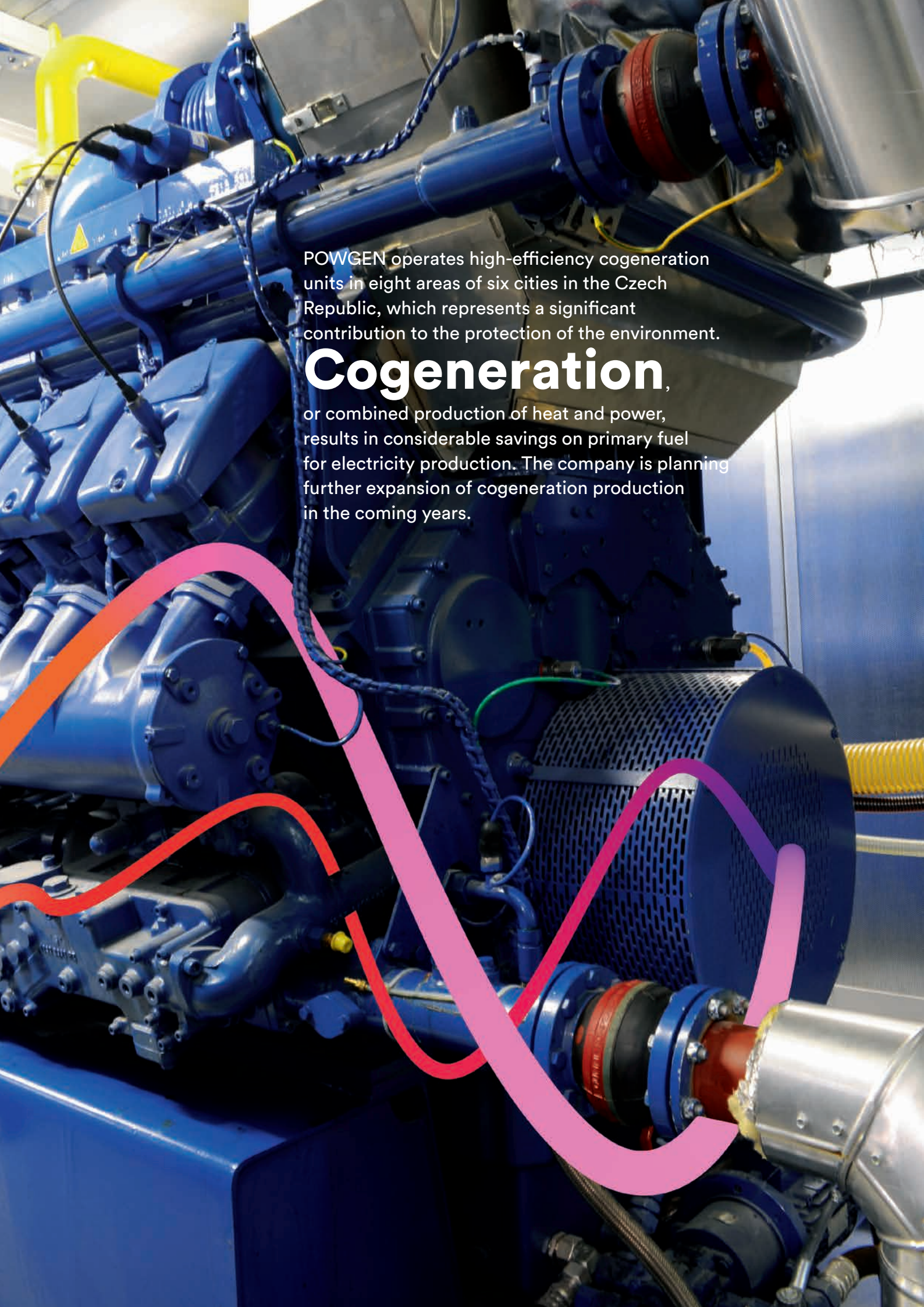
OPATHERM a.s. generates and supplies heat and hot water for the cities of Opava and Dolní Benešov. It also provides real estate lease services and a call out emergency service for real estate companies and associations of homeowners in Opava.

Through an investment project in the 2017–2018 financial year the company completed the implementation of a Local Distribution Network (LDN) in Opava Kylešovice and commenced its operation. The company offers the services of distribution and supply of electricity to connected customers. Since October 2017, a cogeneration unit that enables combined production of electricity and heat has been in operation. The heat is supplied into the heat distribution system in Kylešovice and the electricity produced is supplied partly into its own LDN. This represents another step towards quality improvement and the expansion of services offered to customers.

During this year, OPATHERM also participated in multiple sports, cultural and social projects with the Statutory City of Opava, the football club Slezský fotbalový klub Opava a.s., Elementary school of Edvard Beneš, kindergarten in Opava, the local dog shelter, and the Psychiatric Hospital.

In 2018, the company organized a competition for nursery schools called “The Warmth of Home”, and together with a guest, Smokeman, took part in Earth Day and also in Children’s Day organized in June by the City of Opava for the general public.

Details valid as of 30. 9. 2018; total headcount specified without members of the statutory bodies.



POWGEN operates high-efficiency cogeneration units in eight areas of six cities in the Czech Republic, which represents a significant contribution to the protection of the environment.

Cogeneration,

or combined production of heat and power, results in considerable savings on primary fuel for electricity production. The company is planning further expansion of cogeneration production in the coming years.



Company name: POWGEN a.s.

Registered office: Kutvirtova 339/5, 150 00 Prague 5

Company identification No.: 27928411

Tax identification No.: CZ27928411

Date of establishment: 31 July 2007

Bodies of the company

Board of Directors

Libor Stuchlík	Chairman of the Board of Directors
Michal Chmela	Vice-chairman of the Board of Directors

Supervisory Board

Jörg Lüdorf	Chairman of the Supervisory Board
Jaroslav Pantůček	Member of the Supervisory Board

About the company

Company shareholding structure

MVV Energie CZ a.s.	100%
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Profit from operations for the accounting period	CZK 11,859 thousand
Total revenue	CZK 172,152 thousand
Number of employees	5
Installed heat/electricity output	27.108 MW / 18.268 MW

POWGEN a.s. was established on 31 July 2007 as a wholly owned subsidiary of MVV Energie CZ a.s.

POWGEN a.s. provides electricity cogeneration based on gas engines in six cities served by MVV Energie CZ Group. Since 1 April 2010 the company has been generating and distributing heat also in Studénka.

In the 2017-2018 financial year the company has modernized the heat distribution system in Studénka. This modernization means further reduction in losses across the distribution system and higher consumer convenience.

POWGEN continued its cooperation with SAK Studénka, a public benefit organization, and participated in the organization of a local city ball. In June 2018, the company participated in the "112 responds" event organized by SAK Studénka for children attending primary schools in Studénka, and in September 2018 an Open Door Day was organized on the premises of the Studénka heating plant.

Customers

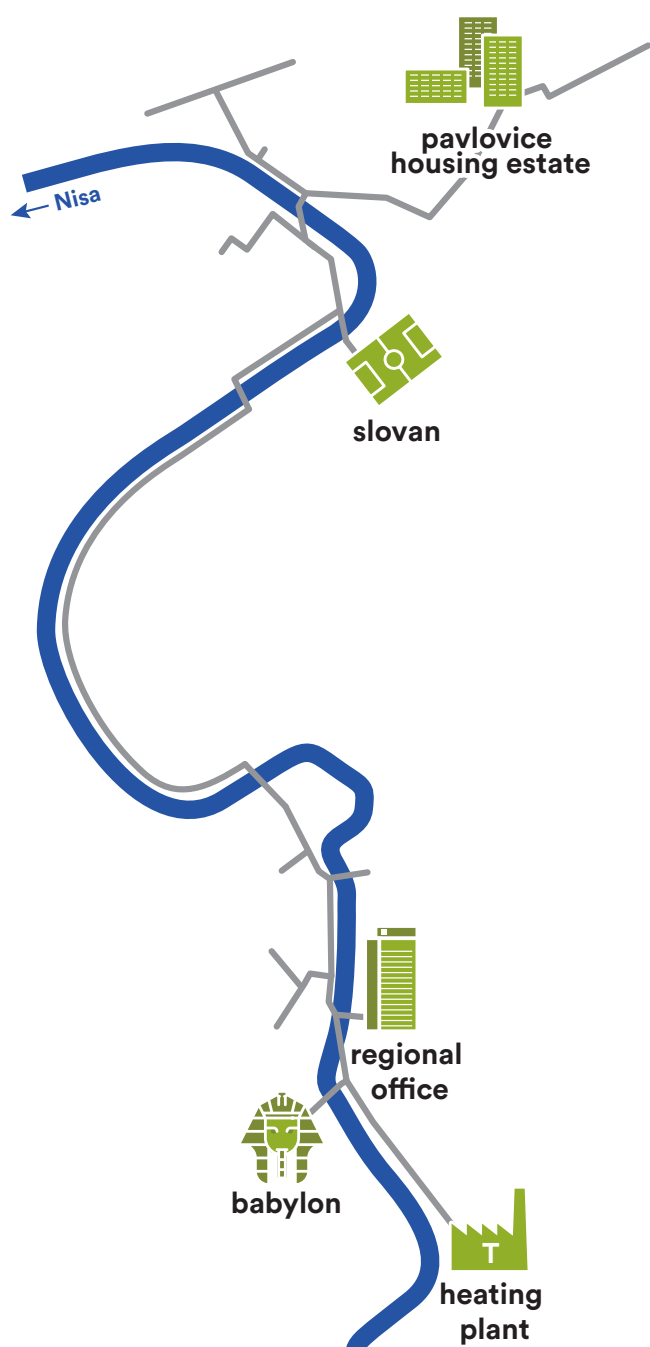
Supply of thermal energy to

Households	642
Industrial customers	1
Tertiary sphere customers	9

Supply of electricity to

Customers	2
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Details valid as of 30. 9. 2018; total headcount specified without members of the statutory bodies.



less money
for heat



greener
energy transfer



the majority of pipes
underground

GreenNet

The essence of the GreenNet project is the transformation of one of three branches of the steam network to hot-water. The replacement of over 9 kilometres of existing steam pipes will significantly

**increase
the effectiveness
of heat supply**

and convenience for customers.

Company name: Teplárna Liberec, a.s.
Registered office: Dr. Milady Horákové 641/34a,
 Liberec IV-Perštýn, 460 01 Liberec

Company identification No.: 62241672

Tax identification No.: CZ62241672

Date of establishment: 13 February 1995

Bodies of the company

Board of Directors

Vladimír Kravjanský	Chairman of the Board of Directors
Petr Hejnc	Vice-chairman of the Board of Directors

Supervisory Board

Jörg Lüdorf	Chairman of the Supervisory Board
Jaroslav Pantůček	Member of the Supervisory Board
Martin Drinka	Member of the Supervisory Board
Jaromír Prokop, MBA	Member of the Supervisory Board
Filip Galnor	Member of the Supervisory Board
Ondřej Petrovský	Member of the Supervisory Board

About the company

Company shareholding structure

ENERGIE Holding a.s.	76.04%
Statutory City of Liberec	23.96%

Profit/loss from operations for the accounting period	CZK -10,060 thousand
Total revenue	CZK 395,864 thousand
Number of employees	80
Installed heat/electricity output	181.48 MW / 6.558 MW

Customers

Supply of thermal energy to

Households	13,330
Industrial customers	11
Tertiary sphere customers	126

Supply of electricity to

Customers	1
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The construction of the heating plant in Liberec was completed in 1976. After its expansion in 1995, the joint stock company Teplárna Liberec was founded by Severočeské teplárny, a.s. and the City of Liberec. A change in the shareholder structure took place on 4 January 2007, when ENERGIE Holding a.s., the legal successor of United

Energy, bought 70% of the shares. Teplárna Liberec thus became a member of the MVV Energie CZ Group. The remaining 30% stake remained in the ownership of the Statutory City of Liberec. The latest change of shareholdings occurred on 14 February 2018: ENERGIE Holding now owns 76.04% and SML 23.96%. A new advisory body called the GreenNet Committee was established to support the modernization of the steam network.

The main business activities pursued by Teplárna Liberec are the generation, distribution, purchase and sale of heat and electricity power as well as the sale of natural gas. The heating plant supplies thermal energy to the City of Liberec and Vratislavice nad Nisou, a municipal district of the City of Liberec. It supplies electricity and natural gas to the TERMIZO plant for energy-efficient use of municipal waste. These plants are operationally connected, and the thermal energy purchased from TERMIZO is used to supply the majority of Liberec city.

During the 2017–2018 financial year the company began to implement GreenNet, a wide-ranging project involving the replacement of one of the branches of the steam piping with a hot-water pipe and the reconstruction of the heating network leading to Pavlovice. For this project, Teplárna Liberec obtained CZK 70 million in subsidies from the Operational Programme Enterprise and Innovations for Competitiveness. Construction work commenced in June 2018 and the first stage was completed at the end of September 2018.

As regards its planned projects, the company continued with the complete reconstruction of the stack. This year, new linings were installed in additional sections of Liberec's 132-metre landmark, to ensure the preservation of a healthy environment for the city. The company completed the connection of the old people's home in Nová Ruda to commence the supply of heat from the heating season 2018–2019.

In the summer the heating plant renovated gauges on primary and secondary distribution systems. During the off-season, technicians performed a number of minor repairs and inspections throughout the heating network, tasks which cannot be done whilst heating is in operation.

This year, Teplárna Liberec once again participated in the organization of cultural and sporting projects. The company supported the Jizera-Ještěd Mountain Club and the Liberec Regional Governor's Ball.

Details valid as of 30. 9. 2018; total headcount specified without members of the statutory bodies.



ZEVO TERMIZO, the producer of Liberec's heat and electricity from waste, started

research and development

of electrochemical methods for the purification of processed waste water. The research focuses on the process of electrocoagulation, i.e. elimination of dissolved substances from processed water to minimize hazardous waste from treatment and reduce the consumption of chemicals in operations, as well as the process of electrodeposition making it possible to obtain zinc and other elements using a metal electrode. The intention of the project is to effectively combine both of these processes, synergistically using their benefits and impacts for actual operation. Project implementation is planned for three years, i.e. until 2020.



Company name: TERMIZO a.s.

Registered office: Dr. Milady Horákové 571/56,
460 07 Liberec VII

Company identification No.: 64650251

Tax identification No.: CZ64650251

Date of establishment: 19 February 1996

Bodies of the company

Board of Directors

Pavel Bernát	Chairman of the Board of Directors
Petr Hejnc	Vice-chairman of the Board of Directors

Supervisory Board

Jörg Lüdorf	Chairman of the Supervisory Board
Jaroslav Pantůček	Member of the Supervisory Board

About the company

Company shareholding structure

MVV Energie CZ a.s.	100%
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Profit from operations for the accounting period	CZK 39,103 thousand
Total revenue	CZK 231,564 thousand
Number of employees	40
Installed heat/electricity output	38.33 MW / 4.54 MW

Customers

Supply of thermal energy to

Industrial customers	1
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Supply of electricity to

Customers	1
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The construction of the waste-to-energy facility in Liberec commenced in 1996. This construction was financed by TERMIZO a.s. which, on 29 March 1996, merged with SMOZKO, an association of interested legal entities operating in the same area. TERMIZO a.s. became a member of MVV Energie CZ Group in July 2011.

The company has been focusing on waste-to-energy technologies and municipal-waste-based generation of heat and electricity for households and companies in Liberec since 1999. TERMIZO's facilities are technologically linked to the Teplárna Liberec, a.s. heat-generating plant.

The company's biggest investment projects in the 2017–2018 financial year included renovation of an iron separation line, replacement of the cooled section of the waste hopper, replacement of the membrane wall of the combustion chamber on the first boiler line, replacement of the first two rows of the P2 superheater and the last two rows of the P3 superheater, overhaul of the 1st section of the flue gas scrubber and upgrade of protective elements of the control system boiler. These changes will ensure continued efficient operation of the facility and compliance with all emission limits. The modifications result in the fulfilment of legislative requirements for the operation of this complex facility.

This year the company supported an extension to the Technical Museum in Liberec, which showcases the importance of industrial production in the Liberec Region. The Museum, built by Boveraclub, an association of enthusiasts, shows historical means of transport as well as the history of the textile industry and modern production technologies used in various companies in the buildings of the Liberec exhibition grounds. The company also supported a series of cycling events for children, "SpinFit Children's MTB Cup 2018", and other sporting and cultural events and activities for children and the elderly.

Details valid as of 30. 9. 2018; total headcount specified without members of the statutory bodies.



Geothermal sources

have been used for heat production by TERMO Děčín since 2002. It is an original and unique project in the Czech Republic's heating industry, which obtained the prestigious award "Project of the Decade" from the Association for District Heating of the Czech Republic in 2012. Geothermal water with an approximate temperature of 30°C rises naturally through a 545 m deep well from an underground lake located beneath Děčín. Other heat sources of the heating plant comprise environmentally-friendly gas-fired cogeneration engines and gas-fired hot-water boilers. This heating network design has improved the environment in the City of Děčín, as well as in the Labské Pískovce Natural Preserve and in the nearby České Švýcarsko National Park.

Company name: TERMO Děčín a.s.

Registered office: Oblouková 958/25,
405 02 Děčín I

Company identification No.: 64050882

Tax identification No.: CZ64050882

Date of establishment: 29 November 1995

Bodies of the company

Board of Directors

Libor Štěpán	Chairman of the Board of Directors
Jan Sulík	Vice-chairman of the Board of Directors

Supervisory Board

Jörg Lüdorf	Chairman of the Supervisory Board
Jaroslav Pantůček	Vice-chairman of the Supervisory Board
Hynek Plachý	Member of the Supervisory Board

About the company

Company shareholding structure

MVV Energie CZ a.s.	96.91%
Statutory City of Děčín	3.09%

Profit from operations for the accounting period	CZK 22,596 thousand
Total revenue	CZK 206,519 thousand
Number of employees	36
Installed heat/electricity output	93.439 MW / 10.903 MW

Customers

Supply of thermal energy to

Households	8,246
Industrial facilities	1
Tertiary sphere customers	138

Supply of electricity to

Regional electric power distribution system	1
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TERMO Děčín a.s. was established by its sole shareholder, the City of Děčín, in 1995. In May 2000, MVV Energie CZ a.s. became its strategic partner. Since August 2005 MVV Energie CZ has had a 96.91% majority share in TERMO Děčín, with the Statutory City of Děčín retaining a minority share of 3.09%.

TERMO Děčín is the main supplier of heat and hot water in the towns of Děčín and Jílové, and uses gas and geothermal water as sources. In the Czech Republic, this represents a unique system of central distribution of heat. In 2012, the geothermal-powered central heat generator in Benešovská street won the Project of the Decade award in a survey of professional journalists organised by the Association for District Heating of the Czech Republic.

TERMO Děčín uses five central sources of thermal energy, one block boiler unit, and also seventeen house gas boiler units. The company also supplies treated water to the municipal technical services for the needs of the city and other legal entities.

Under long-term contracts, customers signed up to a loyalty scheme can enjoy the benefits of a comprehensive service with more favourable terms. In addition to heat supplies from the heat generation, the package includes customer service and advice, a non-stop emergency call-out service, maintenance of heat distribution equipment and the option of electronic billing.

In the 2017–2018 financial year TERMO Děčín implemented several major projects focused primarily on the restoration of heat production and distribution facilities. The company upgraded its operations in the Bynov central heating supply unit, where it replaced cogeneration units with new ones. In the Benešovská central heating supply unit it overhauled the TČ2 heat pump, upgraded heat-pump compressor control and repaired the 170.5m high stack. These measures are intended to ensure the safe and reliable operation of the entire heat distribution system.

The company also published a practical guide called “How to heat your home effectively” for its customers, in which they can find numerous excellent suggestions on the best way to maximize the efficiency of their house or flat heating, as well as answers to the most frequent questions they ask the heating plant. The guide was followed up by the “Thermo Bonus”, a package of services and advice prepared for customers. On the Frekvence 1 radio station the company launched an information campaign with a competition in which customers competed for purchase vouchers and the main prize – free heat for one year.

Details valid as of 30. 9. 2018; total headcount specified without members of the statutory bodies.



New technology

of coal-fired boiler unit desulphurization using the wet method on the Jasenice industrial site will contribute to an improvement in the quality of the environment in Vsetín and its surroundings.



Company name: Zásobování teplem Vsetín a.s.
Registered office: Jiráskova 1326, 755 01 Vsetín
Company identification No.: 45192588
Tax identification No.: CZ45192588
Date of establishment: 6 May 1992

Bodies of the company

Board of Directors

Michal Chmela	Chairman of the Board of Directors
Kamil Ondra	Vice-chairman of the Board of Directors

Supervisory Board

Jörg Lüdorf	Chairman of the Supervisory Board
Jaroslav Pantůček	Member of the Supervisory Board

About the company

Company shareholding structure

MVV Energie CZ a.s.	100%
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Profit from operations for the accounting period	CZK 41,932 thousand
Total revenue	CZK 371,731 thousand
Number of employees	81
Installed heat/electricity output	111.047 MW / 4.685 MW

Customers

Supply of thermal energy to

Households	8,289
Industrial customers	21
Tertiary sphere customers	67

Supply of electricity to

Customers	117
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Water supply and sewerage to

Households	3,116
Industrial customers	37
Tertiary sphere customers	114

Electronic communications services to

Customers	76
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The joint stock company Zásobování teplem Vsetín was established in May 1992 by the National Property Fund of the Czech Republic. Since March 2000 it has been a member of MVV Energie CZ. Since 18 August 2012, MVV Energie CZ a.s. has held 100% of its shares.

Zásobování teplem Vsetín a.s. provides thermal energy for the town of Vsetín and the Jasenice industrial facility. The main heat source in the central heat supply system is Jiráskova heating plant, which also cogenerates electricity. This is then supplied to several local distribution systems and part is supplied to the regional distribution network. The Ohrada heating plant ensures between-season heat production. In addition, the company runs one block boiler unit. It supplies drinking water to the Jasenice industrial facility, where it also provides waste and rainwater disposal and electronic communication services. Since 1 April 2011, the company has also supplied drinking water in Studénka, where it removes and treats waste water as well.

In the 2017–2018 financial year the company launched a total of 6 new building heat exchange stations in apartment buildings of the Luh and Rybníky housing estates as part of the long-term upgrade of the heat supply system. At present these exchange stations are already installed in 90% of the apartment buildings. The stations allow for individual control of the heat-supplied buildings, based on specific user requirements.

On the Jasenice industrial site the company finished new desulphurization technology for the coal-fired boiler unit using the wet method. This will result in a significant reduction of sulphur oxide emissions, contributing to an improvement in the quality of the environment in Vsetín and its surroundings.

In the autumn of 2017, Zásobování teplem Vsetín organized a competition for nursery schools in Vsetín for the second year running, this time on the topic of Mascot of the Jiráskova heating plant. A total of almost 800 children participated.

The Open Door Day welcomed 300 visitors despite the inclement weather. The company also supported the 10th Vsetínský Krpec International Folklore Festival. At the twentieth Valašské záření cultural festival it and the Alcedo leisure centre for children, as well as the Museum of Wallachia and the 155th Mountaineering Club Vsetín, jointly organised an interesting sporting and entertainment programme for children. It also co-organized many events to support young people, such as competitions in fire-fighting sports, youth ice hockey, and a children's camp. The heating plant also lent its bouncy castle to nursery schools.

Details valid as of 30. 9. 2018; total headcount specified without members of the statutory bodies.

06

Compliance

The Compliance Management System (hereinafter the CMS) defines and provides guidance on compliance with the ethical and legal rules of conduct of MVV Energie CZ a.s. (hereinafter the company) and all its employees not only in business, but also in other areas of the activity and existence of the company. These voluntarily adopted rules form an integral part of the company's corporate culture. The system is also applied in all MVV Energie CZ Group companies.

The Compliance Management System has been in operation in MVV Energie CZ a.s. since 1 October 2013. To ensure that the system operates smoothly, the company uses a structure of internal guidelines on the basis of which the rules are applied within the company.

The company's Compliance Management System includes in particular the following areas of activity:

- economic competition,
- financial and tax matters,
- employee relations (including equal opportunities),
- data protection,
- occupational health and safety,
- environmental protection,
- combating corruption.

In order to comply with all the values mentioned above within the framework of the CMS, MVV Energie CZ Group has a shared position of Compliance Manager, who provides for supervision over compliance with the CMS rules in all MVV Energie CZ Group companies, including MVV Energie CZ a.s. At the same time, the Compliance Manager takes the necessary measures to remedy the situation if the rules are violated.

Any employee of MVV Energie CZ a.s., as well as any other person, is entitled to report any actual or suspected breach of the obligations and guidelines contained in the CMS via a hotline set up as part of the CMS in MVV Energie CZ Group, using the email address compliance@mvv.cz. The Compliance Manager is responsible for the operation of this hotline and for ensuring the confidentiality of communication and processing of each notification made via the hotline.

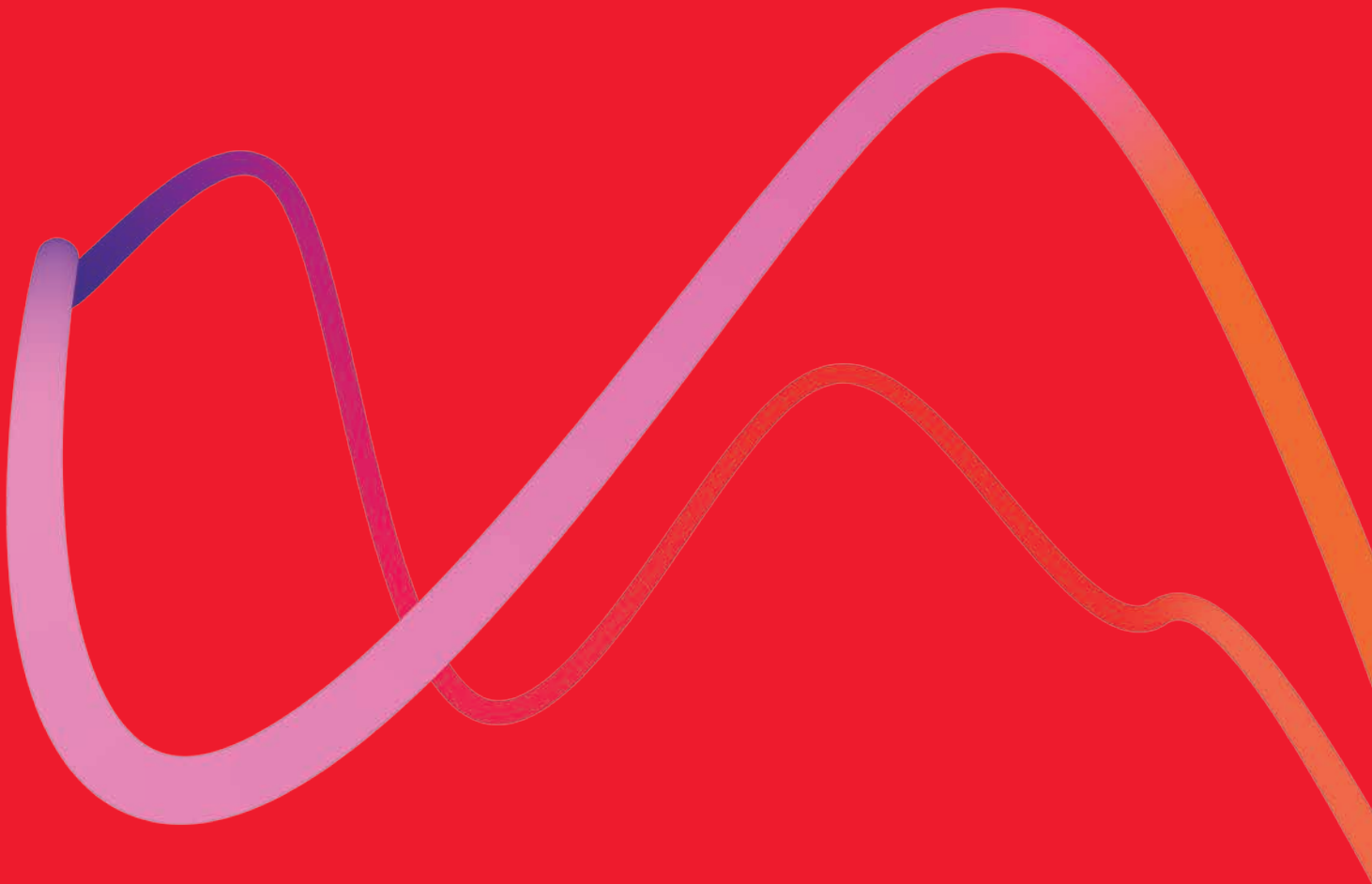
MVV Energie CZ a.s. may also utilize the existence of the Equal Treatment Manager and the Data Protection Manager positions, established as part of the CMS within the MVV Energie CZ Group.

The Equal Treatment Manager supervises compliance with the fundamental principles and rules of equal treatment and protection against discrimination in all companies of the group, including MVV Energie CZ a.s., and supervises the settlement of notifications received with regards to potential breaches of the principles of equal treatment and protection against discrimination.

The Data Protection Manager's key responsibilities include supervision of compliance with the internal system of data protection and security of data during its processing in the MVV Energie CZ Group in accordance with the Principles of Personal Data Processing of the MVV Energie CZ Group, supervision of compliance with the deployed internal systems, rules and regulations, and the settlement of notifications received with regard to potential breaches of data protection and the processing or unauthorized use thereof.

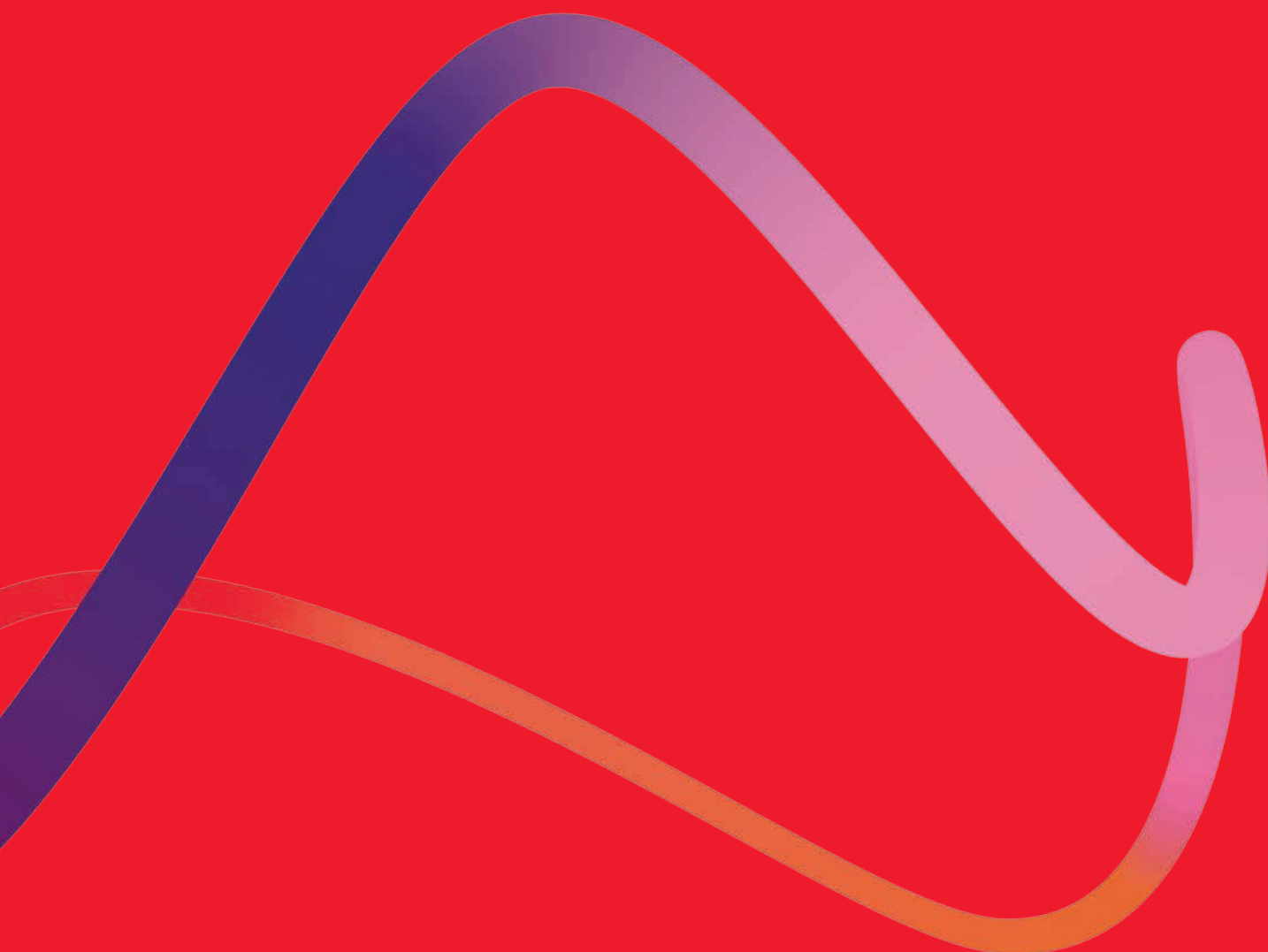
In accordance with the Principles of Personal Data Processing, all employees of MVV Energie CZ a.s., or any other person, are entitled to report any potential breach of responsibility or breach of personal data protection rules, or even suspicion of such breach, to the osobniudaje.mvv@mvv.cz email address, established in accordance with the Principles of Personal Data Processing. The Data Protection Manager is responsible for the operation of this email address and for ensuring the confidentiality of communication and processing of each notification received at this email address.

Financial section



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Board of Directors' report

on business activity of the company for the financial year 2017–2018
(October 2017 – September 2018)

MVV Energie CZ a.s. operates in the energy sector, primarily in the provision of district heating. The primary mission of the company continues to be the management of ownership interests in subsidiaries, the provision of selected services to subsidiaries (such as information technology services) and the provision of energy services, in particular through EPC (Energy Performance Contracting), to companies outside the Group. The main line of business of the subsidiaries is the generation and distribution of thermal energy, which also includes high-efficiency power cogeneration and the operation of waste-to-energy plants.

Over the year 2017–2018, the two-member Board of Directors of the company has undergone several changes of personnel. In May 2018, Jörg Lüdorf was elected to the board as Chairman and CEO followed in July 2018 by Jaroslav Pantůček as member and CFO, replacing Jiří Koptík and Libor Žížala in the Group's management.

The focus of the Board of Directors is not just on the achievement of the planned financial results of MVV Energie CZ a.s., but also on the consolidated financial results of the Group. At the close of the 2017–2018 financial year, MVV Energie CZ Group generated a consolidated operating result of CZK 326 million, as reported in accordance with the accounting guidelines of MVV Energie AG Group, based on the current guidelines of the International Financial Reporting Standards (IFRS).

All companies in the Group strive for a minimum environmental footprint while providing their services. With thermal energy generation, this involves e.g. the use of suitable fuels (natural gas, geothermal, biomass) and combined heat and power generation (cogeneration), a process that maximises the efficiency of the fuel used. In 2017–2018, the Group also implemented a number of measures to increase efficiency, reduce heat losses and renew resources as well as distribution networks. It continued implementation of its wide-ranging modernization GreenNet project to replace steam piping with more efficient hot-water piping in the towns of Liberec and Pelhřimov, and also more generally the transition to green operations in other locations. In Vsetín-Jasenice and Uherské Hradiště, MVV reduced sulphur emissions by about 40% compared to the current state.

In connection with the conclusion of an agreement with the Statutory City of Liberec on the implementation of the GreenNet project, there was a change in the shareholder structure of Teplárna Liberec, a.s. Since 14 February 2018, ENERGIE Holding a.s. has owned 76.04% and SML 23.96%. In addition, a new advisory body to GreenNet was set up at Teplárna Liberec to support the project to modernize the steam network in this location.

District construction housing association Česká Lípa, the largest heat consumer from ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., decided to support the maintenance and development of this modern and eco-friendly heat supply system and, on 27 September 2018, it became a 19.99% shareholder. MVV Energie CZ through Českolipské teplo owns 75% of shares in ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., and the City of Česká Lípa retains its 5.01% share.

For MVV Group, the supply of safe, high-quality energy and a proactive approach with customers are its top priorities. The energy supply package always includes customer and advisory services, round-the-clock emergency services from the control centre and heat generation and distribution facility management. During the 2017–2018 financial year, the Group continued their customer expectation survey, which gave it the insight needed to better listen to customers' needs and enhance customer support. In some locations, the Group also continued the rollout of its loyalty scheme rewarding long-term contracts. Together with the cities in which our companies operate, the Group again participated in a number of social, sports and cultural projects. It also worked in the areas of employee care, professional development of personnel and team-building activities, meanwhile offering all 467 employees in the individual regions stable employment, a fact also recognised by the prestigious Czech Stability Award granted in April 2018.

The Board of Directors will continue to strengthen the sustainable development, growth and expansion of the MVV Energie CZ Group on the Czech energy market.

Prague, 30 October 2018



Jörg Lüdorf
Chairman of the Board of Directors



Jaroslav Pantůček
Member of the Board of Directors

Financial report

During the 2017–2018 financial year, MVV Energie CZ a.s. achieved a profit before tax of CZK 157.6 million. In comparison with 2016–2017, profit increased by CZK 26 million, mainly due to higher revenues from stakes in subsidiaries.

The company generated an operating loss of CZK 11.5 million. Compared to 2016–2017, this result improved by CZK 2.1 million. Sales of services, in particular revenue from the sale of energy saving projects, increased. During the period, the project in Jilemnice was implemented and another contract for the town of Šluknov is currently being completed. The increase in both other operating expenses and income is related to the assignment of long-term receivables to the bank.

Compared to 2016–2017, revenue from sales of goods decreased. This decline was influenced by the continued trend of warmer winter temperatures, which led to a reduction in the sale of fuels to the subsidiaries, as well as a reduction in the cost of their purchase.

As to profit from financial transactions, excluding the influence of revenue from the shares in subsidiaries, the costs related to the assignment of receivables from energy saving projects in the amount of CZK 2.2 million are included, as well as the costs of write-off of financial investments in Dubská energetická společnost a.s., which are fully offset by the release of the provision created for this investment. Litigation about ownership of Dubská energetická společnost a.s. was terminated and the company subsequently wound up.

Total assets show a year-to-year increase of almost CZK 93 million to CZK 2.65 billion. The main factor in this growth is the positively evaluated shares of ownership interests in the company's equity.

MVV Energie CZ a.s. continues to confirm long-term stability and growth.

Index (in thousands of CZK)	Financial year		
	2017–2018	2016–2017	2015–2016
Sales	154,973	166,441	117,452
Earnings before taxes (EBT)	157,625	131,671	108,250
Total assets	2,646,173	2,553,255	2,486,315
Liabilities	38,259	34,725	36,691
Debt ratio (external financial resources / liabilities)	1.45%	1.36%	1.48%

Supervisory Board's report

for the fiscal year 2018 (October 2017 – September 2018)

There were no changes in the structure of the Supervisory Board during the accounting period of 2018: As of 1 October 2017, the Supervisory Board had the following members: Mr. Ralf Klöpfer, Chairman of the Supervisory Board; Mr. Dr. Hansjörg Roll, Member of the Supervisory Board; Mrs. Daniela Kirchner, Member of the Supervisory Board, and Mr. Florian Pavel, Member of the Supervisory Board.

After the resignation of the previous Members of the Board of Directors of MVV Energie CZ a.s. Mr. Jörg Lüdorf has been head of the Board of Directors effective from May 30, 2018. As of July 19, 2018, Mr. Jaroslav Pantůček was elected the Member of the Board of Directors.

The Supervisory Board of MVV Energie CZ a.s. performed the tasks pertaining to it under legislation and the Articles of Association of MVV Energie CZ a.s. As the corporate supervisory body, it supervised the performance of the Board of Directors, as well as the company's business and economic activities.

During the fiscal year 2018 the Supervisory Board met twice – on 15 December 2017 in Mannheim and 20 June 2018 in Prague.

The Supervisory Board was regularly informed about the company's activities, its financial situation and other substantial matters, including those relating to the other companies that make up MVV Energie CZ Group. Among other things, the Supervisory Board:

- Took note of the financial statement of MVV Energie CZ a.s. for the fiscal year 2017 and recommended its approval to the sole shareholder;
- Approved the financial plan of the MVV Energie CZ Group for the fiscal year 2018 and recommended its approval to the sole shareholder;
- Recommended approval of the auditor for the fiscal year 2018 to the sole shareholder.

In accordance with the law, the Supervisory Board reviewed the regular final accounts and consolidated final accounts as of 30 September 2018. It was concluded that the accounting records and books had been maintained in a probative way in accordance with accounting regulations and that the final accounts truly and fairly reflect the financial situation of MVV Energie CZ a.s., respectively the consolidated unit of MVV Energie CZ a.s. as of 30 September 2018.

The audit of the financial statements was conducted by PricewaterhouseCoopers Audit, s.r.o., who in their audit report confirmed that financial statements were prepared in accordance with Czech accounting legislation and they provide true and fair view of the financial position of MVV Energie CZ a.s. as at 30 September 2018.

Special purpose consolidated financial information for the purpose of MVV Energie AG consolidation, that is prepared in accordance with the IFRS as adopted by the EU, were prepared in accordance with the MVV AG Group accounting manual. The Supervisory Board acknowledged the auditor's opinion.

The Supervisory Board also reviewed the proposal of the Board of Directors with regards to the distribution of profits earned in the accounting year 2017.

On the basis of the above, the Supervisory Board recommended the consolidated final accounts for the accounting period 2018 for approval by the sole shareholder and accepted the proposal of the Board of Directors for the distribution of profits.

The Supervisory Board reviewed the organizational structure and results of the MVV Group-wide Compliance Management System as implemented by MVV Energie CZ subgroup in its meeting on 15 December 2017 with no findings.

The Supervisory Board would hereby like to thank the Board of Directors and all employees for their continued efforts and commitment throughout the fiscal year 2018.

Mannheim, 14 December 2018



Ralf Klöpfer
Chairman of the Supervisory Board

Independent Auditor's report



to the shareholder of MVV Energie CZ a.s.

Opinion

We have audited the accompanying financial statements of MVV Energie CZ a.s., with its registered office at Kutvirtova 339/5, Praha 5, ("the Company") prepared in accordance with Czech accounting legislation, which comprise the balance sheet as at 30 September 2018, the income statement, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, which include 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 the Company as at 30 September 2018, of its financial performance and its cash flows for the year then ended in accordance with Czech accounting legislation.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Standards on Auditing of the Chamber of Auditors of the Czech Republic. These standards consist of International Standards on Auditing (ISAs) which may be supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA) and accepted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors is 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 about the Company 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 and regulation, in particular, whether the other information complies with law and 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 and 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 Board of Directors and Supervisory Board for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the above stated requirements 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 stated requirements, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

14 December 2018



represented by partner



Tomáš Bašta

Statutory Auditor, Evidence No. 1966

PricewaterhouseCoopers Audit, s.r.o., registered seat Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Evidence No 021.

Note: Our 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 our report takes precedence over the English version.

Financial statements

Balance sheet

as of 30 September 2018 in thousand CZK

current period from 1 October 2017 until 30 September 2018, previous period from 1 October 2016 until 30 September 2017

Ref.	ASSETS	Current period		Previous period	
		Gross	Provision	Net	Net
	TOTAL ASSETS	2,700,291	-54,118	2,646,713	2,553,255
B.	Fixed assets	2,286,970	-53,835	2,233,135	2,162,396
B. I.	Intangible fixed assets	42,541	-40,462	2,079	2,951
B. I. 2.	Royalties	41,809	-40,462	1,347	2,461
B. I. 5.	Advances paid and intangible fixed assets in the course of construction	732	0	732	490
B. II.	Tangible fixed assets	18,749	-13,373	5,376	4,833
B. II. 2.	Equipment	18,061	-12,955	5,106	4,603
B. II. 4.	Other tangible fixed assets	418	-418	0	0
B. II. 5.	Advances paid and tangible fixed assets in the course of construction	270	0	270	230
B. III.	Long-term investments	2,225,680	0	2,225,680	2,154,612
B. III. 1.	Investments – subsidiaries and controlling party	2,225,680	0	2,225,680	2,154,612
C.	Current assets	412,488	-283	412,205	389,908
C. I.	Inventories	12,326	0	12,326	2,251
C. I. 2.	Work in progress and semi-finished products	12,326	0	12,326	2,251
C. II.	Receivables	36,549	-283	36,266	56,514
C. II. 1.	Long-term receivables	7,515	0	7,515	8,973
C. II. 1. 1.	Trade receivables	1,103	0	1,103	3,498
C. II. 1. 4.	Deferred tax asset	6,412	0	6,412	5,475
C. II. 2.	Short-term receivables	29,034	-283	28,751	47,541
C. II. 2. 1.	Trade receivables	5,125	-283	4,842	15,014
C. II. 2. 2.	Receivables – subsidiaries and controlling party	-	0	-	9,000
C. II. 2. 4.	Receivables – other	23,909	0	23,909	23,527
C. II. 2. 4. 3.	Taxes – receivables from the state	1,614	0	1,614	1,098
C. II. 2. 4. 4.	Short-term advances paid	3,810	0	3,810	4,180
C. II. 2. 4. 5.	Estimated receivables	18,484	0	18,484	18,247
C. II. 2. 4. 6.	Other receivables	1	0	1	2
C. IV.	Cash	363,613	0	363,613	331,143
C. IV. 1.	Cash in hand	72	0	72	177
C. IV. 2.	Cash at bank	363,541	0	363,541	330,966
D.	Prepayments and accrued income	833	0	833	951
D. 1.	Prepaid expenses	833	0	833	951

Balance sheet

as of 30 September 2018 in thousand CZK

current period from 1 October 2017 until 30 September 2018, previous period from 1 October 2016 until 30 September 2017

Ref.	LIABILITIES AND EQUITY			Current Period	Previous Period
	TOTAL LIABILITIES AND EQUITY			2,646,173	2,553,255
A.	Equity			2,607,901	2,518,272
A. I.	Share capital			720,000	720,000
A. I. 1.	Share capital			720,000	720,000
A. II.	Share premium and capital contributions			1,496,843	1,425,775
A. II. 2.	Capital contributions			1,496,843	1,425,775
A. II. 2. 1.	Other capital contributions			571,001	571,001
A. II. 2. 2.	Assets and liabilities revaluation			925,842	854,774
A. IV.	Retained earnings / accumulated losses			232,496	239,847
A. IV. 1.	Retained earnings			232,496	239,847
A. V.	Profit / (loss) for the current period			158,562	132,650
B.+ C.	Liabilities			38,259	34,725
B.	Provisions			8,142	8,871
B. 4.	Other provisions			8,142	8,871
C.	Liabilities			30,117	25,854
C. II.	Short-term liabilities			30,117	25,854
C. II. 3.	Short-term advances received			733	686
C. II. 4.	Trade payables			1,746	1,784
C. II. 8.	Liabilities - other			27,638	23,384
C. II. 8. 6.	Estimated payables			27,638	23,384
D.	Accruals and deferred income			13	258
D. 1.	Accrued expenses			0	245
D. 2.	Deferred income			13	13

Income statement

for the year ended 30 September 2018 in thousand CZK

current period from 1 October 2017 until 30 September 2018, previous period from 1 October 2016 until 30 September 2017

Ref.	DESCRIPTION	Current period	Previous period
I.	Sales of products and services	68,372	66,192
II.	Sales of goods	85,589	99,966
A.	Cost of sales	128,352	135,478
A. 1.	Cost of goods sold	79,210	93,966
A. 2.	Raw materials and consumables used	2,392	2,227
A. 3.	Services	46,750	39,285
C.	Own work capitalised	-8,187	-4,139
D.	Staff costs	44,738	42,183
D. 1.	Wages and salaries	34,339	32,286
D. 2.	Social security, health insurance and other social costs	10,399	9,897
D. 2. 1.	Social security and health insurance costs	9,751	9,141
D. 2. 2.	Other social costs	648	756
E.	Value adjustments in operating activities	4,329	6,040
E. 1.	Value adjustments of fixed assets	4,407	6,289
E. 1. 1.	Depreciation, amortisation and write off of fixed assets	4,407	6,289
E. 3.	Provision for impairment of receivables	-78	-249
III.	Operating income – other	24,524	11,265
III. 1.	Sales of fixed assets	1,012	273
III. 2.	Sales of raw materials	0	10
III. 3.	Other operating income	23,512	10,982
F.	Operating expenses – other	20,730	11,469
F. 1.	Net book value of fixed assets sold	80	0
F. 3.	Taxes and charges from operating activities	48	60
F. 4.	Operating provisions and complex prepaid expenses	-729	-385
F. 5.	Other operating expenses	21,331	11,794
*	Operating result	-11,477	-13,608
IV.	Income from sales of long-term investments – shares	171,085	145,076
IV. 1.	Income from sales of investments – subsidiaries or controlling party	171,085	145,076
VI.	Interest and similar income	887	859
VI. 2.	Other interest and similar income	887	859
I.	Value adjustments and provisions from financial operations	-12,000	0
VII.	Other financial income	40	2
K.	Other financial expenses	14,910	658
*	Financial result	169,102	145,279
**	Net profit / (loss) before taxation	157,625	131,671
L.	Tax on profit or loss	-937	-979
L. 2.	Tax on profit or loss – deferred	-937	-979
**	Net profit / (loss) after taxation	158,562	132,650
***	Net profit / (loss) for the financial period	158,562	132,650
	Net turnover for the financial period = I. + II. + III. + IV. + V. + VI. + VII.	350,497	323,360

Statement of changes in shareholders' equity

for the year ended 30 September 2018 in thousand CZK

current period from 1 October 2017 until 30 September 2018, previous period from 1 October 2016 until 30 September 2017

	Share capital	Other capital funds	Revaluation reserve	Retained earnings	Total
As at 1 October 2016	720,000	571,001	728,194	429,846	2,449,041
Fair value gains					
Investments in subsidiaries/associates	0	0	126,580	0	126,580
Profit distribution paid	0	0	0	-190,000	-190,000
Net profit for the current period	0	0	0	132,650	132,650
Rounding	0	0	0	1	1
As at 30 September 2017	720,000	571,001	854,774	372,497	2,518,272
Fair value gains					
Investments in subsidiaries/associates	0	0	71,068	0	71,068
Profit distribution paid	0	0	0	-140,000	-140,000
Net profit for the current period	0	0	0	158,562	158,562
Rounding	0	0	0	-1	-1
As at 30 September 2018	720,000	571,001	925,842	391,058	2,607,901

Cash flow statement

for the year ended 30 September 2018 in thousand CZK

current period from 1 October 2017 until 30 September 2018, previous period from 1 October 2016 until 30 September 2017

		Current period	Previous period
	Cash flows from operating activities		
	Net profit on ordinary activities before tax	157,625	131,671
A.1	Adjustments for non-cash movements:		
A.1.1	Depreciation/amortisation of fixed assets	4,407	6,289
A.1.2	Changes in provisions	-12,807	-634
A.1.3	Profit from disposal of fixed assets	-932	-273
A.1.4	Profit distribution income and dividends	-171,085	-145,076
A.1.5	Net interest income	-887	-859
A.1.6	Other non-cash movements	12,000	2
A*	Net cash flow from operating activities before tax and changes in working capital	-11,679	-8,880
A.2	Working capital changes:		
A.2.1	Changes in receivables and prepayments and accrued income	12,363	-6,595
A.2.2	Changes in short-term payables, accrued expenses and deferred income	3,733	-589
A.2.3	Changes in inventories	-10,075	24,940
A**	Net cash flow from operating activities before tax	-5,658	8,876
A.4	Interest received	905	876
A.7	Profit distribution received and dividends	180,085	136,076
A***	Net cash flow from operating activities	175,332	145,828
	Cash flows from investing activities		
B.1	Acquisition of fixed assets	-3,874	3,401
B.2	Proceeds from the sale of fixed assets	1,012	273
B***	Net cash flow used in investing activities	-2,862	-3,128
	Cash flows from financing activities		
C.2	Changes in equity:		
C.2.6	Profit distribution paid	-140,000	-190,000
C***	Net cash flow used in financing activities	-140,000	-190,000
	Net (decrease) / increase in cash and cash equivalents	32,470	-47,300
	Cash and cash equivalents as at the beginning of the year	331,143	378,443
	Cash and cash equivalents as at the end of the year	363,613	331,143

Notes to the financial statements

for the year ended 30 September 2018 in thousand CZK

current period from 1 October 2017 until 30 September 2018, previous period from 1 October 2016 until 30 September 2017

1. General information

1.1. Introductory information about the Company

MVV Energie CZ a.s. ("the Company") was incorporated on 6 October 1993 and has its registered office at Kutvirtova 339/5, 150 00 Prague 5. The Company is registered in the Commercial Register under file number Section B, insert 14942 kept by the Municipal Court in Prague. The identification number of the Company is 49685490. The main business activities of the holding company are services in the field of technical and economic advisory and the implementation of energy saving projects.

The Company updated its Articles of Association that are now fully governed by the new Corporations Act. This fact became effective as at the date of its registration into the Commercial Register, specifically on 15 October 2015.

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

2. Accounting policies

2.1. Basis of preparation

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

Investments in subsidiaries are valued by the equity method.

2.2. Investments in subsidiaries

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

Investments in subsidiaries are accounted for by the equity method of accounting. Under this method, the investment is initially recorded at cost and the carrying amount is increased or decreased to recognise the investor's share of the equity of the subsidiary as at the balance sheet date. Revaluation of investment by using the equity method of accounting is recorded through the Company's equity.

2.3. Inventories

Purchased inventories are stated at the lower of cost and net realisable amount. Cost includes all costs related with its acquisition (mainly transport costs, customs duty, etc.). The actual costs method is applied for all disposals.

2.4. Receivables

Receivables are stated at nominal value less a provision for doubtful amounts. A provision for doubtful amounts is created on the basis of an ageing analysis and individual evaluation of the credit worthiness of the customers. Receivables from related parties have not been provided for.

2.5. Foreign currency translation

Transactions denominated in a foreign currency are translated and recorded at the rate of exchange ruling as at the transaction date. In case of purchase or sale of foreign currency for Czech crowns, exchange rate for which these values were purchased or sold is used.

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

2.6. Changes of accounting policies and corrections of prior period errors

Changes to accounting policies (inclusive of deferred tax impact) and corrections of errors arising from incorrect accounting or unrecorded expenses and income in prior periods, if material, are recorded on financial statements line Restatements of retained earnings.

2.7. Provisions

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

2.8. Revenue analysis

Sales are recognised upon the delivery of products and customer acceptance and are stated net of discounts and value added tax.

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

2.9. Related parties

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

- parties, which directly or indirectly control the Company, their subsidiaries;
- 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; and/or
- subsidiaries.

Material transactions and outstanding balances with related parties are disclosed in Note 10.

2.10. Interest expense

All borrowing costs are expensed.

2.11. Deferred tax

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

2.12. Employment benefits

The Company does not recognise a provision relating to untaken holidays due to its immateriality.

The Company recognises a provision relating to rewards and bonuses of employees.

Regular contributions are made to the state to fund the national pension plan. The Company also provides contributions to defined contribution plans operated by independent pension funds.

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 disclosed, but are not themselves recognised in the financial statements.

3. Investments in subsidiaries and investments in associates

30 September 2018	Number of shares	Nominal Value (CZK'000)	Cost (CZK'000)	Carrying value (CZK'000)	% of capital	Year ended 30 September 2018 net profit (CZK'000)	Net assets as at 30 September 2018 (CZK'000)	Year ended 30 September 2018 dividend income (CZK'000)
Czech entities								
Zásobování teplem Vsetín a.s. Jiráskova 1326, Vsetín	2,762	78,878	183,872	229,048	100	41,932	229,048	30,000
CTZ s.r.o. Sokolovská 572, Uherské Hradiště	-	-	31,800	49,239	50,96	12,480	96,622	8,663
TERMO Děčín a.s. Oblouková 958/25, Děčín	502,895	46,769	49,086	255,537	96,91	22,596	263,681	14,536
Českolipské teplo a.s. Kutvirtova 339/5, Prague 5	1	2,000	47,795	180,045	100	37,440	180,045	15,000
OPATHERM a.s. Horní náměstí 283/58, Opava	100	9,900	134,000	101,037	100	18,968	101,037	5,000
Dubská energetická společnost a.s. Purkyňova 1849, Česká Lípa	-*	-	-	-	-	-	-	-
ENERGIE Holding a.s. Kutvirtova 339/5, Prague 5	1	99,635	299,654	398,524	100	60,280	398,524	45,886
POWGEN a.s. Kutvirtova 339/5, Prague 5	1	2,000	3,249	198,501	100	11,859	198,501	15,000
G-RONN s.r.o. Kutvirtova 339/5, Prague 5	-	-	23,218	115,886	100	8,926	115,886	0
G-LINDE s.r.o. Kutvirtova 339/5, Prague 5	-	-	6,219	15,316	100	1,171	15,316	0
IROMEZ s.r.o. Pod Náspem 2005, Pelhřimov	-	-	33,126	95,306	100	4,115	95,306	0
TERMIZO a.s. Dr. Milady Horákové 571/56, Liberec	1,389	13,890	487,607	586,105	100	39,103	586,105	37,000
e.services s.r.o. Oblouková 958/25, Děčín	-	-	211	1,136	100	196	1,136	0
Net book value				2,225,680				171,085

*Note: The Company has written off a financial investment in Dubská energetická společnost a.s. in the amount of CZK 12,000 thousand and released the provision in the same amount due to the termination of the ownership litigation and subsequent liquidation of the company Dubská energetická společnost a.s. in which the Company did not have ownership and management rights.

30 September 2017	Number of shares	Nominal Value (CZK'000)	Cost (CZK'000)	Carrying value (CZK'000)	% of capital	Year ended 30 September 2017 net profit (CZK'000)	Net assets as at 30 September 2017 (CZK'000)	Year ended 30 September 2017 dividend income (CZK'000)
Czech entities								
Zásobování teplem Vsetín a.s. Jiráskova 1326, Vsetín	2,762	78,878	183,872	218,412	100	36,559	218,413	15,000
CTZ s.r.o. Sokolovská 572, Uherské Hradiště	-	-	31,800	51,783	50,96	15,373	101,615	8,663
TERMO Děčín a.s. Oblouková 958/25, Děčín	502,895	46,769	49,086	249,021	96,91	30,405	256,961	18,412
Českolipské teplo a.s. Kutvirtova 339/5, Prague 5	1	2,000	47,795	144,925	100	25,397	144,925	19,000
OPATHERM a.s. Horní náměstí 283/58, Opava	100	9,900	134,000	87,068	100	17,534	87,069	0
Dubská energetická společnost a.s. Purkyňova 1849, Česká Lípa	1,000	1,000	12,000	12,000	100	-*	-*	0
ENERGIE Holding a.s. Kutvirtova 339/5, Prague 5	1	99,635	299,654	411,809	100	45,886	411,808	47,000
POWGEN a.s. Kutvirtova 339/5, Prague 5	1	2,000	3,249	201,734	100	21,112	201,734	0
G-RONN s.r.o. Kutvirtova 339/5, Prague 5	-	-	23,218	106,961	100	12,347	106,960	0
G-LINDE s.r.o. Kutvirtova 339/5, Prague 5	-	-	6,219	14,145	100	1,804	14,145	0
IROMEZ s.r.o. Pod Náspem 2005, Pelhřimov	-	-	33,126	91,292	100	9,898	91,292	0
TERMIZO a.s. Dr. Milady Horákové 571/56, Liberec	1,389	13,890	487,607	576,522	100	58,726	576,522	37,000
e.services s.r.o. Oblouková 958/25, Děčín	-	-	211	940	100	324	940	0
Total				2,166,612				145,076
Provision for diminution in value				-12,000*				
Net book value				2,154,612				

* Note: The impairment consists of: 100% impairment in amount of CZK 12,000 thousand of the company Dubská energetická společnost a.s. The Company has no ability to effectively use its controlling power over the company Dubská energetická společnost a.s. due to an ownership dispute. The Company has no access to the recent financial results of the company.

There is no difference between the percentage of the ownership and the percentage of voting rights in any of the subsidiary and associate.

As at 30 September 2018 the Company has no receivables from the dividend received. As at 30 September 2017 the company recognized unpaid dividends in amount of CZK 9,000 thousand from the company Českolipské teplo a.s.

4. Inventories

Inventories amounting to CZK 12,326 thousand as at 30 September 2018 represent work-in-progress related to EPC projects (as at 30 September 2017: CZK 2,251 thousand).

No impairment was created to inventories as at 30 September 2018 and as at 30 September 2017.

5. Receivables

Overdue receivables as at 30 September 2018 amounted to CZK 1,632 thousand (as at 30 September 2017: CZK 450 thousand).

Impairment of receivables as at 30 September 2018 amounted to CZK 283 thousand (as at 30 September 2017: CZK 361 thousand)

Unsettled receivables as at 30 September 2018 have not been covered by guarantees and none of them are due after more than 5 years.

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

6. Equity

The Company is fully owned by MVV Energie AG, incorporated in Germany. MVV Energie AG is also the parent company of the whole Group MVV Energie CZ.

The Company is a part of a single consolidation unit, whose parent company is MVV Energie AG. The consolidated financial statements can be obtained at headquarters of MVV Energie AG at D-68159 Mannheim, Luisenring 49, Germany.

The Company is fully governed by the new Corporations Act (see Note 1) and used the option not to create a reserve fund. This fact is further enabled by the Articles of Associations of the Company.

The General Meeting of the shareholder approved the financial statements for the year ended 30 September 2017 and decided about the allocation of profit earned for year ended 30 September 2017 of CZK 132,650 thousand to retained earnings on 15 December 2017.

The sole shareholder decided about payment of the profit share in the amount of CZK 140 million on 15 December 2017.

7. Provisions

(CZK'000)	Litigation provisions	Provision for projects	Payables to employees (bonuses)	Total
Opening balance as at 1 October 2016	1,308	1,131	6,817	9,256
Charge for the year	0	0	7,571	7,571
Released in the year	0	-40	-1,056	-1,096
Used in the year	-8	-1,091	-5,761	-6,860
Closing balance as at 30 September 2017	1,300	0	7,571	8,871
Charge for the year	0	0	8,042	8,042
Released in the year	-1,200	0	-901	-2,101
Used in the year	0	0	-6,670	-6,670
Closing balance as at 30 September 2018	100	0	8,042	8,142

8. Payables and commitments

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

Total non-cancellable future commitments in respect of operating leases (not recorded in the balance sheet) from title of rent agreement in the registered office amounted to CZK 4,425 thousand as at 30 September 2018 (as at 30 September 2017: CZK 6,784 thousand)

The Company had bank guarantees issued for operational purposes as at 30 September 2018 in amount of CZK 1,247 thousand (as at 30 September 2017: CZK 947 thousand).

As at 30 September 2018 the Company has contingent liabilities in the amount of CZK 22,266 thousand (without interest) due to a ceded receivable with maturity to 31 December 2024.

9. Bank loans and other borrowings

The Company has no bank loans.

The Company has provided guarantees and collaterals for loans of its subsidiaries in the following banking institutions:

UniCredit Bank	- Pledge of the shares of subsidiary OPATHERM a.s., for its loan
ČS	- Pledge of the shares of subsidiary ENERGIE Holding a.s. for its loan
Komerční banka	- Guarantor a loan of Teplárna Liberec, a.s.
Komerční banka	- Pledge of shares of subsidiary TERMIZO a.s. for its loan

10. Related party transactions

All material transactions with related parties are presented in this note.

(CZK'000)	Current period	Previous period
Revenues		
Services provided within the Group	44,003	49,919
Sales of goods – sales of fuels	85,589	99,966
Revenues	171,085	145,076
Total	300,677	294,961
Costs		
Lease of movable and immovable assets	0	4,344
Other services	2,110	189
Total	2,110	4,533

Related party transactions do not include re invoicing of emission rights. The Company purchased and sale of emission rights in amount of CZK 13,515 thousand from its sister company MVV Trading GmbH and subsidiary IROMEZ s.r.o. in the financial year ended 30 September 2018 and sold these emission rights to related party.

The Company purchased emission rights in amount of CZK 2,702 thousand from its sister company MVV Trading GmbH in the financial year ended 30 September 2017 and sold these emission rights to subsidiaries in the same amount.

The following related party balances were outstanding as at:

(CZK'000)	Current period	Previous period
Receivables		
Trade receivables	1,377	30
Receivables from dividends	0	9,000
Estimated receivables	17,231	14,245
Total	18,608	23,275
Liabilities		
Estimated payables	5,547	13
Total	5,547	13

Members of the Company's Board of Directors, Supervisory Board and shareholder have not received any loans/credits/deposits during financial year ended as at 30 September 2018 and 30 September 2017.

Company cars are made available for use by the Company's Board of Directors and relevant management.

11. Employees

	number	Current period CZK'000	number	Previous period CZK'000
Wages and salaries to other management	8	19,336	8	15,512
Wages and salaries to other employees	26	15,003	25	16,774
Social security costs		9,751		9,141
Other social costs		648		756
Wages and salaries total	34	44,738	33	42,183

The Company's management includes the Statutory Representative, other managers and senior staff members directly reporting to them.

Other transactions with the Company's management are described in Note 10 – Related party transactions.

12. Income tax

The income tax expense analysis:

(CZK'000)	Current period	Previous period
Deferred tax expense	-937	-979
Total income tax expense	-937	-979

The deferred tax was calculated at 19%.

Deferred tax asset can be analysed as follows:

(CZK'000)	Current period	Previous period
Deferred tax liability arising from:		
Difference between tax and accounting net book value of fixed assets	0	-96
Total deferred tax liability	0	-96
Deferred tax asset arising from:		
Difference between accounting and tax net book value of fixed assets	25	0
Provisions	1,601	1,754
Previous tax losses	4,786	3,817
Total deferred tax asset	6,412	5,571
Net deferred tax asset	6,412	5,475

As at 30 September 2018 the company had tax losses in amount CZK 25,192 thousand, which could be used up to 30 September 2023.

13. Subsequent events

No events have occurred subsequent to year-end that would have a material impact on the financial statements as of 30 September 2018.

30 November 2018



Jörg Lüdorf
Chairman of the Board of Directors



Jaroslav Pantůček
Member of the Board of Directors

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

Report on Relations

for the accounting period from 1 October 2017 to 30 September 2018

Company name: MVV Energie CZ a.s.

Registered office: Kutvirtova 339/5, 150 00 Prague 5

Company Identification No.: 49685490

Tax Identification No.: CZ49685490

Company registered in the Commercial Register maintained by the Municipal Court in Prague; Section B, File No. 14942 (hereinafter referred to as the “Company”).

The Board of Directors of the Company:

1) DECLARES THAT:

- The business concern has joint management – with a holding entity and a subsidiary.
- The holding entity as per Section 79 of Act No. 90/2012 Sb., on Business Corporations, as amended (hereinafter referred to as the “Business Corporations Act”) and the majority shareholders are always the controlling entity, unless otherwise stated in Section 75 of the Business Corporations Act; the subsidiary is always the controlled entity.

On the basis thereof, the Company’s Board of Directors is obliged, in accordance with the provisions of Section 82 of the Business Corporations Act, to produce a written report on relations between the controlling and controlled entities for the previous accounting period within 3 months of the end of the accounting period.

2) APPROVES THIS REPORT ON RELATIONS FOR THE PERIOD OF OCTOBER 2017 – SEPTEMBER 2018

The structure of relations between the holding entity and all subsidiaries (the controlling and all controlled entities) within the MVV Energie concern:

The Company belongs to the MVV Energie concern; the structure of its entities located in the Czech Republic is shown in Appendix 1 to this Report on Relations.

The controlling entity (holding entity – Concern; as per Section 79 of the Business Corporations Act)

The controlling entity (in this concern the holding entity) is MVV Energie AG, with its registered office in the Federal Republic of Germany, Mannheim D 68159, Luisenring 49, Company Identification No. HRB 1780.

Other entities controlled by the controlling entity (i.e. by the holding entity)

The relations between MVV Energie CZ a.s. and its controlled entities are described in reports prepared by such entities. This Report contains only relations towards the parent company and subsidiaries belonging to the MVV Energie concern based in the Czech Republic. Other companies belonging to the MVV Energie concern which are headquartered abroad are not mentioned as the Company does not have any relations with them with the exception of the following companies, which are subsidiaries of MVV Energie AG: MVV Trading GmbH, with its registered office at Mannheim D 68159, Luisenring 49, Federal Republic of Germany, Company Identification No. HRB 7897 and MVV Umwelt GmbH, with its registered office at Otto-Hahn-Straße 1, D 68169 Mannheim, Federal Republic of Germany, Company Identification No. HRB 8877; and MVV Umwelt Asset GmbH, Otto-Hahn-Straße 1, D 68169 Mannheim, Federal Republic of Germany, Company Identification No. HRB 9355.

1. Entities controlled indirectly by the controlling entity (i.e. indirect subsidiaries):

- CTZ s.r.o., with its registered office at Sokolovská 572, Uherské Hradiště – Mařatice, Postal Code: 686 01, Company identification No.: 63472163;
- ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., with its registered office at Liberecká 132, Česká Lípa, Stará Lípa, Postal Code: 470 01, Company identification No.: 64653200;
- Českolipské teplo a.s., with its registered office at Kutvirtova 339/5, Prague 5-Radlice, Postal Code: 150 00, Company identification No.: 63149907;
- e.services s.r.o., with its registered office at Oblouková 958/25, Děčín I-Děčín, Postal Code: 405 02, Company identification No.: 28748514;
- ENERGIE Holding a.s., with its registered office at Kutvirtova 339/5, Prague 5-Radlice, Postal Code: 150 00, Company identification No.: 27594301;
- G-LINDE s.r.o., with its registered office at Kutvirtova 339/5, Prague 5, Postal Code: 150 00, Company identification No.: 24684538;
- G-RONN s.r.o., with its registered office at Kutvirtova 339/5, Prague 5, Postal Code: 150 00, Company identification No.: 24679399;
- IROMEZ s.r.o., with its registered office at Pod Náspem 2005, Pelhřimov, Postal Code: 393 01, Company identification No.: 24707341;
- OPATHERM a.s., with its registered office at Horní náměstí 283/58, Opava-město, Opava, Postal Code: 746 01, Company identification No.: 25385771;
- POWGEN a.s., with its registered office at Kutvirtova 339/5, Prague 5; Postal Code: 150 00, Company identification No. 27928411;
- Teplárna Liberec, a.s., with its registered office at Dr. Milady Horákové 641/34a, Liberec IV-Perštýn, Postal Code: 460 01, Company identification No.: 62241672;
- TERMIZO a.s., with its registered office at Dr. Milady Horákové 571/56, Liberec VII – Horní Růžodol, Postal Code: 460 07, Company identification No.: 64650251;
- TERMO Děčín a.s., with its registered office at Oblouková 958/25, Děčín I – Děčín, Postal Code: 405 02, Company identification No.: 64050882;
- Zásobování teplem Vsetín a.s., with its registered office at Jiráskova 1326, Vsetín, Postal Code: 755 01, Company identification No.: 45192588.

Role of a controlled entity in MVV Energie concern

Direct operator of business activities in the Czech Republic.

Method and means of control

By means of a share interest within the decision-making process of the Company's general meeting.

A review of meetings held during the accounting period October 2017 – September 2018 which were initiated by or held in the interest of the controlling entity or its controlled entities and which were related to assets exceeding 10% of the equity capital of the controlled entity as per the last financial statements.

With the exception of concluding or fulfilling the contracts mentioned below, during the accounting period October 2017 – September 2018 there were no meetings initiated by or held in the interest of the controlling entity or its controlled entities related to assets exceeding 10% of the equity capital of the controlled entity as per the last financial statements.

Shares of profits exceeding 10% of equity capital of the companies were paid to the Company by Českolipské teplo a.s., CTZ s.r.o., ENERGIE Holding a.s., OPATHERM a.s., Zásobování teplem Vsetín a.s., e.services s.r.o.. The Company did not incur any losses from these transactions.

Agreements concluded by and between the company and the controlled entity (subsidiary) or the controlling (holding) entity and mutually by and between the controlled entities during the period October 2017 – September 2018

Contracts and agreements with MVV Energie AG

During this period, the Consultancy Agreement concluded on 13 September 2018 between the Company and MVV Energie AG was in force and effect. The Company did not incur any losses from this Agreement.

Contracts and agreements between the controlled entity and other controlled entities

The following agreements and amendments were in force and effect between the controlled entity and other controlled entities:

Contracts and agreements concluded by and between CTZ s.r.o. and the Company

Consultancy Agreement between CTZ s.r.o. and the Company concluded on 1 October 2006. The Company did not incur any losses from this Agreement.

Contract of Mandate – for the performance of agency activities and representation of the client in matters relating to public procurement, execution of insurance policies with the selected bidder, representation in relationships arising from insurance policies with respect to the selected bidder, management of joint property of clients relating to the association, management of the association's accounting and preparation of annual settlement between CTZ s.r.o. and the Company. The contract was concluded on 7 January 2009, as amended. The Company did not incur any losses from this Contract. Power of attorney for representing CTZ s.r.o. by the Company according to the Contract of Mandate. The Company did not incur any losses from this power of attorney.

Association Agreement – Amendment No. 6 to the Association Agreement for the annual selection of the best bidder for the execution of a joint insurance policy and the joint execution of an insurance policy covering the risks of the individual parties between the Company and CTZ s.r.o. concluded on 12 September 2005, as amended. The Company did not incur any losses from this Agreement.

IS/IT Outsourcing Services Agreement between CTZ s.r.o. and the Company concluded on 31 December 2013. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between CTZ s.r.o. and the Company concluded on 31 December 2013 and terminated as at 14 September 2018. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between CTZ s.r.o. and the Company concluded on 14 September 2018. The Company did not incur any losses from this Agreement.

Command Contract of 23 October 2015 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for gas supply with LAMA energy a.s. for 2017 valid until 31 December 2017. The Company did not incur any losses from this Contract.

Command Contract of 29 April 2016 between ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Amper Market, a.s. for 2017 and 2018 valid until 31 December 2018, as amended. The Company did not incur any losses from this Contract.

Command Contract of 15 June 2016 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for natural gas supply with LAMA energy a.s. for 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Contract on the Sale and Purchase of Brown Coal for 2016–2019/2020 produced by Severočeské doly a.s. between CTZ s.r.o. and the Company concluded on 24 July 2015. The Company did not incur any losses from this Contract.

Command Contract of 29 May 2017 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for gas supply with LAMA energy a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Contract on the Sale and Purchase of 1,000 allowances between CTZ s.r.o. and the Company concluded on 21 December 2017. The Company did not incur any losses from this Contract.

Contract on the Sale and Purchase of 7,500 allowances between CTZ s.r.o. and the Company concluded on 22 December 2017. The Company did not incur any losses from this Contract.

Command Contract of 23 January 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Amper Market, a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 23 January 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o., OPATHERM a.s., Zásobování teplem Vsetín a.s., ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., G-RONN s.r.o., G-LINDE s.r.o., TERMIZO a.s. and the Company for the organization of a tendering process for the purchase and sale of the commodities: natural gas, electricity and allowances for individual years to obtain the most advantageous offers always by 30 June of the respective calendar year concluded for an indefinite period. The Company did not incur any losses from this Contract.

Command Contract of 10 April 2018 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with LAMA energy a.s. for 2020 valid until 31 December 2020. The Company did not incur any losses from this Contract.

Command Contract of 28 May 2018 between G-RONN s.r.o., IROMEZ s.r.o., CTZ s.r.o., OPATHERM a.s. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Digital Energy Services s.r.o. for 2020 valid until 31 December 2020. The Company did not incur any losses from this Contract.

Command Contract of 28 May 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o., Zásobování teplem Vsetín a.s. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Amper Market, a.s. for 2020 valid until 31 December 2020. The Company did not incur any losses from this Contract.

Contract on the Sale and Purchase of 5,500 allowances between CTZ s.r.o. and the Company concluded on 11 September 2018. The Company did not incur any losses from this Contract.

Command Contract of 20 October 2017 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the supply of electricity by LAMA energy a.s. for 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Command Contract of 30 July 2018 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the supply of electricity (low voltage) by Amper Market, a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Contracts and agreements concluded by and between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. and the Company

Consultancy Agreement between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. and the Company concluded on 20 March 2009. The Company did not incur any losses from this Agreement.

IS/IT Outsourcing Services Agreement between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. and the Company concluded on 31 December 2013. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. and the Company concluded on 31 December 2013 and terminated as at 14 September 2018. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. and the Company concluded on 14 September 2018. The Company did not incur any losses from this Agreement.

Contract of Mandate – for the performance of agency activities and representation of the client in matters relating to public procurement, execution of insurance policies with the selected bidder, representation in relationships arising from insurance policies with respect to the selected bidder, management of joint property of clients relating to the association, management of the association's accounting and preparation of annual settlement between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. and the Company concluded on 7 January 2009, as amended. The Company did not incur any losses from this Contract. Power of attorney for representing ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. by the Company according to the Contract of Mandate. The Company did not incur any losses from this power of attorney.

Association Agreement – Amendment No. 11 to the Association Agreement for the annual selection of the best bidder for the execution of a joint insurance policy and the joint execution of an insurance policy covering the risks of the individual parties between the Company and ČESKOLIPSKÁ TEPLÁRENSKÁ a.s. concluded on 7 January 2009, as amended. The Company did not incur any losses from this Agreement.

Command Contract of 23 October 2015 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for gas supply with LAMA energy a.s. for 2017 valid until 31 December 2017. The Company did not incur any losses from this Contract.

Command Contract of 15 June 2016 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for natural gas supply with LAMA energy a.s. for 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Command Contract of 29 May 2017 between CTZ s.r.o., ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s. and the Company to negotiate the conditions for the conclusion of contracts for gas supply between the individual companies and LAMA energy a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 10 April 2018 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s. and the Company to negotiate the conditions for the conclusion of contracts for gas supply between the individual companies and LAMA energy a.s. for 2020 valid until 31 December 2020. The Company did not incur any losses from this Contract.

Command Contract of 20 October 2017 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply between the individual companies and LAMA energy a.s. for 2018 valid until 31 December 2018.

Command Contract of 30 July 2018 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply between the individual companies and Amper Market, a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 23 January 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o., OPATHERM a.s., Zásobování teplem Vsetín a.s., ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., G-RONN s.r.o., G-LINDE s.r.o., TERMIZO a.s. and the Company for the organization of a tendering process for the purchase and sale of the commodities: natural gas, electricity and allowances for individual years to obtain the most advantageous offers always by 30 June of the respective calendar year concluded for an indefinite period. The Company did not incur any losses from this Contract.

Contracts and agreements concluded by and between Českolipské teplo a.s. and the Company

Contract on the Lease of Non-Residential Premises between Českolipské teplo a.s. and the Company concluded on 19 May 2010, as amended. The Company did not incur any losses from this Contract.

Contract of Mandate – for the performance of agency activities and representation of the client in matters relating to public procurement, execution of insurance policies with the selected bidder, representation in relationships arising from insurance policies with respect to the selected bidder, management of joint property of clients relating to the association, management of the association's accounting and preparation of annual settlement. Contract on the Lease of Non-Residential Premises between Českolipské teplo a.s. and the Company concluded on 7 January 2009, as amended. The Company did not incur any losses from this Contract. Power of attorney for representing Českolipské teplo a.s. by the Company. The Company did not incur any losses from this power of attorney.

Association Agreement – Amendment No. 7 to the Association Agreement for the annual selection of the best bidder for the execution of a joint insurance policy and the joint execution of an insurance policy covering the risks of the individual parties between Českolipské teplo a.s. and the Company concluded on 10 August 2006, as amended. The Company did not incur any losses from this Agreement.

Notification of lien No. 1774/16/02075 of 21 October 2016 between Českolipské teplo a.s., Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group and the Company – relating to the Pledge Agreement for property No. 1559/09/02075 concluded on 3 July 2009. The lien was effectively terminated as at 28 May 2018. The Company did not incur any losses from this contract (notification).

Contracts and agreements concluded by and between e.services s.r.o. and the Company

IS/IT Outsourcing Services Agreement between e.services s.r.o. and the Company concluded on 31 December 2013. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between e.services s.r.o. and the Company concluded on 14 September 2018. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between e.services s.r.o. and the Company concluded on 31 December 2013 and terminated as at 14 September 2018. The Company did not incur any losses from this Agreement.

Contract of Mandate – Amendment No. 2 to the Contract of Mandate on the basis of which e.services s.r.o. acceded to the Contract of Mandate for the performance of agency activities and representation of the client in matters relating to public procurement, execution of insurance policies with the selected bidder, representation in relationships arising from insurance policies with respect to the selected bidder, management of joint property of clients relating to the association, management of the association's accounting and preparation of annual settlement between e.services s.r.o. and the Company. The amendment was concluded on 2 January 2012, as amended. The Company did not incur any losses from this Contract. Power of attorney for representing e.services s.r.o. by the Company. The Company did not incur any losses from this power of attorney.

Association Agreement – Amendment No. 13 to the Association Agreement for the annual selection of the best bidder for the execution of a joint insurance policy and the joint execution of an insurance policy covering the risks of the individual parties between the Company and e.services s.r.o. concluded on 2 January 2012, as amended. The Company did not incur any losses from this Agreement.

Contracts and agreements concluded by and between ENERGIE Holding a.s. and the Company

Command Contract of 29 April 2016 between ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Amper Market, a.s. for 2017 and 2018 valid until 31 December 2018, as amended. The Company did not incur any losses from this Contract.

Command Contract of 29 May 2017 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for gas supply with LAMA energy a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 20 October 2017 between ENERGIE Holding a.s., ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., IROMEZ s.r.o., OPATHERM a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company for the application of the new price for electricity for 2018 valid until 31 December 2018 to conclude contracts for the supply of electricity with LAMA energy a.s. The Company did not incur any losses from this Contract.

Command Contract of 23 January 2018 between ENERGIE Holding a.s., POWGEN a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o. and the Company for the application of the new price for electricity for 2019 valid until 31 December 2019 to conclude contracts for the supply of electricity with Amper Market, a.s. The Company did not incur any losses from this Contract.

Command Contract of 30 July 2018 between ENERGIE Holding a.s., ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., IROMEZ s.r.o., OPATHERM a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company for the application of the new price for electricity for 2019 valid until 31 December 2019 to conclude contracts for the supply of electricity with Amper Market, a.s. The Company did not incur any losses from this Contract.

Consultancy Agreement between ENERGIE Holding a.s. and the Company concluded on 2 January 2007. The Company did not incur any losses from this Agreement.

Contract on the Lease of Non-Residential Premises between ENERGIE Holding a.s. and the Company concluded on 28 May 2010, as amended. The Company did not incur any losses from this Contract.

Contract for the Pledge of Receivables from Insurance Policy No. ZP-P5/410/07LCD between ENERGIE Holding a.s. and the Company concluded on 22 December 2016. The Company did not incur any losses from this Contract.

IS/IT Outsourcing Services Agreement between ENERGIE Holding a.s. and the Company concluded on 31 December 2013. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between ENERGIE Holding a.s. and the Company concluded on 31 December 2013 and terminated as at 14 September 2018. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between ENERGIE Holding a.s. and the Company concluded on 14 September 2018. The Company did not incur any losses from this Agreement.

Contract on the Sale and Purchase of Brown Coal for 2016–2019/2020 produced by Severočeské doly a.s. between the Company and ENERGIE Holding a.s. concluded on 28 July 2015, as amended, valid until 31 December 2020. The Company did not incur any losses from this Contract.

Contract on the Sale and Purchase of MIAL type Brown Coal No. 2017042701 for a fixed period until 31 December 2019 produced by PGE, KWB Turów SA between the Company and ENERGIE Holding a.s. of 3 July 2017. The Company did not incur any losses from this Contract.

Loan Contract No. 410/07/LCD between ENERGIE Holding a.s., Česká spořitelna a.s. and the Company of 19 March 2007, as amended. The Company did not incur any losses from this Contract.

Contract of Mandate – for the performance of agency activities and representation of the client in matters relating to public procurement, execution of insurance policies with the selected bidder, representation in relationships arising from insurance policies with respect to the selected bidder, management of joint property of clients relating to the association, management of the association's accounting and preparation of annual settlement between ENERGIE Holding a.s. and the Company. The contract was concluded on 7 January 2009, as amended. The Company did not incur any losses from this Contract. Power of attorney for representing ENERGIE Holding a.s. by the Company. The Company did not incur any losses from this power of attorney.

Association Agreement – Amendment No. 8 to the Association Agreement for the annual selection of the best bidder for the execution of a joint insurance policy and the joint execution of an insurance policy covering the risks of the individual parties between the Company and ENERGIE Holding a.s. of 12 December 2006, as amended. The Company did not incur any losses from this Agreement.

Common Procedure Agreement between the Statutory City of Liberec, Teplárna Liberec, a.s., ENERGIE Holding a.s. and the Company concluded on 16 December 2015. The Company did not incur any losses from this Agreement.

Implementing arrangement to the Common Procedure Agreement between the Statutory City of Liberec, ENERGIE Holding a.s., Teplárna Liberec, a.s. and the Company concluded on 14 February 2018. The Company did not incur any losses from this arrangement.

Command Contract of 10 April 2018 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for natural gas supply for 2020 valid until 31 December 2020. The Company did not incur any losses from this Contract.

Command Contract of 23 October 2015 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for gas supply with LAMA energy a.s. for 2017 valid until 31 December 2017. The Company did not incur any losses from this Contract.

Command Contract of 28 May 2018 between ENERGIE Holding a.s., POWGEN a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o., Zásobování teplem Vsetín a.s. and the Company for the application of the new price for electricity for 2020 valid until 31 December 2020 to conclude contracts for the supply of electricity with Amper Market, a.s. The Company did not incur any losses from this Contract.

Command Contract of 23 January 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o., OPATHERM a.s., Zásobování teplem Vsetín a.s., ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., G-RONN s.r.o., G-LINDE s.r.o., TERMIZO a.s. and the Company for the organization of a tendering process for the purchase and sale of the commodities: natural gas, electricity and allowances for individual years to obtain the most advantageous offers always by 30 June of the respective calendar year concluded for an indefinite period. The Company did not incur any losses from this Contract.

Command Contract of 15 June 2016 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for natural gas supply with LAMA energy a.s. for 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Notification of lien on receivables under Contract for Lien on Receivables under Insurance Policies No. 0013881442 of 2 January 2017 between ENERGIE Holding a.s., Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, Česká spořitelna, a.s. and the Company. The Company did not incur any losses from this notification.

Contracts and agreements concluded by and between G-LINDE s.r.o. and the Company

Contract on the Lease of Non-residential Premises between G-LINDE s.r.o. and the Company concluded on 31 May 2010. The Company did not incur any losses from this Contract.

Agreement on the Loss Payee Clause of 6 December 2016 between UniCredit Bank Czech Republic and Slovakia, a.s., G-LINDE s.r.o. and the Company valid until 30 September 2019. The Company did not incur any losses from this Agreement.

Notification to insurance policy No. 0013881442 signed by G-LINDE s.r.o. and the Company confirmed by Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group of 6 December 2016. The Company did not incur any losses from this notification.

Contract of Mandate – Amendment No. 1 to the Contract of Mandate on the basis of which G-LINDE s.r.o. acceded to the Contract of Mandate for the performance of agency activities and representation of the client in matters relating to public procurement, execution of insurance policies with the selected bidder, representation in relationships arising from insurance policies with respect to the selected bidder, management of joint property of clients relating to the association, management of the association's accounting and preparation of annual settlement between G-LINDE s.r.o. and the Company. The amendment was concluded on 10 November 2010, as amended. The Company did not incur any losses from this Contract. Power of attorney for representing G-LINDE s.r.o. by the Company. The Company did not incur any losses from this power of attorney.

Association Agreement – Amendment No. 12 to the Association Agreement for the annual selection of the best bidder for the execution of a joint insurance policy and the joint execution of an insurance policy covering the risks of the individual parties between the Company and G-LINDE s.r.o. concluded on 10 November 2010, as amended. The Company did not incur any losses from this Agreement.

Command Contract of 29 April 2016 between POWGEN a.s., G-RONN s.r.o., G-LINDE s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Amper Market, a.s. for 2017 and 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Command Contract of 23 January 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o., OPATHERM a.s., Zásobování teplem Vsetín a.s., ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., G-RONN s.r.o., G-LINDE s.r.o., TERMIZO a.s. and the Company for the organization of a tendering process for the purchase and sale of the commodities: natural gas, electricity and allowances for individual years to obtain the most advantageous offers always by 30 June of the respective calendar year concluded for an indefinite period. The Company did not incur any losses from this Contract.

Agreements concluded by and between G-RONN s.r.o. and the Company

Contract of Mandate – Amendment No. 1 to the Contract of Mandate on the basis of which G-RONN s.r.o. acceded to the Contract of Mandate for the performance of agency activities and representation of the client in matters relating to public procurement, execution of insurance policies with the selected bidder, representation in relationships arising from insurance policies with respect to the selected bidder, management of joint property of clients relating to the association, management of the association's accounting and preparation of annual settlement between G-RONN s.r.o. and the Company. The amendment was concluded on 10 November 2010, as amended. The Company did not incur any losses from this Contract. Power of attorney for representing G-RONN s.r.o. by the Company. The Company did not incur any losses from this power of attorney.

Association Agreement – Amendment No. 12 to the Association Agreement on the basis of which G-RONN s.r.o. acceded to the Association Agreement for the annual selection of the best bidder for the execution of a joint insurance policy and the joint execution of an insurance policy covering the risks of the individual parties between G-RONN s.r.o. and the Company concluded on 10 November 2010, as amended. The Company did not incur any losses from this Agreement.

Contract on the Lease of Non-Residential Premises between G-RONN s.r.o. and the Company concluded on 31 May 2010, as amended. The Company did not incur any losses from this Contract.

Agreement on the Loss Payee Clause from insurance policy No. 0013881442 between UniCredit Bank Czech Republic, a.s., G-RONN s.r.o. and the Company concluded on 6 December 2016. The Company did not incur any losses from this Agreement.

Notification to insurance policy No. 0013881442 signed by G-RONN s.r.o. and the Company confirmed by Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group of 6 December 2016. The Company did not incur any losses from this notification.

Loan Contract No. 909/10-120 between G-RONN s.r.o., UniCredit Bank Czech Republic and Slovakia, a.s. and the Company (surety) concluded on 6 December 2010, as amended. The Company did not incur any losses from this Contract.

Command Contract of 29 April 2016 between POWGEN a.s., G-RONN s.r.o., G-LINDE s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Amper Market, a.s. for 2017 and 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Command Contract of 23 January 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o., OPATHERM a.s., Zásobování teplem Vsetín a.s., ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., G-RONN s.r.o., G-LINDE s.r.o., TERMIZO a.s. and the Company for the organization of a tendering process for the purchase and sale of the commodities: natural gas, electricity and allowances for individual years to obtain the most advantageous offers always by 30 June of the respective calendar year concluded for an indefinite period. The Company did not incur any losses from this Contract.

Command Contract of 6 February 2018 between G-RONN s.r.o. and the Company for the application on the new price for 2019 in relation to the electricity vendor valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 28 May 2018 between G-RONN s.r.o., IROMEZ s.r.o., CTZ s.r.o., OPATHERM a.s. and the Company for the application on the new price in relation to the electricity vendor valid until 31 December 2020. The Company did not incur any losses from this Contract.

Contracts and agreements concluded by and between IROMEZ s.r.o. and the Company

IS/IT Outsourcing Services Agreement between IROMEZ s.r.o. and the Company concluded on 31 December 2013. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between IROMEZ s.r.o. and the Company concluded on 31 December 2013 and terminated as at 14 September 2018. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between IROMEZ s.r.o. and the Company concluded on 14 September 2018. The Company did not incur any losses from this Agreement.

Contract on the Sale and Purchase of allowances of 21 May 2018 between IROMEZ s.r.o. and the Company. The Company did not incur any losses from this Contract.

Command Contract of 23 October 2015 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for gas supply with LAMA energy a.s. for 2017 valid until 31 December 2017. The Company did not incur any losses from this Contract.

Command Contract of 15 June 2016 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for natural gas supply with LAMA energy a.s. for 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Association Agreement – Amendment No. 12 to the Association Agreement for the annual selection of the best bidder for the execution of a joint insurance policy and the joint execution of an insurance policy covering the risks of the individual parties between the Company and IROMEZ s.r.o. concluded on 10 November 2010, as amended. The Company did not incur any losses from this Agreement.

Contract of Mandate – Amendment No. 1 to the Contract of Mandate on the basis of which IROMEZ s.r.o. acceded to the Contract of Mandate for the performance of agency activities and representation of the client in matters relating to public procurement, execution of insurance policies with the selected bidder, representation in relationships arising from insurance policies with respect to the selected bidder, management of joint property of clients relating to the association, management of the association's accounting and preparation of annual settlement between IROMEZ s.r.o. and the Company. The amendment was concluded on 10 November 2010, as amended. The Company did not incur any losses from this Contract. Power of attorney for representing IROMEZ s.r.o. and the Company. The Company did not incur any losses from this power of attorney.

Application for the Loss Payee Clause from insured event and Notification of lien concluded between the Company, Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, IROMEZ s.r.o. and Raiffeisenbank a.s. relation to Loan Contracts No. 115688/01/2010 and 115688/03/2010 of 6 December 2016. The Company did not incur any losses from this application.

Command Contract of 29 May 2017 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for gas supply with LAMA energy a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 10 April 2018 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Amper Market, a.s. for 2020 valid until 31 December 2020. The Company did not incur any losses from this Contract.

Command Contract of 29 April 2016 between ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Amper Market, a.s. for 2018 valid until 31 December 2018, as amended. The Company did not incur any losses from this Contract.

Command Contract of 20 October 2017 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with LAMA energy a.s. for 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Command Contract of 23 January 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Amper Market, a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 30 July 2018 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Amper Market, a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 28 May 2018 between ENERGIE Holding a.s., IROMEZ s.r.o., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Amper Market, a.s. for 2020 valid until 31 December 2020. The Company did not incur any losses from this Contract.

Command Contract of 28 May 2018 between G-RONN s.r.o., IROMEZ s.r.o., CTZ s.r.o., OPATHERM a.s. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Digital Energy Services s.r.o. for 2020 valid until 31 December 2020. The Company did not incur any losses from this Contract.

Command Contract of 23 January 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o., OPATHERM a.s., Zásobování teplem Vsetín a.s., ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., G-RONN s.r.o., G-LINDE s.r.o., TERMIZO a.s. and the Company for the organization of a tendering process for the purchase and sale of the commodities: natural gas, electricity and allowances for individual years to obtain the most advantageous offers always by 30 June of the respective calendar year concluded for an indefinite period. The Company did not incur any losses from this Contract.

Contracts and agreements concluded by and between MVV Trading GmbH and the Company

General Agreement Concerning the Delivery and Acceptance of Electricity between MVV Trading GmbH and the Company concluded on 1 May 2007, as amended. The Company did not incur any losses from this Agreement.

Contracts and agreements concluded by and between MVV Umwelt GmbH and the Company

Service Agreement between MVV Umwelt GmbH, MVV Umwelt Asset GmbH (formerly MVV Umwelt O&M GmbH), the Company and TERMIZO a.s. concluded on 23 September 2014, as amended. The Company did not incur any losses from this Agreement.

Contracts and agreements concluded by and between MVV Umwelt O&M GmbH and the Company

Service Agreement between MVV Umwelt Asset GmbH (formerly MVV Umwelt O&M GmbH), MVV Umwelt GmbH, the Company and TERMIZO a.s. concluded on 23 September 2014, as amended. The Company did not incur any losses from this Agreement.

Contracts and agreements concluded by and between OPATHERM a.s. and the Company

Command Contract of 29 April 2016 between ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Amper Market, a.s. for 2017 and 2018, as amended. The Company did not incur any losses from this Contract.

Consultancy Agreement between OPATHERM a.s. and the Company concluded on 2 October 2006. The Company did not incur any losses from this Agreement.

IS/IT Outsourcing Services Agreement between OPATHERM a.s. and the Company concluded on 31 December 2013. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between OPATHERM a.s. and the Company concluded on 31 December 2013 and terminated as at 14 September 2018. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between OPATHERM a.s. and the Company concluded on 14 September 2018. The Company did not incur any losses from this Agreement.

Command Contract of 23 October 2015 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for gas supply with LAMA energy a.s. for 2017 valid until 31 December 2017. The Company did not incur any losses from this Contract.

Command Contract of 15 June 2016 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for natural gas supply with LAMA energy a.s. for 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Contract of Mandate – for the performance of agency activities and representation of the client in matters relating to public procurement, execution of insurance policies with the selected bidder, representation in relationships arising from insurance policies with respect to the selected bidder, management of joint property of clients relating to the association, management of the association's accounting and preparation of annual settlement between OPATHERM a.s. and the Company. The contract was concluded on 7 January 2009, as amended. The Company did not incur any losses from this Contract. Power of attorney for representing OPATHERM a.s. by the Company. The Company did not incur any losses from this power of attorney.

Association Agreement – Amendment No. 6 to the Association Agreement for the annual selection of the best bidder for the execution of a joint insurance policy and the joint execution of an insurance policy covering the risks of the individual parties between the Company and OPATHERM a.s. concluded on 12 September 2005, as amended. The Company did not incur any losses from this Agreement.

Contract on the Pledge of Physical Securities No. 1149/13-1059/13-120 of 17 December 2013 between UniCredit Bank Czech Republic and Slovakia, a.s., OPATHERM a.s. and the Company. The Company did not incur any losses from this Contract.

Agreement on the Loss Payee Clause from insurance policy No. 0013881442 between UniCredit Bank Czech Republic and Slovakia, a.s., OPATHERM a.s. and the Company concluded on 6 December 2016. The Company did not incur any losses from this Agreement.

Notification to Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group between OPATHERM a.s. and the Company of 6 December 2016. The Company did not incur any losses from this notification.

Command Contract of 29 May 2017 between CTZ s.r.o., ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s. and the Company regarding contracts for gas supply between the individual companies and LAMA energy a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 10 April 2018 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company regarding contracts for gas supply between the individual companies and LAMA energy a.s. for 2020 valid until 31 December 2020. The Company did not incur any losses from this Contract.

Command Contract of 20 October 2017 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company regarding contracts for electricity supply between the individual companies and LAMA energy a.s. for 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Command Contract of 3 October 2017 between OPATHERM a.s. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply for 2019 with E.ON Energie, a.s. valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 30 July 2018 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Amper Market, a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 28 May 2018 between G-RONN s.r.o., IROMEZ s.r.o., CTZ s.r.o., OPATHERM a.s. and the Company to negotiate the conditions for the conclusion of contracts for HV electricity supply with Digital Energy Services s.r.o. for 2020 valid until 31 December 2020. The Company did not incur any losses from this Contract.

Command Contract of 23 January 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o., OPATHERM a.s., Zásobování teplem Vsetín a.s., ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., G-RONN s.r.o., G-LINDE s.r.o., TERMIZO a.s. and the Company for the organization of a tendering process for the purchase and sale of the commodities: natural gas, electricity and allowances for individual years to obtain the most advantageous offers always by 30 June of the respective calendar year concluded for an indefinite period. The Company did not incur any losses from this Contract.

Contracts and agreements concluded by and between POWGEN a.s. and the Company

Contract on the Lease of Non-residential Premises between POWGEN a.s. and the Company concluded on 25 May 2010, as amended. The Company did not incur any losses from this Contract.

Consultancy Agreement between POWGEN a.s. and the Company concluded on 27 May 2011. The Company did not incur any losses from this Agreement.

IS/IT Outsourcing Services Agreement between POWGEN a.s. and the Company concluded on 31 December 2013. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between POWGEN a.s. and the Company concluded on 31 December 2013 and terminated as at 14 September 2018. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between POWGEN a.s. and the Company concluded on 14 September 2018. The Company did not incur any losses from this Agreement.

Agreement on the Loss Payee Clause from insurance policy No. 0013881442 against all risks concluded on 6 December 2016 between UniCredit Bank Czech Republic and Slovakia, a.s., POWGEN a.s. and the Company. The Company did not incur any losses from this Agreement.

Contract of Mandate – for the performance of agency activities and representation of the client in matters relating to public procurement, execution of insurance policies with the selected bidder, representation in relationships arising from insurance policies with respect to the selected bidder, management of joint property of clients relating to the association, management of the association's accounting and preparation of annual settlement between POWGEN a.s. and the Company. The contract was concluded on 7 January 2009, as amended. The Company did not incur any losses from this Contract. Power of attorney for representing Zásobování teplem Vsetín a.s. by the Company. The Company did not incur any losses from this power of attorney.

Association Agreement – Amendment No. 10 to the Association Agreement on the basis of which POWGEN a.s. acceded to the Association Agreement for the annual selection of the best bidder for the execution of a joint insurance policy and the joint execution of an insurance policy covering the risks of the individual parties between POWGEN a.s. and the Company. The amendment was concluded on 1 October 2008, as amended. The Company did not incur any losses from this Agreement.

Command Contract of 23 October 2015 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for gas supply with LAMA energy a.s. for 2017 valid until 31 December 2017. The Company did not incur any losses from this Contract.

Command Contract of 15 June 2016 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for natural gas supply with LAMA energy a.s. for 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Command Contract of 29 April 2016 between POWGEN a.s., G-RONN s.r.o., G-LINDE s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Amper Market, a.s. for 2017 and 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Command Contract of 29 May 2017 between CTZ s.r.o., ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s. and the Company regarding contracts for gas supply between the individual companies and LAMA energy a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Loan Contract No. 179/12-120 between POWGEN a.s., UniCredit Bank Czech Republic and Slovakia, a.s. and the Company concluded on 30 May 2012, as amended and terminated as at 31 December 2018. The Company did not incur any losses from this Contract.

Notification to insurance company regarding insurance policy No. 0013881442 between POWGEN a.s., Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group and the Company concluded on 6 December 2016. The Company did not incur any losses from this notification.

Command Contract of 10 April 2018 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company regarding contracts for natural gas supply between the individual companies and LAMA energy a.s. for 2020 valid until 31 December 2020. The Company did not incur any losses from this Contract.

Command Contract of 23 January 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o. and the Company regarding contracts for electricity supply between the individual companies and Amper Market, a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 28 May 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o., Zásobování teplem Vsetín a.s. and the Company regarding contracts for electricity supply between the individual companies and Amper Market, a.s. for 2020 valid until 31 December 2020. The Company did not incur any losses from this Contract.

Command Contract of 23 January 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o., OPATHERM a.s., Zásobování teplem Vsetín a.s., ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., G-RONN s.r.o., G-LINDE s.r.o., TERMIZO a.s. and the Company for the organization of a tendering process for the purchase and sale of the commodities: natural gas, electricity and allowances for individual years to obtain the most advantageous offers always by 30 June of the respective calendar year concluded for an indefinite period. The Company did not incur any losses from this Contract.

Contracts and agreements concluded by and between Teplárna Liberec, a.s. and the Company

IS/IT Outsourcing Services Agreement between Teplárna Liberec, a.s. and the Company concluded on 31 December 2013. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between Teplárna Liberec, a.s. and the Company concluded on 31 December 2013. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement concluded between the Company and Teplárna Liberec, a.s. concluded on 14 September 2018. The Company did not incur any losses from this Agreement.

Contract of Mandate – performance of agency activities and representation of the client in matters relating to public procurement, execution of insurance policies with the selected bidder, representation in relationships arising from insurance policies with respect to the selected bidder, management of joint property of clients relating to an association, management of the association's accounting and preparation of annual settlement between Teplárna Liberec, a.s. and the Company concluded on 7 January 2009, as amended. The Company did not incur any losses from this Contract. Power of attorney for representing Teplárna Liberec, a.s. by the Company. The Company did not incur any losses from this power of attorney.

Association Agreement – Amendment No. 9 to the Association Agreement for the annual selection of the best bidder for the execution of a joint insurance policy and the joint execution of an insurance policy covering the risks of the individual parties between the Company and Teplárna Liberec, a.s. concluded on 21 September 2007, as amended. The Company did not incur any losses from this Agreement.

Common Procedure Agreement between the Statutory City of Liberec, ENERGIE Holding a.s. and the Company concluded on 16 December 2015. The Company did not incur any losses from this Agreement.

Implementing arrangement to the Common Procedure Agreement between the Company, ENERGIE Holding a.s., Statutory City of Liberec and Teplárna Liberec, a.s. concluded on 14 February 2018. The Company did not incur any losses from this arrangement.

Contract on the Sale and Purchase of allowances between the Company and Teplárna Liberec, a.s. concluded on 11 September 2018. The Company did not incur any losses from this Contract.

Command Contract of 15 June 2016 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for natural gas supply with LAMA energy a.s. for 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Command Contract of 23 October 2015 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for natural gas supply with LAMA energy a.s. for 2017 valid until 31 December 2017. The Company did not incur any losses from this Contract.

Command Contract of 29 May 2017 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 10 April 2018 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company for 2020 valid until 31 December 2020. The Company did not incur any losses from this Contract.

Command Contract of 29 April 2016 between POWGEN a.s., G-RONN s.r.o., G-LINDE s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s. and the Company for 2017 and 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Command Contract of 20 October 2017 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company for 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Command Contract of 23 January 2018 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity purchase with the individual companies and Amper Market, a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 30 July 2018 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity purchase with Amper Market, a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 28 May 2018 between ENERGIE Holding a.s., IROMEZ s.r.o., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with the individual companies and Amper Market, a.s. for 2020 valid until 31 December 2020. The Company did not incur any losses from this Contract.

Command Contract of 23 January 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o., OPATHERM a.s., Zásobování teplem Vsetín a.s., ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., G-RONN s.r.o., G-LINDE s.r.o., TERMIZO a.s. and the Company for the organization of a tendering process for the purchase and sale of the commodities: natural gas, electricity and allowances for individual years to obtain the most advantageous offers always by 30 June of the respective calendar year concluded for an indefinite period. The Company did not incur any losses from this Contract.

Contracts and agreements concluded by and between TERMIZO a.s. and the Company

Consultancy Agreement between the Company and TERMIZO a.s. concluded on 3 October 2011. The Company did not incur any losses from this Agreement.

IS/IT Outsourcing Services Agreement between TERMIZO a.s. and the Company concluded on 31 December 2013. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between term TERMIZO a.s. and the Company concluded on 31 December 2013 and terminated as at 14 September 2018. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between TERMIZO a.s. and the Company concluded on 14 September 2018. The Company did not incur any losses from this Agreement.

Service Agreement between MVV Umwelt GmbH, MVV Umwelt Asset GmbH (formerly MVV Umwelt O&M GmbH), the Company and TERMIZO a.s. concluded on 23 September 2014, as amended. The Company did not incur any losses from this Agreement.

Contract of Mandate – Amendment No. 2 to the Contract of Mandate on the basis of which IROMEZ s.r.o. acceded to the Contract of Mandate for the performance of agency activities and representation of the client in matters relating to public procurement, execution of insurance policies with the selected bidder, representation in relationships arising from insurance policies with respect to the selected bidder, management of joint property of clients relating to the association, management of the association's accounting and preparation of annual settlement between IROMEZ s.r.o. and the Company. The amendment was concluded on 2 January 2012, as amended. The Company did not incur any losses from this Contract. Power of attorney for representing TERMIZO a.s. by the Company. The Company did not incur any losses from this power of attorney.

Association Agreement – Amendment No. 13 to the Association Agreement for the annual selection of the best bidder for the execution of a joint insurance policy and the joint execution of an insurance policy covering the risks of the individual parties between the Company and TERMIZO a.s. concluded on 2 January 2012, as amended. The Company did not incur any losses from this Agreement.

Contract for Work of 15 November 2017 between TERMIZO a.s. and the Company for the modernization of indoor lightning of the premises of TERMIZO a.s. The Company did not incur any losses from this Contract.

Command Contract of 23 January 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o., OPATHERM a.s., Zásobování teplem Vsetín a.s., ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., G-RONN s.r.o., G-LINDE s.r.o., TERMIZO a.s. and the Company concluded for an indefinite period. The Company did not incur any losses from this Contract.

Contracts and agreements concluded by and between TERMO Děčín a.s. and the Company

Consultancy Agreement between TERMO Děčín a.s. and the Company concluded on 1 October 2006, as amended. The Company did not incur any losses from this Agreement.

IS/IT Outsourcing Services Agreement between TERMO Děčín a.s. and the Company concluded on 31 December 2013. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between TERMO Děčín a.s. and the Company concluded on 31 December 2013 and terminated as at 14 September 2018. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between TERMO Děčín a.s. and the Company concluded on 14 September 2018. The Company did not incur any losses from this Agreement.

Contract of Mandate – for the performance of agency activities and representation of the client in matters relating to public procurement, execution of insurance policies with the selected bidder, representation in relationships arising from insurance policies with respect to the selected bidder, management of joint property of clients relating to the association, management of the association's accounting and preparation of annual settlement between TERMO Děčín a.s. and the Company. The contract was concluded on 7 January 2009, as amended. The Company did not incur any losses from this Contract. Power of attorney for representing TERMO Děčín a.s. by the Company. The Company did not incur any losses from this power of attorney.

Association Agreement – Amendment No. 6 for the annual selection of the best bidder for the execution of a joint insurance policy and the joint execution of an insurance policy covering the risks of the individual parties between and TERMO Děčín a.s. concluded on 12 September 2005. The Company did not incur any losses from this Agreement.

Command Contract of 15 June 2016 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company for the conclusion of contracts between the individual companies for natural gas supply with LAMA energy a.s. for 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Command Contract of 29 April 2016 between POWGEN a.s., G-RONN s.r.o., G-LINDE s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s. and the Company for the conclusion of contracts between the individual companies for electricity supply with Amper Market, a.s. for 2017 and 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Command Contract of 23 October 2015 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for gas supply with LAMA energy a.s. for 2017 valid until 31 December 2017. The Company did not incur any losses from this Contract.

Contract on the Sale and Purchase of allowances between TERMO Děčín a.s. and the Company concluded on 11 September 2018. The Company did not incur any losses from this Contract.

Contract on the Sale and Purchase of allowances of 22 December 2017 between TERMO Děčín, a.s. and the Company. The Company did not incur any losses from this Contract.

Command Contract of 29 May 2017 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for gas supply with LAMA energy a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 30 July 2018 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity purchase and supply with Amper Market, a.s. valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 10 April 2018 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity purchase and supply with Amper Market, a.s. valid until 31 December 2020. The Company did not incur any losses from this Contract.

Command Contract of 20 October 2017 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to communicate the conditions for the conclusion of contracts for electricity purchase and supply with Amper Market, a.s. valid until 31 December 2018. The Company did not incur any losses from this Contract.

Command Contract of 23 January 2018 between POWGEN a.s., ENERGIE Holding a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o., IROMEZ s.r.o. and the Company to communicate the conditions for the conclusion of contracts for electricity purchase and supply with Amper Market, a.s. valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 28 May 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o., Zásobování teplem Vsetín a.s. and the Company for the conclusion of contracts between the individual companies and Amper Market, a.s. valid until 31 December 2020. The Company did not incur any losses from this Contract.

Command Contract of 23 January 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o., OPATHERM a.s., Zásobování teplem Vsetín a.s., ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., G-RONN s.r.o., G-LINDE s.r.o., TERMIZO a.s. and the Company for the organization of a tendering process for the purchase and sale of the commodities: natural gas, electricity and allowances for individual years to obtain the most advantageous offers always by 30 June of the respective calendar year concluded for an indefinite period. The Company did not incur any losses from this Contract.

Contracts and agreements concluded by and between Zásobování teplem Vsetín a.s. and the Company

Consultancy Agreement between Zásobování teplem Vsetín a.s. and the Company concluded on 1 October 2006, as amended. The Company did not incur any losses from this Agreement.

IS/IT Outsourcing Services Agreement between the Company and Zásobování teplem Vsetín a.s. concluded on 31 December 2013. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between Zásobování teplem Vsetín a.s. and the Company concluded on 31 December 2013 and terminated as at 14 September 2018. The Company did not incur any losses from this Agreement.

Personal Data Processing Agreement between Zásobování teplem Vsetín a.s. and the Company concluded on 14 September 2018. The Company did not incur any losses from this Agreement.

Command Contract of 10 April 2018 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for gas supply with LAMA energy a.s. for 2020 valid until 31 December 2020. The Company did not incur any losses from this Contract.

Command Contract of 29 May 2017 between CTZ s.r.o., ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s. and the Company regarding contracts for gas supply between the individual companies and LAMA energy a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 15 June 2016 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for natural gas supply with LAMA energy a.s. for 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Command Contract of 29 April 2016 between POWGEN a.s., G-RONN s.r.o., G-LINDE s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Amper Market, a.s. for 2017 and 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Command Contract of 23 October 2015 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., POWGEN a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for gas supply with LAMA energy a.s. for 2017 valid until 31 December 2017. The Company did not incur any losses from this Contract.

Contract on the Sale and Purchase of Brown Coal produced by Severočeské doly a.s. for the period of 2016–2019/2020 between the Company and Zásobování teplem Vsetín a.s. concluded on 9 July 2015. The Company did not incur any losses from this Contract.

Command Contract of 20 October 2017 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with LAMA energy a.s. for 2018 valid until 31 December 2018. The Company did not incur any losses from this Contract.

Command Contract of 28 May 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o., Zásobování teplem Vsetín a.s. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Amper Market, a.s. for 2020 valid until 31 December 2020. The Company did not incur any losses from this Contract.

Command Contract of 14 June 2017 between Zásobování teplem Vsetín a.s. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with E. ON Energie a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 30 July 2018 between ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., ENERGIE Holding a.s., IROMEZ s.r.o., OPATHERM a.s., Teplárna Liberec, a.s., TERMO Děčín a.s., Zásobování teplem Vsetín a.s., CTZ s.r.o. and the Company to negotiate the conditions for the conclusion of contracts for electricity supply with Amper Market, a.s. for 2019 valid until 31 December 2019. The Company did not incur any losses from this Contract.

Command Contract of 23 January 2018 between POWGEN a.s., ENERGIE Holding a.s., IROMEZ s.r.o., Teplárna Liberec, a.s., TERMO Děčín a.s., CTZ s.r.o., OPATHERM a.s., Zásobování teplem Vsetín a.s., ČESKOLIPSKÁ TEPLÁRENSKÁ a.s., G-RONN s.r.o., G-LINDE s.r.o., TERMIZO a.s. and the Company for the organization of a tendering process for the purchase and sale of the commodities: natural gas, electricity and allowances for individual years to obtain the most advantageous offers always by 30 June of the respective calendar year concluded for an indefinite period. The Company did not incur any losses from this Contract.

Notification of lien No. 1775/16/68140 under Agreement on the establishment of lien on property No. 2621/10/68140 concluded on 6 December 2016 between Zásobování teplem Vsetín a.s., Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group and the Company. The Company did not incur any losses from this notification.

Contract of Mandate – for the performance of agency activities and representation of the client in matters relating to public procurement, execution of insurance policies with the selected bidder, representation in relationships arising from insurance policies with respect to the selected bidder, management of joint property of clients relating to the association, management of the association's accounting and preparation of annual settlement between Zásobování teplem Vsetín a.s. and the Company. The contract was concluded on 7 January 2009, as amended. The Company did not incur any losses from this Contract. Power of attorney for representing Zásobování teplem Vsetín a.s. by the Company. The Company did not incur any losses from this power of attorney.

Association Agreement – Amendment No. 6 for the annual selection of the best bidder for the execution of a joint insurance policy and the joint execution of an insurance policy covering the risks of the individual parties between Zásobování teplem Vsetín a.s. and the Company concluded on 12 September 2005. The Company did not incur any losses from this Agreement.

Other losses incurred to the company MVV Energie CZ a.s. and the evaluation of the settlement of losses pursuant to Sections 71 and 72 of the Business Corporations Act, as amended

No losses have been incurred by the Company in connection to its participation in the concern and its control in the relevant period.

Secret information

All information and facts which form the business secrets of the controlling or controlled entities (the holding entity and the subsidiaries) or other entities within the MVV Energie concern are confidential, including all information designated by any related entity as being confidential. In addition to the above, all information relating to the business and other associated information and facts which may be considered secret and which could harm any entity in the MVV Energie concern are confidential.

As per Section 504 about disclosure of business secrets pursuant to Act No. 89/2012 Coll., the Civil Code, as amended, this Report on Relations does not contain any such secret information in order to prevent any losses being incurred by the controlling or controlled entities (the holding company and subsidiary).

Further information

Further information may be found in the financial statements of MVV Energie CZ a.s.

Evaluation of the advantages and disadvantages resulting from the relations between entities in the MVV Energie concern, evaluation of risks and information on the settlement of losses

Relations between the companies within the concern are based on market conditions and participation in the concern therefore does not result in any special advantages or disadvantages and risks for the controlled company. During the accounting period, no measures initiated by or in the interest of the controlling entity or the controlled entities were adopted and implemented, apart from the usual measures taken by the controlled entities in relation to the controlling entity as the owner of the controlled entity.

No company within the MVV Energie concern incurred any losses due to the Company's activities and therefore the Company is not obliged to settle any losses.

Further information

All transactions carried out within the MVV Energie concern are listed in the Notes to the Financial Statements.

Conclusion

The board of Directors of the company MVV Energie CZ a.s. declares that it did not incur any losses resulting from contracts and agreements valid and effective in the period from October 2017 to September 2018 between the Company and other MVV Energie Group companies, or other transactions made by the Company in the interest or at the instigation of these other MVV Energie Group companies in the period from October 2017 to September 2018.

Prague, 30 September 2018

On behalf of MVV Energie CZ a.s.



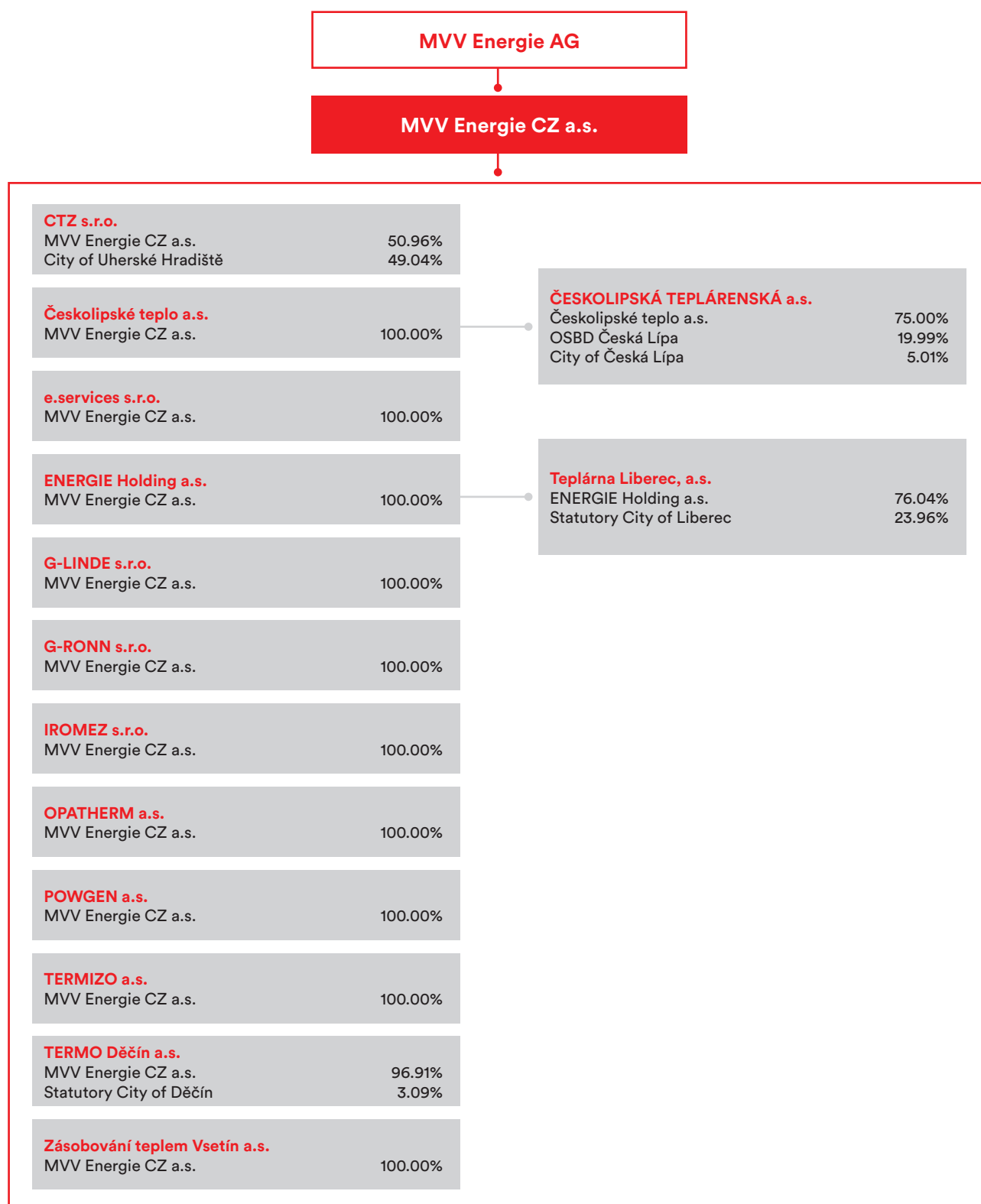
Jörg Lüdorf
Chairman of the Board of Directors



Jaroslav Pantůček
Member of the Board of Directors

Appendix No. 1 to the Report on Relations

Structure of the MVV Energie CZ concern on 30 September 2018



Consolidated Group's results

The consolidated results include the results of all the subsidiaries and the parent company for the entire MVV Energie CZ Group. They have been used as the basis for the combined results of MVV Energie AG Group international, headquartered in Mannheim, Germany, which are reported in accordance with the Group's accounting policies and based on current International Financial Reporting Standards (IAS/IFRS).

The total consolidated revenues for 2017–2018 were nearly CZK 2 billion and decreased by 5.3% compared to the previous fiscal period. The decline was marked mainly in the field of the sale of heat, mainly due to the negative impact of the mild winter, which was one of the warmest in the last 50 years. In the sales segment, the year-on-year decrease was 9.76%. Likewise there was a decline in the sales of electricity, partly attributable to changes in production regime and optimization in cogeneration units, which was overall compensated by growth in the margin of this commodity.

In the case of other operating income, in comparison with the previous year, this grew in EPC projects completed by the end of the fiscal year.

Changes in the accounting methodology of biomass production were reflected in the changes in inventories of finished goods and work in progress compared to the previous accounting periods.

In the area of costs, on a year-by-year basis fuel consumption (gas and coal) decreased by 14.7% due to the mild winter. The Group's central fuel purchasing policy and the allocation of purchases into individual tranches in the relevant time bands also contributed to the savings.

The operating profit, despite the climate conditions, reached over CZK 326 million and EBITDA CZK 592 million.

Consolidated total assets at the end of 2017–2018 were close to CZK 4.4 billion. In the area of assets, there was a noticeable increase in advances paid on tangible fixed assets related to the completion of the GreenNet investment project in Pelhřimov. Higher coal prices and lower consumption due to the weather caused a slight year-on-year rise in inventories. Lower payments in the investment area and EBITDA are reflected in the positive growth in financial assets of almost ten percent.

In liabilities, it is worth mentioning the decrease in the credit burden both in the long-term and especially in the case of short-term bank loans. This situation creates good prerequisites for financing other development projects of the Group. The increase in the level of operating prepayments corresponds to the start of the modernization of central heat supply in Liberec, known as GreenNet.

The positive economic result achieved has a favorable effect on the year-on-year appreciation of equity, which is a significant indicator of the MVV Group's financial stability.

Consolidated results of MVV Energie CZ Group

(in thousands of CZK)

	10/2017–09/2018	10/2016–09/2017	10/2015–09/2016
Revenues	1,984,176	2,095,594	2,119,297
Sales	1,915,748	2,042,176	2,064,061
Other operating income	59,829	52,741	54,457
Change of inventory	7,539	0	0
Capitalized assets for internal services	1,060	677	779
Operating expenses	1,391,728	1,458,372	1,480,826
Cost of materials / purchased services	941,206	1,025,568	1,044,666
Personnel costs	299,165	292,193	287,879
Other operating expenses	151,357	140,611	148,281
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	592,448	637,222	638,471
Depreciation and amortisation	266,710	275,761	259,517
Earnings before interest and taxes (EBIT)	325,738	361,461	378,954
Net interest expenses	30,130	37,200	44,686
Interest expenses	31,013	38,366	45,717
Interest income	883	1,166	1,031
Earnings before taxes (EBT)	295,608	324,261	334,268
Income taxes	62,897	65,570	61,880
Deferred taxes	-4,340	-752	2,524
Earnings after taxes	237,051	259,443	269,864
Minority interest	2,836	5,718	3,135
Total net earnings after minorities	234,215	253,725	266,729

Note: Prepared in accordance with the accounting policies adopted by the MVV AG Group which are based on the International Financial Reporting Standards (IFRS).

Assets	10/2017–09/2018	10/2016–09/2017	10/2015–09/2016
Fixed assets	3,324,265	3,353,222	3,466,544
Intangible assets	164,711	165,733	170,268
Software	3,589	4,944	8,782
Goodwill	160,280	160,280	160,280
Advances paid for intangible fixed assets	834	496	1,193
Emission rights	8	13	13
Tangible assets	3,155,071	3,183,643	3,288,746
Land, land rights and buildings	1,695,632	1,739,774	1,834,160
Machinery and technical equipment	1,296,543	1,333,385	1,388,061
Other tangible fixed assets	5,675	6,230	6,286
Advances paid for tangible fixed assets	157,221	104,254	60,239
Trade receivables and other assets	4,483	3,846	7,530
Current assets	1,074,511	1,007,124	1,032,132
Inventories	87,771	79,965	92,219
Raw materials and other supplies	86,268	79,590	91,775
Finished goods	1,503	375	444
Trade receivables	90,371	95,845	94,908
Other assets	18,499	18,704	23,766
Financial assets	839,262	766,337	765,265
Short-term financial assets	21,635	21,635	21,635
Bank and cash balance	817,627	744,702	743,630
Deffered income (prepayments and accrued income)	4,557	9,947	9,403
Deffered tax assets	34,051	46,571	48,489
Total assets	4,398,776	4,498,676	4 667,282

Note: Prepared in accordance with the accounting policies adopted by the MVV AG Group which are based on the International Financial Reporting Standards (IFRS).

Liabilities and equity	10/2017–09/2018	10/2016–09/2017	10/2015–09/2016
Equity	2,714,932	2,583,733	2,504,751
Share capital	720,000	720,000	720,000
Capital reserves	581,453	571,334	556,077
Profit and loss carried forward	1,179,264	1,038,674	961,945
Total net earnings (net earnings after taxes)	234,215	253,725	266,729
Minority interests	169,180	143,440	147,328
Long-term liabilities	987,642	1,040,407	1,231,762
Long-term bank loans	658,722	697,643	871,008
Provisions	9,629	9,749	9,817
Other liabilities	17,148	22,911	33,596
Deferred tax liability	302,143	310,104	317,341
Current liabilities	527,022	592,766	614,835
Short-term bank loans	124,291	247,317	282,932
Short-term finance lease liabilities	0	0	53
Provisions	21,310	27,091	27,802
Trade payables	179,495	147,291	104,504
Advance payments received	120,255	79,392	95,183
Other liabilities	73,802	87,445	100,295
Deferred tax liability	4,414	711	689
Deferred expenses (prepayments and accrued expenses)	3,455	3,519	3,377
Total equity and liabilities	4,398,776	4,360,346	4,498,676

Note: Prepared in accordance with the accounting policies adopted by the MVV AG Group which are based on the International Financial Reporting Standards (IFRS).

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Events after the reporting period

No events have occurred subsequent to year-end that would have a material impact on the financial statements as of 30 September 2018 or on the annual report for the fiscal year 2017–2018.

Notes

MVV Energie CZ a.s.

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Company identification No.: 49685490

Tax identification No.: CZ49685490

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www.mvv.cz

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