

2015

ANNUAL REPORT



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1. INTRODUCTION

BY THE CHIEF EXECUTIVE OFFICER

Ladies and gentlemen,

I would like to inform you about the business activities of EP ENERGY TRADING, a. s. in the past year and simultaneously about the Company's plans for 2016.

In 2015, we achieved the planned values of electricity and natural gas supplies to end customers. In the concrete, we delivered 1.8 TWh of electricity and 1.4 TWh of natural gas.

Since September 2015, in the segment of natural gas supplies we succeeded in launching sales to end customers in Slovakia.

At the same time in 2015, we purchased Optimum Energy, s. r. o. and merged with the company at 1 January 2016. This significant financial investment in the household segment helps us to attend over 50,000 households.

In 2015, we played a very active role on the wholesale electricity market. We primarily traded on the German stock exchange but we are also one of the largest business partners on the Prague Stock Exchange. Our know-how in that area enables us to effectively purchase energies for our customers.

We significantly exceeded the planned volumes on the wholesale electricity market. In 2015, we traded 22 TWh of electricity and 8 TWh of natural gas.

Increasing the loyalty and satisfaction of our customers, business partners and employees is our Company's primary principle based on which we can achieve excellent financial results and be successful in the demanding competitive fight from a long-term viewpoint.

In 2016, we will prepare the implementation and the subsequent development of a new customer system and similarly like in 2015 we will focus on the strengthening of our position in the segment of energy supplies for households via investment opportunities.

I would like to thank you for your cooperation and I believe you will be also satisfied with our services in the future.

Prague, 30 June 2016



Petr Švec

Chief executive officer of EP ENERGY TRADING, a. s.

2. SELECTED DATA ON THE COMPANY

Corporate name: EP ENERGY TRADING, a. s.

Registered office: Prague – Prague 1, Klimentská 1216/46, postal code 110 02

ID: 273 86 643

Tax ID: CZ27386643

Entry in the Commercial

Register: Municipal Court in Prague, section B, insert 10233

Telephone no.: +420 255 707 090

Fax: +420 255 707 091

Email: info@epet.cz

Websites: www.epet.cz

Customer Service Centre: Švihovská 8, Pilsen, postal code 301 00

Telephone no.: +420 255 707 099

Organization unit: EP ENERGY TRADING, a. s., organizačná zložka

Registered office: Pribinova 25, Bratislava, postal code 811 09, Slovakia

ID No.: 366 82 071

Sole shareholder:

EP Energy, a. s.

Registered office: Příkop 843/4, Brno, postal code 602 00

ID: 292 59 428

Company's profile

EP ENERGY TRADING, a.s., a joint stock company (the "Company"), is a reliable supplier of electricity and gas to households, companies and wholesale customers in the Czech Republic and Slovakia.

It offers a professional approach, quick and open communication, first-rate services and attractive and competitive prices. It is a respectable alternative to all dominant energy suppliers.

The Company's other business activity includes trading in electricity and gas on the wholesale market.

The Company is part of the EP ENERGY group, the most significant heat supplier and the second largest electricity producer in the Czech Republic. Due to the economic power of the Company's owner who has its own energy sources available, EP ENERGY TRADING, a.s. is a stable partner for its customers and offers one of the best price conditions on the market and the certainty of meeting contractual obligations.

3. REPORT OF THE BOARD OF DIRECTORS ON THE COMPANY'S BUSINESS ACTIVITIES AND THE STATE OF ITS ASSETS

All given data have been worked out in compliance with Czech accounting standards.

Economic results for 2015

For the accounting period of 2015, EP ENERGY TRADING, a. s. reported revenues amounting to CZK 19,3 billion. Profit (loss) before tax totalled CZK 235,99 million.

Main business activities in 2015

The Company's main business activity consists in sales of electricity and gas to end customers in the Czech Republic and Slovakia and trading in electricity and gas on the wholesale market.

Electricity

In 2015, total electricity sales to end customers in technical units amounted to 1,545 GWh in the Czech Republic and 276 GWh in Slovakia. Electricity supplies to Slovakia are carried out via EP ENERGY TRADING, a. s., organizačná zložka.

Electricity was purchased using the Company's own resources via the internal Electricity Trading division that has an exclusive position in the purchase and sale of electricity from the group's production sources and in procuring electricity for end customers of EP ENERGY TRADING, a. s. The division is also engaged in cross-border trading, primarily in the Central European region.

In 2015, the Company traded 21,977 GWh of electricity, including exchange transactions.

Natural gas

In 2015, EP ENERGY TRADING, a. s. supplied a total of 1,392 GWh of natural gas to end customers in the Czech Republic and traded 8,014 GWh of this commodity.

Further development

In 2016, the Company's major task is to maintain the current market positions in the sale of electricity and gas and to increase sales in the household segment. The Company will focus on maintaining profitability in the segments of energy supplies to end customers despite the current highly competitive market conditions and a cautious risk approach applied by the Company.

EP ENERGY TRADING, a. s. will continue to strengthen relations with its partners and develop business relations with new counterparties. The Electricity Trading division intends to strengthen activities in the region.

Internally, the Company will focus on process optimization and an increase in the quality of attendance for end customers.

Research and development activities

The Company does not carry out any research and development activities.

Environmental protection and employment relationships

In handling consumable materials the Company always adopts a friendly approach to the environment.

Employment relations are governed by the Labour Code.

Risk management objectives and methods

The Company is exposed to, among other things, currency and market risks as part of its standard business activities. In cooperation with the Risk Management department, the Company's management regularly monitors and evaluates these risks. The Company's management aims to reduce any negative effects of these risks by using currency and commodity derivatives. The Company applies hedge accounting, the principles of which are detailed in note 2e) to the financial statements.

Material subsequent events

EP ENERGY TRADING, a.s. (ID 273 86 643) as the successor company merged with Optimum Energy, s.r.o. (ID 290 36 372) on 1 January 2016.

The Company's registered capital increased to TCZK 16 000 as at 1 January 2016.

EP ENERGY TRADING, a.s. sold its share in ADCONCRETUM REAL ESTATE DOO BEOGRAD to Energetický a průmyslový holding, a.s. for EUR 3 489 604. The sale was recorded in the Serbian Commercial Register on 4 May 2016.

The Company's management is not aware of any other material subsequent events.

Prague, 30 June 2016



Petr Švec
Member of the Board of Directors



Ladislav Sladký
Member of the Board of Directors

4. REPORT ON RELATIONS BETWEEN RELATED ENTITIES

pursuant to Act No. 90/2012 Coll., on Corporations and Cooperatives for the period from 1 January 2015 to 31 December 2015.

The board of directors of EP ENERGY TRADING, a.s. ("the Company"), with its registered office in Prague 1, Klimentská 1216/46, 110 02, has prepared this report on relations between the controlled entity, companies exercising direct or indirect control and other entities controlled by the same controlling entity for the period from 1 January 2015 to 31 December 2015 in compliance with Section 82 of Act No. 90/2012 Coll., on Corporations and Cooperatives, as amended.

The entity directly controlling the Company in the period from 1 January 2015 to 31 December 2015 was EP Energy, a.s., with its registered office in Brno, Příkop 843/4, 602 00.

In the respective period, EP Energy, a.s. as the direct controlling entity owned 15 shares of the controlled entity, representing 100% of the Company's registered capital and 100% of its voting rights.

I. Controlled entity

EP ENERGY TRADING, a.s., with its registered office in Prague 1, Klimentská 1216/46, 110 02, ident. no. 273 86 643, recorded in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 10233 on 31 October 2005.

II. Controlling entity

a) direct controlling entity

EP Energy, a.s., with its registered office in Brno, Příkop 843/4, 602 00, ident. no. 292 59 428, recorded in the Commercial Register maintained by the Regional Court in Brno, section B, insert 6278 on 16 December 2010.

b) indirect controlling entity

In the period from 1 January 2015 to 31 December 2015 the entity indirectly controlling the Company was Energetický a průmyslový holding, a.s., with its registered office in Brno, Příkop 843/4, 602 00, ident. no. 283 56 250, recorded in the Commercial Register maintained by the Regional Court in Brno, section B, insert 5924 on 10 August 2009.

III The controlled entity's role, method and means of control

The controlled entity's role within the group of companies is trading with commodities on a wholesale market and the delivery of commodities to end customers. To fulfil this role, the controlled entity enters into business relations with related parties. All contractual relationships with related parties were established under the arm's length principle. All supplies and related consideration have been agreed based on the arm's length principle.

The controlling entity exercises its controlling influence through the appointment and recalling of statutory board and supervisory board members in compliance with effective legislation and the controlled entity's articles of association.

IV. Contracts concluded with related parties

In 2015, contracts in effect between the controlled entity and the direct and indirect controlling entities and other entities controlled by the same controlling entities were as follows:

- (1) EFET-type framework agreement with Stredoslovenská energetika, a. s. of 1 October 2007;
- (2) Contract for the combined supply of low-voltage electricity in 2015 with PRVNÍ MOSTECKÁ a. s. of 27 August 2014;
- (3) Framework agreement for the supply and consumption of electricity with the transfer of responsibility for variances with Elektrárny Opatovice, a. s. of 15 December 2010;
- (4) Framework agreement for the supply and consumption of electricity with the transfer of responsibility for variances with Plzeňská energetika, a. s. of 15 December 2010;
- (5) Contract for the combined supply of low-voltage electricity in 2015 with PRVNÍ MOSTECKÁ a. s. of 27 August 2014;
- (6) Contract for the supply and purchase of electricity in the 2013–2015 period with POWERSUN a. s. of 21 September 2012;
- (7) Loan contract with EP Energy, a. s. of 31 October 2012;
- (8) Loan contract with EP Energy, a. s. of 31 October 2012;
- (9) Contract for bookkeeping with Alternative Energy, a. s. of 2 January 2013;
- (10) Contract for bookkeeping with ARISUN, s. r. o. of 2 January 2013;
- (11) Contract for bookkeeping with Triskata, s. r. o. of 2 January 2013;
- (12) Contract for bookkeeping with AISE, s. r. o. of 2 January 2013;
- (13) Contract for bookkeeping with EP Energy, a. s. of 17 January 2013;
- (14) Contract for the supply of high-voltage electricity in 2015 with ENERGAZET, a. s. of 14 October 2014;
- (15) Contract for the combined supply of VOSO gas in 2015 with Plzeňská energetika a. s. of 29 October 2014;
- (16) Contract for the combined supply of natural gas in 2015 with Plzeňská energetika a. s. of 17 December 2014;
- (17) Contract for the combined supply of VOSO gas in 2015 with United Energy, a. s. of 7 November 2014;
- (18) Loan contract with EP Energy, a. s. of 15 November 2013;
- (19) Contract for the combined supply of electricity and distribution services in 2015 with Alternative Energy, a. s. of 21 December 2014;
- (20) Contract for the supply and purchase of electricity in 2015 with POWERSUN a. s. of 21 November 2014;
- (21) Contract for the supply and purchase of electricity in 2015 with VTE Pchery, s. r. o. of 21 November 2014;
- (22) EFET-type framework agreement with Pražská teplárenská, a. s. of 10 December 2013;
- (23) Contract for the combined supply of high-voltage electricity in 2015 with VTE Pchery, s. r. o. of 30 December 2014;
- (24) EFET-type framework agreement with Helmstedter Revier GmbH of 1 February 2014;
- (25) Contract for the combined supply of electricity in 2015 with SPP Storage, s. r. o. of 20 June 2013;
- (26) Contract for the combined supply of electricity in 2015 with TERMONTA PRAHA a. s. of 12 June 2014;
- (27) Contract for the supply and purchase of electricity in 2015 with Greeninvest Energy a. s. of 21 November 2014;
- (28) EFET-type framework agreement with EP Commodities, a. s. of 1 December 2014;
- (29) Contract on flexibility services for 2015 with EP Commodities, a. s. of 1 December 2014;
- (30) Contract for the sub-lease of business premises and for the provision of services with EP Commodities, a. s. of 1 October 2014;
- (31) Framework agreement for distribution in 2015 with SPP – distribúcia, a. s. of 6 October 2015;
- (32) Contract for the lease of a storage facility with NAFTA a. s. of 31 October 2014;
- (33) Gas storage agreement with NAFTA a. s. of 20 August 2014.

V. Other juridical acts performed in the interest of related parties

During the respective accounting period, no juridical acts – other than those performed within the execution of rights pertaining to the controlled entity's shareholder – were performed in the interest of the direct and indirect controlling entity or other entities controlled by the same controlling entity.

VI. Other measures adopted or effected in the interest or at the instigation of related parties

During the respective accounting period, no measures – other than those adopted or effected within the execution of rights pertaining to the controlled entity's shareholder – were adopted or effected in the interest of the direct and indirect controlling entity or other entities controlled by the same controlling entity.

In 2015, no acts were performed in the interest or at the instigation of the controlling entity that would involve more than 10% of the controlled entity's equity.

VII. Supplies provided and consideration received by the controlled entity

In the respective accounting period, the controlled entity provided supplies to or received consideration (in thousands of Czech crowns) from the direct or indirect controlling entity and other entities controlled by the same controlling entity which were as follows:

Related party	Supply	Revenues in TCZK	Expenses in TCZK
AISE, s. r. o.	Advisory and other services	106	0
	Total	106	0
Pražská teplárenská a. s.	Revenues from the sale of goods	9 402	0
	Cost of goods sold	0	17 278
	Other services	190	0
	Total	9 592	17 278
Plzeňská energetika a. s.	Revenues from the sale of goods	7 338	0
	Cost of goods sold	0	178 003
	Other services	711	0
	Total	8 049	178 003
VTE Pchery, s. r. o.	Revenues from the sale of goods	446	0
	Cost of goods sold	0	6 954
	Total	446	6 954
United Energy, a. s.	Revenues from the sale of goods	196 170	0
	Cost of goods sold	0	757 179
	Other services	2 805	120
	Total	198 975	757 299
POWERSUN a. s.	Revenues from the sale of goods	99	0
	Cost of goods sold	0	3 004
	Total	99	3 004
Triskata, s. r. o.	Other services	90	0
	Total	90	0

Related party	Supply	Revenues in TCZK	Expenses in TCZK
ENERGZET, a. s.	Revenues from the sale of goods	2 728	0
	Cost of goods sold	0	335
	Total	2 728	335
Alternative Energy, a. s.	Revenues from the sale of goods	61	0
	Advisory and other services	246	0
	Total	307	0
EP Energy, a. s.	Interest expense	0	36 789
	Fees relating to guarantees	0	12 519
	Interest revenue	1 442	0
	Other expenses and revenues	547	8
	Total	1 989	49 316
ARISUN, s. r. o.	Other services	90	0
	Total	90	0
Elektrárny Opatovice, a. s.	Revenues from the sale of goods	274 746	0
	Cost of goods sold	0	1 258 442
	Other services	4 856	5 574
	Total	279 602	1 264 016
SPP Infrastructure, a. s.	Revenues from the sale of goods	47 025	0
	Total	47 025	0
Stredoslovenská energetika, a. s.	Revenues from the sale of goods	2 622 872	0
	Cost of goods sold	0	324 185
	Other expenses and revenues	56 193	68
	Total	2 679 065	324 253
Helmstedter Revier GmbH (Buschhaus)	Cost of goods sold	0	2 566 546
	Revenues from the sale of goods	471 978	0
	Total	471 978	2 566 546
EP Commodities, a. s.	Cost of goods sold	0	1 664 733
	Revenues from the sale of goods	488 728	0
	Other revenues	314	0
	Total	489 042	1 664 733
NAFTA, a. s.	Cost of goods sold and cost of services	0	375 223
	Revenues from the sale of goods	271	0
	Celkem	271	375 223

VIII. Damage incurred by the controlled entity and related settlement

The controlled entity did not incur any damage nor did it gain any advantage as a result of the above contracts, other juridical acts, other measures, and provided supplies and received consideration.

IX. Advantages and disadvantages arising from relations between related parties, associated risks

The controlled entity does not gain any advantages or disadvantages from its relations with related parties. All related-party relations are governed by the arm's length principle. No entity gains any illegitimate advantages or disadvantages; all the relations are neutral in this respect. In addition, the controlled entity does not incur any risks from these relations.

X. Confidentiality

Within the group, all information and facts that are part of the trade secret of the controlling entities, controlled entity and other related parties are deemed confidential. The same applies to all information that has been designated as confidential by any related party. Confidential is also any and all business information that may on its own or in connection with other information and facts result in damage to any related party.

XI. Conclusion

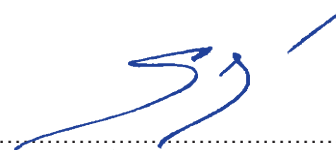
This report has been prepared by EP ENERGY TRADING, a. s. and has been submitted for review to the supervisory board and auditors. As the controlled entity has a statutory duty to prepare an annual report, the report on relations will be attached thereto.

The annual report will be deposited in the Collection of Deeds maintained by the Municipal Court in Prague.

Prague, 31 March 2016



.....
Ing. Petr Švec, MBA
Member of the Board of Directors



.....
Ing. Ladislav Sladký
Member of the Board of Directors

5. REPORT OF SUPERVISORY BOARD ON RESULTS OF CONTROL ACTIVITIES

In 2014, the supervisory board of EP ENERGY TRADING, a. s. performed tasks in compliance with the Business Corporations Act and the Company's statutes.

At its meetings the supervisory board regularly monitored the Company's economic results, the state of its assets and reviewed economic analyses. It checked and verified the fulfilment of tasks given to the board of directors by the general meeting, resp. the decision of the sole shareholder during the exercise of powers of the general meeting, as well as the observance of generally binding legal regulations and the Company's statutes.

During 2015, when exercising its right to supervise, the supervisory board followed the Company's statutes and generally binding legal regulations valid for activity of joint stock companies. In the mentioned period, the supervisory board focussed primarily on its main task, i.e. the supervision over the exercise of powers of the board of directors and the examination of the annual financial statements and the proposal for the loss settlement.

In the shareholder's interest, the supervisory board also concentrated, among others, on the continuous monitoring of economic results, the performance of the business plan and the resolutions adopted by the regular general meeting. It simultaneously aided the board of directors in fulfilling the joint stock company's development strategy.

The board of directors has provided the supervisory board with all necessary background materials, information and explanations. The supervisory board did not discover any shortcomings or violations of the Company's statutes or applicable legal regulations in the activities of the board of directors.

Prague, 30 June 2016



Michal Antonín
Chairman of the supervisory board

6. FINANCIAL STATEMENTS UNDER CZECH ACCOUNTING STANDARDS



BALANCE SHEET in full format as at 31 December 2015 (in thousands of TCZK)

Ident.	ASSETS		Regular accounting period			Prior period
			Brutto 1	Correction 2	Netto 3	Netto 4
a	b					
		TOTAL ASSETS	3 654 706	-219 230	3 435 476	3 870 665
B.		Fixed assets	276 511	-46 415	230 096	18 766
	I.	Intangible fixed assets	60 131	-37 268	22 863	4 149
	1.	Incorporation expenses	252	-252		
	3.	Software	46 007	-37 016	8 991	1 812
	7.	Intangible fixed assets under construction	13 872		13 872	2 337
	II.	Tangible fixed assets	15 816	-9 147	6 669	2 197
	2.	Buildings	5 566	-5 566		894
	3.	Plant and equipment	10 200	-3 581	6 619	1 303
	7.	Tangible fixed assets under construction	50		50	
	III.	Long-term investments	200 564		200 564	12 420
	2.	Equity investments – associated companies	200 564		200 564	12 420
C.		Current assets	3 338 073	-172 815	3 165 258	3 836 892
	I.	Inventories	22 442		22 442	139
	5.	Goods for resale	22 442		22 442	139
	II.	Long-term receivables	332 279		332 279	217 195
	5.	Long-term advances paid	256 718		256 718	200 483
	7.	Other receivables	35 760		35 760	5 044
	8.	Deferred tax asset	39 801		39 801	11 668
	III.	Short-term receivables	2 777 691	-172 815	2 604 876	2 907 406
	1.	Trade receivables	1 913 113	-172 815	1 740 298	2 113 175
	2.	Receivables – group undertakings	51 075		51 075	
	6.	Tax receivables	213 718		213 718	132 092
	7.	Short-term advances paid	221 402		221 402	162 462
	8.	Estimated receivables	357 272		357 272	450 243
	9.	Other receivables	21 111		21 111	49 434
	IV.	Short-term financial assets	205 661		205 661	712 152
	1.	Cash	68		68	93
	2.	Bank accounts	205 593		205 593	712 059
D.	I.	Deferrals	40 122		40 122	15 007
	1.	Prepaid expenses	40 122		40 122	15 007

Ident.			LIABILITIES	Regular accounting period	Previous accounting period
a			b	5	6
			TOTAL LIABILITIES AND EQUITY	3 435 476	3 870 665
A.			Equity	472 272	385 134
	I.		Registered capital	15 000	15 000
		1.	Registered capital	15 000	15 000
	II.		Capital contributions	-158 805	-36 607
		3.	Revaluation of assets and liabilities	-158 805	-36 607
	IV.		Retained earnings	409 639	483 046
		1.	Retained profits	409 639	483 046
	V.	1.	Profit (loss) for the current period	206 438	-76 305
B.			Liabilities	2 916 354	3 249 388
	I.		Provisions	932	253
		4.	Other provisions	932	253
	II.		Long-term liabilities	616 453	641 559
		2.	Liabilities – group undertakings	602 509	612 881
		5.	Long-term advances received	8 040	22 686
		9.	Other payables	5 904	5 992
	III.		Short-term liabilities	2 298 969	2 607 576
		1.	Trade payables	1 470 898	1 547 925
		2.	Liabilities – group undertakings	80 123	138 654
		5.	Payables to employees	5 195	4 430
		6.	Social security and health insurance liabilities	2 528	2 070
		7.	Tax liabilities and subsidies	31 814	11 550
		8.	Short-term advances received	426 098	540 682
		10.	Estimated payables	256 201	230 646
		11.	Other payables	26 112	131 619
C.	I.		Accruals	46 850	236 143
		1.	Accrued expenses	46 850	236 143

INCOME STATEMENT

classification by nature for the year ended 31 December 2015 (in thousands of TCZK)

Identification			TEXT	Reality in the accounting period	
a			b	Current 1	Prior 2
	I.		Revenues from goods	19 078 406	17 033 906
A.			Costs of goods sold	18 946 018	17 220 529
	+		Gross profit	132 388	-186 623
	II.		Revenue from production	192 207	51 956
	II.	1.	Revenue from own products and services	192 207	51 956
B.			Cost of sales	265 118	122 017
B.1.			Materials and consumables	2 306	2 558
B.2.			Services	262 812	119 459
	+		Added value	59 477	-256 684
C.			Personnel expenses	67 858	54 904
C.1.			Wages and salaries	44 639	36 857
C.2.			Remuneration of board members	6 506	4 238
C.3.			Social security and health insurance expenses	15 744	13 034
C.4.			Social expenses	969	775
D.			Taxes and charges	451	299
E.			Depreciation of intangible and tangible fixed assets	3 910	16 997
G.			Change in provisions and adjustments relating to operating activity and change in complex prepaid expenses	-3 589	-22 891
	IV.		Other operating revenues	3 499	5 668
H.			Other operating expenses	6 126	33 344
	*		Operating profit (loss)	-11 780	-333 669
K.			Financial assets expenses		
	IX.		Revenue from revaluation of securities and derivatives	379 608	735 987
L.			Expenses for revaluation of securities and derivatives	81 186	423 972
M.			Change in provisions and adjustments relating to financial activity		
	X.		Interest revenue	2 150	202
N.			Interest expense	37 184	44 747
	XI.		Other financial revenues	174 177	92 703
O.			Other financial expenses	189 791	102 164
	*		Profit (loss) from financial operations	247 774	258 009
Q.			Income tax on ordinary profit (loss)	29 556	645
Q.1.			– current	29 706	
Q.2.			– deferred	-150	645
	**		Profit (loss) on ordinary activities after tax	206 438	-76 305
	***		Profit (loss) for the accounting period	206 438	-76 305
	****		Profit (loss) before tax	235 994	-75 660

NOTES TO THE CZECH STATUTORY FINANCIAL STATEMENTS

(translated from the Czech original) Year ended 31 December 2015
(All amounts are shown in thousands of Czech crowns "TCZK")

1. Description and principal activities

Establishment and description of the Company

EP ENERGY TRADING, a.s. ("the Company") was registered on 31 October 2005 as United Energy Trading, a.s. The principal activities of the Company are electricity trading and the sale of electricity, natural gas and related services to end customers in the Czech Republic and Slovakia.

Ownership structure

The sole shareholder of the Company as at 31 December 2015 is:

EP Energy, a.s.
Příkop 843/4
602 00 Brno
Czech Republic

Registered office

EP ENERGY TRADING, a.s.
Klimentská 1216/46
110 02 Praha – Praha 1
Czech Republic

Identification number

273 86 643

Members of the board of directors and supervisory board as at 31 December 2015

Members of the board of directors	Members of the supervisory board
Miodrag Maksimovič (chairman)	Mgr. Michal Antonín (chairman)
Ing. Petr Švec, MBA	Mgr. Lenka Marečková
Ing. Ladislav Sladký	Mgr. Ing. Jiří Nováček

Changes in the Commercial Register

On 31 December 2015, the Company acquired an ownership title to a part of Západosmoravská energetická s. r. o. designated as an electricity trading division. This fact was recorded in the Commercial Register on 29 January 2016.

In 2015, no changes were made to the board of directors and supervisory board.

Branch

The Company has a branch EP ENERGY TRADING, a. s., organizačná zložka, with its registered office at Pribinova 25, Bratislava 811 09, ID: 366 82 071, which was recorded in the Slovak Commercial Register on 3 October 2006. Mr Miroslav Rozkoš (since 1 May 2015) and Mr Petr Švec were in charge of the branch as at 31 December 2015.

Organisational structure

The Company is organised into five divisions – Sales and Marketing, Sales Dispatch, Gas Trading, Trading and Finance, which report to the Managing Director.

2. Significant accounting policies applied by the Company

These financial statements have been prepared in compliance with Act No. 563/1991 Coll., on Accounting, and Decree of the Czech Ministry of Finance No. 500/2002 Coll., implementing certain provisions of the Act on Accounting, for business entities using double-entry bookkeeping, as amended for 2015 and 2014.

a) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at acquisition cost. Tangible fixed assets costing up to TCZK 40 and intangible fixed assets costing up to TCZK 60 are not recognised in the balance sheet and are expensed in the year that they are acquired.

Assets are depreciated using the following methods over the following periods:

Assets	Method	Period
Incorporation expenses	Straight-line	5 years
Software	Straight-line	3 years
PC equipment	Straight-line	4 years

Technical improvements increase the cost of fixed assets if the related expenses exceed TCZK 40. Technical improvements to leased office premises are reported in "Buildings". Leasehold improvements are depreciated over the lease term.

b) Long term investments

Long-term investments comprise investments in group undertakings and associated companies.

Long-term investments are stated at acquisition cost, which includes expenses directly incurred in connection with the acquisition, such as fees and commissions paid to brokers, advisers and stock exchanges.

As at the balance sheet date, investments are recognised at acquisition cost, and if a particular investment has been impaired, an adjustment is established.

c) Establishment of adjustments and provisions

Receivables

The Company establishes adjustments for doubtful receivables based on an analysis of the credit status of customers and the ageing structure of receivables.

Provisions

An income tax provision is established as the financial statements are prepared before the tax liability is determined. In the subsequent accounting period, the Company releases this provision and records the actual tax liability determined.

A provision for untaken holidays is established as at the balance sheet date, based on an analysis of untaken holidays in the accounting period and average payroll expenses, including social security and health insurance expenses per employee.

In the balance sheet, the income tax provision is reduced by income tax prepayments, and the net receivable (if any) is recorded in tax receivables.

d) Foreign currency translation

The Company applies the Czech National Bank official rate to foreign currency transactions. During the year foreign exchange gains and losses are only recognised when realised at the time of settlement.

As at the balance sheet date, foreign currency monetary assets and liabilities are translated at the prevailing Czech National Bank official rates. Unrealised foreign exchange gains and losses are recognised in the income statement.

e) Derivatives

Currency derivatives

Effective from 1 January 2013, the Company uses hedging derivatives (currency forwards and swaps) to mitigate foreign exchange risks relating to payments in foreign currencies. Hedging derivatives are recognised at fair value. Hedging fully complies with the Company's risk management strategy. All forward and swap transactions are documented, and their effectiveness is assessed regularly.

As at the balance sheet date, the realised part of financial derivatives was recognised in the income statement and the unrealised part as "Revaluation of assets and liabilities" in equity, considering the deferred tax effect.

Commodity derivatives

Futures and forwards that have been concluded for the purpose of purchase, sale or use of a commodity, i.e. electricity, and are expected to be settled by delivery of the commodity do not meet the definition of a derivative and therefore are not remeasured at fair value.

Commodity contracts, i.e. futures and forwards, that are not expected to be settled by the delivery of the commodity are considered to be derivatives and are remeasured at fair value.

As at the balance sheet date, commodity derivatives held for trading concluded at the PXE, same as derivatives traded with third parties, are revalued at fair market value, taking as a basis the closing prices on 31 December 2015 as published by the PXE.

On 1 January 2013, the Company began to apply hedge accounting to account for selected commodity derivatives traded on the PXE in accordance with the internal risk management policy. Hedge accounting is applied in accordance with Czech Accounting Standard No. 110 "Derivatives". As at the balance sheet date, hedging instruments are reported

at fair value and gains (losses) on the effective change in their fair values are recognised in “Revaluation of assets and liabilities” in equity, considering the deferred tax effect.

f) Leased assets

Lease payments are expensed on a straight-line basis over the lease term.

g) Income tax

Income tax for the period comprises current tax and the change in deferred tax.

Current tax comprises an estimate of tax payable calculated based on the taxable income, using the tax rate valid as at the first day of the accounting period, and any adjustments to taxes payable for previous periods.

Deferred tax is based on all temporary differences between the carrying and tax value of assets and liabilities, and other temporary differences (tax losses carried forward, if any), multiplied by the tax rate expected to be valid for the period in which the tax liability/asset will be utilised.

A deferred tax asset is recognised only if it is probable that it will be utilised in future accounting periods.

Deferred tax in respect of items that are recorded directly in equity is also recorded in equity.

h) Classification of liabilities

The Company classifies as short-term any part of long-term liabilities, bank loans and overdrafts that is due within one year of the balance sheet date.

i) Accounting records of the branch

The accounts of the branch are maintained separately in EUR in Slovakia. Each day individual journal entries are translated at the Czech National Bank official rates and imported to the accounts of the Czech entity. As at the balance sheet date, assets and liabilities denominated in EUR are translated at the prevailing Czech National Bank official rates. As at the balance sheet date, foreign exchange differences arising from the translation of balance-sheet and profit-and-loss-account items are recorded in the income statement.

j) Consolidation

Pursuant to Section 62(2) of Decree No. 500/2002 Coll., the financial statements of the Company and other entities subject to consolidation are included in the consolidated financial statements prepared by EP Energy, a. s., with its registered office at Příkop 843/4, Zábřovice, 602 00 Brno. These consolidated financial statements will be published in compliance with Section 62(3c) of the Decree implementing Section 21a of the Accounting Act.

3. Fixed assets

a) Intangible fixed assets:

	Incorporation expenses	Software	Intangible FA under construction	Total
Acquisition cost				
Balance at 1. 1. 2015	252	36 894	2 337	39 483
Additions	--	9 113	11 535	20 648
Disposals	--	--	--	--
Transfers	--	--	--	--
Balance at 31. 12. 2015	252	46 007	13 872	60 131
Accumulated depreciation				
Balance at 1. 1. 2015	252	35 082	--	35 334
Depreciation expense	--	1 934	--	1 934
Disposals	--	--	--	--
Balance at 31. 12. 2015	252	37 016	--	37 268
Net book value 1. 1. 2015	--	1 812	2 337	4 149
Net book value 31. 12. 2015	--	8 991	13 872	22 863

b) Tangible fixed assets:

	Buildings	Plant and equipment	Intangible FA under construction	Total
Acquisition cost				
Balance at 1. 1. 2015	5 566	3 802	--	9 368
Additions	--	6 398	50	6 448
Disposals	--	--	--	--
Transfers	--	--	--	--
Balance at 31. 12. 2015	5 566	10 200	50	15 816
Accumulated depreciation				
Balance at 1. 1. 2015	4 672	2 499	--	7 171
Depreciation expense	894	1 082	--	1 976
Disposals	--	--	--	--
Transfers	--	--	--	--
Balance at 31. 12. 2015	5 566	3 581	--	9 147
Net book value 1. 1. 2015	894	1 303	--	2 197
Net book value 31. 12. 2015	--	6 619	50	6 669

4) Leased assets

The Company has an operating lease for company cars for a period of 36 months from the contract date. The annual cost of this lease and the lease of a printer for 2015 was TCZK 1 288 (2014 – TCZK 2 210).

The Company also has an operating lease for office premises in Prague. The annual cost of this lease for 2015 was TCZK 5 782 (2014 – TCZK 7 962).

5) Non-capitalised tangible and intangible fixed assets

In accordance with the accounting policy described in note 2(a) above, the Company charged low value tangible and intangible fixed assets to the income statement in the year that they were acquired. The cumulative acquisition cost of non-capitalised tangible and intangible fixed assets charged into income statement in the current year was as follows:

	31.12.2015	31.12.2014
Tangible fixed assets	654	438
Total	654	438

6) Long-term investments

In June 2015, the Company increased its ownership interest in ADCONCRETUM REAL ESTATE DOO BEOGRAD (ID: 21037141) to TEUR 2 057.

In August 2015, EP ENERGY TRADING, a. s. purchased a 100% share in Optimum Energy, s. r. o. (ID: 290 36 372).

In 2015, the Company had no dividend income from long-term investments.

2015:

Ownership interests	Ownership	Acquisition cost in TCZK	Acquisition cost in TEUR
ADCONCRETUM REAL ESTATE DOO BEOGRAD	100%	68 390	2 507
Optimum Energy, s. r. o.	100%	132 174	--

2014:

Ownership interests	Ownership	Acquisition cost in TCZK	Acquisition cost in TEUR
ADCONCRETUM REAL ESTATE DOO BEOGRAD	100%	12 420	450

As at 31 December 2015, the equity of ADCONCRETUM REAL ESTATE DOO BEOGRAD amounts to TCZK 50 943. The company incurred a loss of TCZK 559 for 2015.

As at 31 December 2015, the equity of Optimum Energy, s. r. o. amounts to TCZK 22 179. The company generated a profit of TCZK 18 879 for 2015.

The registered office of the associated company as at 31 December 2015 was as follows:

A) ADCONCRETUM REAL ESTATE DOO BEOGRAD

Vuka Karadzica 6
Belgrade
Serbia

B) Optimum Energy, s. r. o.

Radlická 520/117
158 00 Praha 5 – Jinonice
Czech Republic

7) Inventories

The Company's inventories comprise purchased natural gas totalling TCZK 22 442 (2014 – TCZK 139).

8) Trade receivables and payables

a) **Short-term trade receivables** total TCZK 1 913 113 (2014 – TCZK 2 290 258), of which TCZK 345 576 (2014 – TCZK 389 574) is overdue. An adjustment of TCZK 172 815 (2014 – TCZK 177 083) was set up at 31 December 2015 for doubtful receivables.

b) **Short-term trade payables** total TCZK 1 470 898 (2014 – TCZK 1 547 925), of which TCZK 91 728 (2014 – TCZK 109 355) is overdue.

9) Advances paid

Long-term advances paid total TCZK 256 718 (2014 – TCZK 200 483). The balance primarily comprises a security deposit for trading on the PXE granted to European Commodity Clearing AG of TCZK 135 125 (2014 – TCZK 110 900), a security deposit on electricity trading provided to OKTE, a. s. of TCZK 35 844 (2014 – TCZK 36 772) and a security deposit on electricity trading provided to OTE, a. s. of TCZK 39 950 (2014 – TCZK 31 505).

Short-term advances paid total TCZK 221 402 (2014 – TCZK 162 462) and primarily comprise advances paid for the distribution of electricity and natural gas. The remaining balance of short-term advances paid includes primarily an advance paid to ČEZ Distribuce, a. s. of TCZK 140 499 (2014 – TCZK 103 120) and an advance paid to RWE GasNet, s. r. o. of TCZK 43 769 (2014 – TCZK 56 006).

10) Tax receivables

Tax receivables amount to TCZK 213 718 (2014 – TCZK 132 092) and consist of a VAT receivable amounting to TCZK 213 718 (2014 – TCZK 121 160) and advances for corporate income tax of TCZK 0 (2014 – TCZK 10 932).

As at the date of preparing the notes to these financial statements, the specialised tax authority, seated at Nábř. Kpt. Jaroše 1000/7 Prague 7, was carrying out a tax inspection under Section 87(1) of the Tax Procedure Rules, reviewing value added tax for the taxable period from August 2015 to December 2015 and retaining excess deductions of TCZK 126 157.

The August VAT inspection was commenced on 20 October 2015. The retained excess deductions for this period were TCZK 39 639.

The September inspection was commenced on 18 November 2015. The retained excess deductions for this period were TCZK 42 238.

The October inspection was commenced on 9 December 2015. The related VAT liability of TCZK 6 760 was paid on 24 November 2015.

The November inspection was commenced on 21 January 2016. The retained excess deductions for this period were TCZK 13 181.

The December inspection was commenced on 23 February 2016. The retained excess deductions for this period were TCZK 31 099.

EP ENERGY TRADING, a. s. performed all necessary procedures associated with these inspections. The Company is confident that its claims for excess deductions are entirely legitimate.

11) Estimated receivables

Estimated receivables of TCZK 357 272 (2014 – TCZK 450 243) primarily comprise estimates for uninvoiced distribution and supply of electricity totalling TCZK 182 462 (2014 – TCZK 264 017) and distribution and supply of natural gas totalling TCZK 174 810 (2014 – TCZK 186 226).

12) Other receivables – short-term and long-term

Other receivables primarily comprise the revaluation of commodity derivatives to fair value as at 31 December 2015 of TCZK 43 090 (2014 – TCZK 42 026). See note 13.

13) Derivatives

a) Currency derivatives

As at the balance sheet date, the Company held the following hedging derivatives:

Forward exchange contracts	Due Date	2015 Fair value
Forwards (Commerzbank Aktiengesellschaft)	2016 – 2018	-18 180
Swaps (Commerzbank Aktiengesellschaft)	2016 – 2018	-4 712
Total		-22 892

The fair value of derivatives totals TCZK -22 892 (2014 – TCZK 42 206), of which TCZK -5 904 (2014 – TCZK 5 044 recorded in other long-term receivables) is recorded in other long-term receivables and TCZK -16 988 (2014 – TCZK 36 982 recorded in other short-term receivables) is recorded in other short-term receivables. Derivatives which meet the condition of an effective hedge amount to TCZK -22 892 (2014 – TCZK 46 201) were reported in equity. In 2014, the remaining fair value balance was charged to profit (loss) from financial operations.

b) Commodity hedging derivatives and derivatives held for trading

As at the balance sheet date, the Company held the following forward contracts for trading with electricity:

Forward exchange contracts	Due in	Fair value (TCZK)	Commodity volume (MWh)
Futures and forward contracts for purchase of electricity	2016	-557 093	8 582
Futures and forward contracts for sale of electricity	2016	502 626	7 053
Futures and forward contracts for purchase of electricity	2017	-125 834	1 139
Futures and forward contracts for sale of electricity	2017	91 935	664
Futures and forward contracts for purchase of electricity	2018	-32 071	473
Futures and forward contracts for sale of electricity	2018	27 811	375
Total		-92 626	

The fair value of TCZK -135 716 (2014 – TCZK 51 063) was settled using the daily settlement of contract value changes on the commodities exchange as at 31 December 2015. The unsettled fair value of derivatives totalled TCZK 43 090 (2014 – TCZK -137 609), of which TCZK 7 330 (2014 – TCZK -131 617 recorded in other short-term payables) was recorded in other short-term receivables and TCZK 35 760 (2014 – TCZK -5 992 recorded in other long-term payables) is recorded in other long-term receivables.

Selected contracts traded on the PXE are accounted for as hedging derivatives. The fair value of hedging derivatives reported in equity is TCZK -173 161 (2014 – TCZK -91 394).

14) Adjustments

	Adjustment to receivables	Total
Balance at 1.1.2015	177 083	177 083
Additions	--	--
Release/utilisation	-4 268	-4 268
Balance at 31.12.2015	172 815	172 815

15) Registered capital

The registered capital of TCZK 15 000 (2014 – TCZK 15 000) consists of fifteen registered shares with a nominal value of TCZK 1 000.

16) Equity

a) Movements in the individual components of equity

	Registered capital	Profit/loss for the current period	Revaluation of assets and liabilities	Retained earnings	Total
Balance at 1. 1. 2015	15 000	-76 305	-36 607	483 046	385 134
Release of merger adjustments	--	--	--	2 898	2 898
Additions to funds	--	76 305	--	-76 305	--
Revaluation of hedging derivatives	--	--	-122 198	--	-122 198
Profit for 2015	--	206 438	--	--	206 438
Balance at 31. 12. 2015	15 000	206 438	-158 805	409 639	472 272

The release of merger adjustments is the release of a portion of positive fair value of the commodity derivatives eliminated within the merger of První energetická a. s. and EP ENERGY TRADING, a. s. through relevant expense and revenue accounts, including the impact on deferred tax.

The loss for 2014 of TCZK 76 305 was transferred to retained profits.

A decision concerning the settlement of the 2015 profit had not been made as at the date of preparing these financial statements.

b) Movements in the “Revaluation of assets and liabilities” account:

Balance 1. 1. 2015	-36 607
Change in fair value of currency derivatives	-69 095
Change in deferred tax relating to currency derivatives	13 128
Change in fair value of commodity derivatives	-81 767
Change in deferred tax relating to commodity derivatives	15 536
Balance at 31. 12. 2015	-158 805

c) “Revaluation of assets and liabilities” comprises:

Fair value of currency derivatives	-22 892
Deferred tax relating to currency derivatives	4 349
Fair value of commodity derivatives	-173 161
Deferred tax relating to commodity derivatives	32 899
Balance at 31. 12. 2015	-158 805

17. Provisions

	Provision for untaken holiday	Total
Balance at 31. 12. 2015	253	253
Additions	932	932
Release/Utilization	-253	-253
Balance at 31. 12. 2015	932	932

18) Advances received

a) **Short-term advances received** consist of advances of TCZK 426 098 (2014 – TCZK 540 682) received from end customers in connection with the sale of electricity and natural gas.

b) **Long-term advances received** total TCZK 8 040 (2014 – TCZK 22 686) and primarily include received security deposits.

19) Social security and health insurance liabilities

Social security and health insurance liabilities total TCZK 2 528 (2014 – TCZK 2 070), of which TCZK 1 630 (2014 – TCZK 1 313) relates to social security liabilities and TCZK 898 (2014 – TCZK 757) relates to health insurance liabilities. None of these liabilities are overdue.

20) Tax liabilities and subsidies

Tax liabilities total TCZK 31 814 (2014 – TCZK 11 550), of which TCZK 1 338 (2014 – TCZK 1 072) relates to income tax on employment, TCZK 3 364 (2014 – TCZK 10 478) to taxes on electricity and gas, and TCZK 27 112 (2014 – CZK 0) relates to corporate income tax. None of these liabilities are overdue.

21) Estimated payables

Estimated payables of TCZK 256 201 (2014 – TCZK 230 646) primarily comprise estimated items relating to uninvoiced electricity and gas distribution totalling TCZK 232 169 (2014 – TCZK 216 839).

22) Accrued expenses

Accrued expenses total TCZK 46 850 (2014 – TCZK 236 143) and mainly include accruals relating to the supply of natural gas.

23) Segment information

The Company supplies two types of commodities to end customers – electricity and natural gas – and provides related services. Sales of these commodities and services in 2015 were as follows:

		Domestic sales	Export		Total
			European Union	Other countries	
Electricity	2015	6 111 690	6 166 750	635 232	12 913 672
	2014	7 884 286	3 704 387	34 576	11 623 249
Natural gas	2015	4 080 978	1 945 230	138 526	6 164 734
	2014	5 392 508	5 627	12 522	5 410 657
Services	2015	75 591	116 616	--	192 207
	2014	9 951	42 005	--	51 956
Total	2015	10 268 259	8 228 596	773 758	19 270 613
	2014	13 286 745	3 752 019	47 098	17 085 862

24) Revenues and expenses from revaluation of securities and derivatives

Revenues and expenses from revaluation of securities and derivatives represent realised and unrealised gains and losses from currency and commodity derivatives held for trading.

25) Other financial revenues and expenses

Other financial revenues and expenses primarily comprise foreign exchange gains and losses.

26) Related parties

a) Trade receivables and payables

The following related-party balances are included in the trade receivables and payables described in note 8 above:

	Receivables at		Payables at	
	31. 12. 2015	31. 12. 2014	31. 12. 2015	31. 12. 2014
Pražská teplárenská a. s.	1 009	4 923	1 796	2 683
Plzeňská energetika a. s.	585	2 459	19 258	26 294
VTE Pchery, s. r. o.	18	36	1 129	1 245
United Energy, a. s.	11 339	28 426	70 601	105 324
POWERSUN a. s.	11	23	55	76
ENERGZET, a. s.	--	--	--	151
Energetický a průmyslový holding, a. s.	28	28	--	14

	Receivables at		Payables at	
	31. 12. 2015	31. 12. 2014	31. 12. 2015	31. 12. 2014
Alternative Energy, a. s.	32	56	--	--
EP Energy, a. s.	--	--	2 751	8 658
Elektrárny Opatovice, a. s.	7 954	9 438	146 732	190 690
SPP Infrastructure, a. s.	17 479	49 830	4	--
Stredoslovenská energetika a. s.	253 039	36 110	38 862	5 597
SLOVENSKÉ ENERGETICKÉ STROJÁRNE a. s.	7 196	16 277	--	--
Best Hotel Properties a. s.	943	1 068	--	--
SOR Libchavy spol. s r.o.	1 436	1 371	131	--
Danube Facility Services, s. r. o.	6 630	9 733	96	--
DIAMOND HOTELS SLOVAKIA, s. r. o.	13	61	--	--
SERW, spol. s r.o.	--	302	--	--
Elektrizace železnic Praha a. s.	21	--	605	222
BHP Tatry, s. r. o.	630	709	--	--
MSEM, a. s.	87	230	109	--
Helmstedter Revier GmbH (Buschhaus)	64 380	45 328	208 951	192 816
J&T SERVICES ČR, a. s. (formerly J&T Management, a. s.)	327	--	490	410
EP Commodities, a. s.	81 514	--	243 660	--
NAFTA a. s. – organizační složka	--	--	30 632	--
Other companies from the group	2 132	4 071	51	389
Total	456 803	210 479	765 913	534 569

b) Cash pool

The Company reports cash at a group cash pool account kept by EP Energy, a. s. amounting to TCZK 51 075 (2014 – CZK 0). This cash pool is reported in receivables – group undertakings.

c) Loans received

The Company received long-term loans from EP Energy, a. s. The loans are due in 2019 and 2020. The total value of these loans including interest is TCZK 602 509 (2014 – TCZK 612 881) as at 31 December 2015.

As at 31 December 2015, the Company reports a short-term loan from Optimum Energy, s. r. o. of TCZK 80 123 (2014 – CZK 0). This loan ceased to exist within the merger with Optimum Energy, s. r. o. on 1 January 2016.

d) Transactions with related parties

	Sales for		Purchases for	
	2015	2014	2015	2014
DIAMOND HOTELS SLOVAKIA, s.r.o.	9 603	9 584	--	--
AISE, s.r.o.	106	107	--	--
Pražská teplárenská a. s.	9 592	132 665	17 278	37 837
Plzeňská energetika a. s.	8 049	5 039	178 003	238 566
VTE Pchery, s.r.o.	446	351	6 954	4 455
United Energy, a. s.	198 975	307 957	757 299	924 340
POWERSUN a. s.	99	129	3 004	2 897
Triskata, s.r.o.	90	91	--	--
ENERGZET, a. s.	2 728	3 238	335	248
Energetický a průmyslový holding, a. s.	--	--	--	237
Alternative Energy, a. s.	307	294	--	--
EP Energy, a. s.	1 989	--	49 316	54 529
ARISUN, s.r.o.	90	91	--	--
Elektrárny Opatovice, a. s.	279 602	165 952	1 264 016	1 868 149
SPP Infrastructure, a. s.	47 025	43 705	--	--
Stredoslovenská energetika a. s.	2 679 065	74 628	324 253	74 801
SLOVENSKÉ ENERGETICKÉ STROJÁRNE a. s.	15 378	14 880	--	--
SOR Libchavy spol. s r.o.	12 706	11 570	--	--
Elektrizace železnic Praha a. s.	7 970	--	--	--
MSEM, a. s.	2 496	--	--	--
Helmstedter Revier GmbH (Buschhaus)	471 978	--	2 566 546	437 834
J&T SERVICES ČR, a. s. (formerly J&T Management, a. s.)	348	--	1 032	--
NAFTA a. s.	271	--	375 223	--
EP Commodities, a. s.	489 042	--	1 644 733	--
Other companies from the group	44 666	43 488	1 653	18 713
Total	4 282 621	813 769	7 189 645	3 662 606

All material transactions with related parties were carried out based on the arm's length principle.

e) Remuneration and loans provided to directors and supervisory board members:

	Board of directors		Supervisory board	
	31. 12. 2015	31. 12. 2014	31. 12. 2015	31. 12. 2014
Number of members	3	3	3	3
Fees paid	6 461	4 148	45	90

27) Employees and executives

Average number of employees and executives and personnel expenses for 2015:

2015	Number	Wages and salaries	Social security and health insurance expenses	Social expenses
Employees	68	39 504	12 594	969
Members of the board of directors and executives	7	11 596	3 135	--
Supervisory board	3	45	15	--
Total	78	51 145	15 744	969

Average number of employees and executives and personnel expenses for 2014:

2014	Number	Wages and salaries	Social security and health insurance expenses	Social expenses
Employees	62	36 857	11 727	748
Executives	3	4 148	1 307	27
Total	65	41 005	13 034	775

28) Fees payable to statutory auditors

The information is disclosed in the notes to the consolidated financial statements prepared by EP Energy, a. s. for the consolidated group in which the Company is included.

29) Income tax

a) Current tax

Current income tax comprises the tax estimate for 2015 of TCZK 28 392 (2014 – CZK 0) and adjustments of TCZK 1 314 (2014 – CZK 0) relating to prior periods.

b) Deferred tax

	Assets		Liabilities		Net	
	31. 12. 2015	31. 12. 2014	31. 12. 2015	31. 12. 2014	31. 12. 2015	31. 12. 2014
Tangible and intangible fixed assets	689	633	--	--	689	633
Commodity derivatives	32 899	17 365	--	--	32 899	17 365
Release of elimination of differences in the recognition of commodity derivatives relating to the merger	--	679	--	--	--	679
Hedging FX derivatives	4 349	--	--	-8 779	4 349	-8 779
Adjustments to receivables and other temporary differences	1 864	1 770	--	--	1 864	1 770
Deferred tax asset/(liability)	39 801	20 447	--	-8 779	39 801	11 668

In accordance with the accounting policy described in note 2 (g), a tax rate of 19% was used to calculate deferred tax (2014 – 19%).

In accordance with the accounting policy described in note 2 (g), the Company did not account for a deferred tax asset of TCZK 24 125 (2014 – TCZK 24 856) relating to tax losses and did not account for a deferred tax asset of TCZK 26 339 relating to adjustments to receivables in 2014.

30. Contingencies and commitments

The Company has concluded the following guarantees in favour of its suppliers and business partners as at 31 December 2015:

Bank	Currency	Amount in TEUR	Amount in TCZK
COMMERZBANK Aktiengesellschaft	CZK	--	175 000
Komerční banka, a. s.	CZK	--	67 000
EP Energy, a. s.	EUR	24 100	--

The Company has concluded the following guarantees in favour of its suppliers and business partners as at 31 December 2014:

Bank	Currency	Amount in TEUR	Amount in TCZK
COMMERZBANK Aktiengesellschaft	CZK	--	44 000
The Royal Bank of Scotland plc, organizační složka	CZK	--	272 000
EP Energy, a. s.	EUR	31 000	--

The loan received on group level from UniCredit Bank Czech Republic and Slovakia, a. s. is secured by unpaid trade receivables and bank accounts provided as a pledge. As at 31 December 2015, the book value of pledged receivables was TCZK 1 610 097 (2014 – TCZK 1 906 841) and the book value of pledged bank accounts was TCZK 207 924 (2014 – TCZK 629 675).

31. Material subsequent event

EP ENERGY TRADING, a. s. (ID 273 86 643) as the successor company merged with Optimum Energy, s. r. o. (ID 290 36 372) on 1 January 2016.

The Company's registered capital increased to TCZK 16 000 as at 1 January 2016.

EP ENERGY TRADING, a. s. sold its share in ADCONCRETUM REAL ESTATE DOO BEOGRAD to Energetický a průmyslový holding, a. s. for EUR 3 489 604. The sale was recorded in the Serbian Commercial Register on 4 May 2016.

The Company's management is not aware of any other material subsequent events.

Prepared on: 30 June 2016



Ing. Petr Švec, MBA
Member of the board of directors



Ing. Ladislav Sladký
Member of the board of directors

7. AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE COMPANY





KPMG Česká republika Audit, s.r.o.

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This document is an unsigned English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.

**Independent Auditor's Report to the Shareholder of
EP ENERGY TRADING, a.s.**

We have audited the accompanying financial statements of EP ENERGY TRADING, a.s., prepared in accordance with Czech accounting legislation, which comprise the balance sheet as of 31 December 2015, and the income statement for the year then ended, and the notes to these financial statements, including a summary of significant accounting policies and other explanatory notes. Information about EP ENERGY TRADING, a.s. is set out in Note 1 to these financial statements.

Statutory Body's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Act on Auditors, International Standards on Auditing and the relevant guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of EP ENERGY TRADING, a.s. as of 31 December 2015, and of its financial performance for the year then ended in accordance with Czech accounting legislation.

Other Information

Other information is defined as information (other than the financial statements and our auditor's report) included in the annual report. The statutory body is responsible for the other information.

Our opinion on the financial statements of EP ENERGY TRADING, a.s. as of 31 December 2015 does not cover the other information and we do not express any form of opinion thereon. 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 included in the annual report is not materially inconsistent with the financial statements or our knowledge obtained in the audit, whether the annual report is prepared in accordance with applicable legislation and whether such information otherwise does not appear to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Prague
30 June 2016

Signed by

KPMG Česká republika Audit, s.r.o.
Registration number 71

Signed by

Petr Škoda
Partner
Registration number 1842



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