SPP Infrastructure, a.s.

INDEPENDENT AUDITOR'S REPORT AND SEPARATE FINANCIAL STATEMENTS

AS AT 30 SEPTEMBER 2017

Deloitte.

Deloitte Audit s.r.o.
Digital Park II, Einsteinova 23
851 01 Bratislava
Slovak Republic

Tel.: +421 2 582 49 111
Fax: +421 2 582 49 222
deloitteSK@deloitteCE.com
www.deloitte.sk

Registered in the Commercial
Register of the District Court Bratislava I
Section Sro, File 4444/B
Id. Nr.: 31 343 414
VAT Id. Nr.: SK2020325516

SPP Infrastructure, a. s.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders, Supervisory Board and Board of Directors of SPP Infrastructure, a. s.:

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of SPP Infrastructure, a. s. (the "Company"), which comprise the statement of financial position as at 30 September 2017, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the three-month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 September 2017, and its financial performance and its cash flows for the three-month period then ended in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. 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 provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended (hereinafter the "Act on Statutory Audit") related to ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as adopted in the EU, and for such internal control as management 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, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 International Standards on Auditing, 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Information Disclosed in the Annual Report

The statutory body is responsible for information disclosed in the annual report prepared under the requirements of the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting"). Our opinion on the financial statements stated above does not apply to other information in the annual report.

In connection with the audit of financial statements, our responsibility is to gain an understanding of the information disclosed in the annual report and consider whether such information is materially inconsistent with the financial statements or our knowledge obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

As at the issuance date of the auditor's report on the audit of financial statements, the annual report was not available to us.

When we obtain the annual report, we will evaluate whether the Company's annual report includes information whose disclosure is required under the Act on Accounting, and based on procedures performed during the audit of the financial statements, we will express an opinion on whether:

- Information disclosed in the annual report prepared for the period ended 30 September 2017 is consistent with the financial statements for the relevant period; and
- The annual report includes information pursuant to the Act on Accounting.

Furthermore, we will disclose whether material misstatements were identified in the annual report based on our understanding of the Company and its position, obtained in the audit of the financial statements.

Bratislava, 27 October 2017

Deloitte Audit s.r.o.
Licence SKAu No. 014

Ing. Ján Bobocký, FCCA
Responsible Auditor
Licence UDVA No. 1043

CONTENTS

SPP Infrastructure, a.s.
Statements of Financial Position
as at 30 September 2017 and 30 June 2017
(in million EUR)

ASSETS:	Note	30 September 2017	30 June 2017
NON-CURRENT ASSETS			
Investments in subsidiaries	6	5 051	5 051
Investment in joint ventures	6	18	18
Loan receivable	7	85	85
Other non-current assets		1	1
Total non-current assets		**5 155**	**5 155**
CURRENT ASSETS			
Other current assets	8	484	-
Current loan receivable	7	13	13
Cash and cash equivalents	9	1	19
Total current assets		**498**	**32**
TOTAL ASSETS		**5 653**	**5 187**
EQUITY AND LIABILITIES:			
CAPITAL AND RESERVES			
Registered capital		3 663	3 663
Legal and other reserves		733	733
Retained earnings		645	154
Total equity	11	**5 041**	**4 550**
NON-CURRENT LIABILITIES			
Non-current interest-bearing borrowings	12	130	129
Total non-current liabilities		**130**	**129**
CURRENT LIABILITIES			
Trade and other payables	10	473	508
Short-term loans	12	9	-
Total current liabilities		**482**	**508**
Total liabilities		**612**	**637**
TOTAL EQUITY AND LIABILITIES		**5 653**	**5 187**

The financial statements on pages 3 to 21 were signed on 21 October 2017 on behalf of the Board of Directors:

JUDr. Daniel Křetínský
Chairman of the Board of Directors

JUDr. Marián Valko
Member of the Board of Directors

(in million EUR)

	Note	***Three-month period ended 30 September 2017***	***Year ended 30 June 2017***
Income from financial investments	13	646	157
Interest expense from loans	12	(1)	(2)
Staff costs		-	(1)
Profit before income taxes		**645**	**154**
Income tax	14	-	-
NET PROFIT FOR THE PERIOD		**645**	**154**

	Note	*Three-month period ended 30 September 2017*	*Year ended 30 June 2017*
Net Profit for the period		645	154
Other comprehensive income:			
Other net comprehensive income /(loss) for the period		-	-
Total net comprehensive income for the period		**645**	**154**

(in million EUR)

	Registered capital	*Legal reserve fund and other funds*	*Retained earnings*	*Total*
At 30 June 2016	**3 663**	**733**	**666**	**5 062**
Net profit for the period	-	-	154	154
Dividends paid	-	-	(666)	(666)
At 30 June 2017	**3 663**	**733**	**154**	**4 550**
Net profit for the period	-	-	645	645
Dividends paid	-	-	(154)	(154)
At 30 September 2017	**3 663**	**733**	**645**	**5 041**

SPP Infrastructure, a.s.
Statements of Cash Flow
for the reporting period ended 30 September 2017 and 30 June 2017
(in million EUR)

	Note	*Three-month period ended 30 September 2017*	*Year ended 30 June 2017*
Cash flows from operations	15	-	**(1)**
Income tax paid		-	4
Dividends paid	11	-	(511)
Dividends received	13	295	154
Net cash flows from operating activities		**295**	**(354)**
Cash flows from investing activities			
Loans provided	7	-	6
Deposits provided to the shareholders	8	(484)	(155)
Net cash flows from investing activities		**(484)**	**(149)**
Cash flows from financing activities			
Income from/(repayment of) loans	12	9	(39)
Change in cashpooling		162	507
Net cash flows from financing activities		**171**	**468**
(Disposal of)/addition to cash and cash equivalents		(18)	(35)
Cash and cash equivalents at the beginning of the period		19	54
Cash and cash equivalents at the end of the period		**1**	**19**

(in million EUR)

1. GENERAL

1.1. Establishment of the Company

SPP Infrastructure, a.s. (hereinafter the "Company" or "SPPI") was established by a Memorandum of Association on the establishment of a private joint-stock company without a call for the subscription of shares on 22 May 2013 by the founder, Slovenský plynárenský priemysel, a.s. The Company was recorded in the Commercial Register on 3 July 2013 (the Commercial Register of the Bratislava I District Court in Bratislava, Section: s.r.o., Insert No.: 5791/B). The Company is seated at Mlynské nivy 44/a, Bratislava 825 11.

Pursuant to the Framework Agreement on the Sale and Purchase of Shares dated 19 December 2013 signed by the National Property Fund of the Slovak Republic, the Ministry of Economy of the Slovak Republic and Energetický a průmyslový holding, a.s. (hereinafter "EPH"), and pursuant to the Agreement on the Sale and Purchase of Shares dated 3 June 2014 signed by Slovenský plynárenský priemysel, a.s. (hereinafter the "SPP"), Slovak Gas Holding B.V. (hereinafter "SGH"), the Ministry of Economy of the Slovak Republic and SPP Infrastructure, a. s. the reorganisation of the SPP Group was carried out and completed on 3 June 2014. Under the agreement, SPP made an in-kind contribution of ownership interests in SPP – distribúcia, a.s., eustream, a.s., NAFTA a.s., SPP Infrastructure Financing B.V., SPP Bohemia, a.s., SPP Storage, a.s., Pozagas, a.s., GEOTERM Košice, a.s., Probugas, a.s., SLOVGEOTERM, a.s. and GALANTATERM, spol. s r.o. upon meeting conditions precedent. Upon the reorganisation completion, SGH, which also exercises control over the Company SPP as of 4 June 2014, became a 49% owner of SPP Infrastructure, a.s. A 51% non-controlling interest in SPP Infrastructure, a.s. was retained by SPP, whose sole 100% shareholder became the National Property Fund of the Slovak Republic on 4 June 2014.

On 12 November 2015, the National Property Fund of the Slovak Republic (hereinafter the "NPF SR") was dissolved under Act No. 375/2015 with effect as at 15 December 2015. On 22 December 2015, the Ministry of Economy of the Slovak Republic (hereinafter the "MH SR"), under the provisions of Article 2 (2) and (3) of Act 375/2015 Coll. issued resolution No. 49/2015 on the appointment of a legal successor of the NPF SR, ie MH Manažment, a. s. as at 1 January 2016.

During 2016, the EPH Group of companies was reorganised when the EP Infrastructure, a. s. Group (hereinafter "EPIF") was established; EPIF manages the groups of infrastructure assets which are mostly subject to regulation and/or long-term contracts. On 23 March 2016, EPIF, a subsidiary of EPH, acquired a 100% share in EPH Gas Holding B. V., which is a 100% owner of Slovak Gas Holding B. V (through its 100% share in Seattle Holding B. V).

On 30 March 2016, EPIF acquired a 100% share in Czech Gas Holding Investment B.V.

On 24 February 2017, an agreement on the sale of a 31% share in EPIF previously concluded between EPH and the consortium of global institutional investors led and represented by Macquarie Infrastructure and Real Assets (MIRA) was settled. The remaining 69% share is owned by EPH, which retains management control over EPIF.

As at the date of the preparation of these financial statements, SPP Infrastructure, a.s. is owned by the SPP (51%) and by Slovak Gas Holding B.V. (49%), which also exercises management control over the Company. The ultimate parent company of SPP Infrastructure, a.s. is Energetický a průmyslový holding, a.s.

Identification number	47 228 709
Tax identification number	2023820183

The financial statements of SPP Infrastructure, a.s. for the year ended 30 June 2017 were approved by the Annual General Meeting held on 28 September 2017.

1.2. Core Business Activities of the Company According to the Commercial Register of the Bratislava I District Court

- Purchase of goods for resale to end customers (retail) or to other traders (wholesale);
- Mediation activities in trade;
- Mediation activities in services;
- Mediation activities in production; and
- Activities of business, organisational and economic advisors

(in million EUR)

The Company is a holding company owning financial interests in subsidiaries and a joint venture operating in gas transmission, gas distribution and gas storage segment and providing financing activities to its shareholders.

1.3. Employees

The average number of the Company's employees for the three-month period ended 30 September 2017 was 4, of which 1 was an executive manager (for the year ended 30 June 2017 there were 4 employees, of which 1 was an executive manager).

1.4. Company's Bodies

Body	*Function*	*Name*
Board of Directors	Chairman	JUDr. Daniel Křetínský - since 3 Jul 2013
	Vice-Chairman	JUDr. Alexander Sako – since 3 Jul 2013
	Member	JUDr. Marián Valko – since 8 Oct 2013
	Member	Ing. Miroslav Haško - since 8 Oct 2013
	Member	Ing. Jan Špringl – since 3 Jul 2013
Supervisory Board	Chairman	JUDr. Radovan Stretavský – since 7 Sep 2017
	Member	Mgr. Pavel Horský – since 3 Jul 2013
	Member	Ing. Libor Briška – since 8 Oct 2013
	Member	Jiří Zrůst – since 21 Apr 2017
	Member	RNDr. Peter Kršjak – since 20 Jan 2015
	Member	Ing. Tomáš Richter – since 1 Dec 2015

1.5. Company's Shareholder Structure

Shareholder	***30 September 2017*** ***Share in Registered Capital***	***%***	***30 June 2017*** ***Share in Registered Capital***	***%***
Slovenský plynárenský priemysel, a.s.	1 868	51%	1 868	51%
Slovak Gas Holding, B.V.	1 795	49%	1 795	49%
Total	3 663	100%	3 663	100%

1.6. Consolidation Company

The Company is included in the consolidated financial statements of Energetický a průmyslový holding, a.s., seated at Pařížská 130/26, Josefov, 110 00 Prague 1, Czech Republic. The consolidated financial statements of Energetický a průmyslový holding, a.s., are available at its registered seat and will be deposited within statutory time limits with the Business Register of the Municipal Court in Prague, Czech Republic.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

These financial statements have been prepared in accordance with Article 17a), paragraph 1 of Act No. 431/2002 Coll. on Accounting, as amended (the "Act on Accounting") and in accordance with International Financial Reporting Standards as adopted for use by the European Union ("IFRS") for the three-month period ended 30 September 2017. The comparative financial disclosures are presented for the twelve-month period ended 30 June 2017. The reason for preparing the financial statements is the decision of Company management to change the reporting period to a fiscal year starting 1 October and ending 30 September.

The financial statements were prepared under the going-concern assumption.

b) Subsidiaries

Subsidiaries are business undertakings in which the Company, directly or indirectly, has an interest of usually more than one half of the voting rights, or otherwise has the power to exercise control over operations. Investments in subsidiaries are measured initially at cost which is (1) a consideration paid when a subsidiary is acquired for cash or (2) fair value when a subsidiary is acquired by an in-kind contribution. Subsequently, investments in subsidiaries are measured at cost less impairment. According to IAS 36, at each balance-sheet date the Company assesses whether there is any evidence that such investments may be impaired (Note 2 d).

c) Investments in Joint Ventures

Joint ventures are entities in which the Company exercises joint control with other owners.
Investments in Joint Ventures are measured initially at cost which is (1) a consideration paid when a joint venture is acquired for cash or (2) fair value when a joint venture is acquired by an in-kind contribution. Subsequently investments in joint ventures are measured at cost less impairment. At each balance-sheet date, the Company assesses whether there is any evidence that such investments may be impaired (Note 2 d).

d) Impairment of Non-monetary Assets

Assets that have an indefinite useful life are not amortized; they are, however, tested for impairment every year. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In respect of the impairment of financial investments in subsidiaries or joint ventures, the Company evaluates whether the carrying amount of the investment in its separate financial statements exceeds the carrying amounts in the consolidated financial statements of the investee's net assets, including associated goodwill; or Whether the dividend received exceeds the total comprehensive income of the subsidiary, joint venture or associate in the period the dividend is declared. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which separately identifiable cash flows (cash-generating units) exist. Impaired non-monetary assets, other than goodwill, are reviewed at each balance sheet date to assess whether or not the impairment can be reversed.

e) Financial Assets

The Company only recognises financial assets in the "loans and receivables" category. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require the delivery of the assets within the timeframe established by a regulation or convention in the marketplace.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables including trade and other receivables, bank balances and cash are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for current receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets, objective evidence of impairment may include:
- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract, such as a default or delinquency in interest or principal payments; or
- Likelihood that the borrower will enter bankruptcy or financial re-organisation; or
- The disappearance of an active market for a financial asset due to financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with a default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of a financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through a provision account. If a trade receivable is considered uncollectible, it is written off against the provision account. Subsequent recoveries of amounts previously written off are credited against the provision account. Changes in the carrying amount of the provision account are recognised in profit or loss.

For financial assets measured at amortised cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously-recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On the derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable.

f) Financial Liabilities

Financial liabilities (including loans) are initially measured at their fair value and are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) during the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Company derecognises financial liabilities only when the Company's obligations are met, cancelled or expired. The difference between the carrying amount of the financial liability and the consideration paid and the amount payable is recognised in the income statement.

g) Cash and Cash Equivalents

Cash and cash equivalents consist of cash in hand and cash in bank accounts, and highly-liquid securities with insignificant risk of changes in value and original maturities of three months or less from the date of issue.

h) Taxation

Income tax is calculated from the profit/loss before tax recognised under IFRS adjusted to profit/loss recognised under accounting procedures valid in the Slovak Republic after adjustments for individual items increasing and decreasing the tax base pursuant to Act No. 595/2003 Coll. on Income Tax, as amended, using the valid income tax rate. The income tax rate valid as at 30 September 2017 is 21%.

Current tax is recognised through profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. The Company has not identified any temporary differences relevant to deferred tax recognition.

i) Foreign Currencies

Transactions in foreign currencies are initially recorded at the exchange rates of the European Central Bank (ECB) valid on the transaction dates. Monetary assets and payables denominated in foreign currencies are retranslated at the ECB exchange rates valid on the reporting date. Foreign exchange gains and losses are included in the income statement.

j) Non-Current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amount can be recovered through a sale transaction rather than through continuing use. This condition is considered fulfilled only when a sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and the fair value less costs to sell.

k) Dividend and Interest Income

Dividend income from investments is recognised when the shareholder's right to receive a payment has been established (provided that it is probable that economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts during the expected life of the financial asset to the asset's net carrying amount on initial recognition.

l) Presentation of Cash Flow Statement

As the Company is a holding company and its principal activities include financing activities, the dividends received, interest received on loans receivable and interest expense on borrowings obtained are presented as part of operating cash flows.

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Company's accounting policies, as described in Note 2, the Company has made the following decisions concerning uncertainties and estimates that have a significant impact on the amounts recognised in the financial statements. There is a significant risk of material adjustments in future periods relating to such matters, including the following:

Impairment of investments in subsidiaries and joint ventures

The cost of financial investments in subsidiaries and joint ventures has been initially recognised at their estimated fair value (in-kind contributions) determined by an independent appraiser upon the reorganisation of the SPP Group (see also Note 1). The recoverable value of eustream, a.s., NAFTA a.s., SPP Storage, s.r.o. and Pozagas a.s. depends on the overall demand for gas transmission and gas storage services, and on the fulfilment of long-term contracts which make up a significant part of revenues in these companies. The recoverable value of SPP – distribúcia depends on the development of the regulatory environment and gas consumption in Slovakia as virtually all revenues are regulated by a distribution tariff, which contains a fixed part and a variable part depending on the actual volume of gas distributed. The Company monitors the financial performance of its subsidiaries and the joint venture and has not identified any impairment of investments in subsidiaries or joint ventures as at 30 September 2017.

The Company has not identified any impairment indicators and therefore there was no need for impairment testing except for financial investment in eustream, where a significant dividend distribution during the preceding financial year was considered to be an impairment indicator as required by IAS 36. The Company performed an impairment assessment with the help of external consultants that was based on discounted cash flow analysis in the preceding financial year. Major assumptions in the discounted cash flow estimates were a discount rate of 6.1% and a terminal growth rate of 2%, and eustream revenues after the termination of long-term contracts beyond 2028.

4. NEW INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Company has adopted all of the new and revised standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB that have been endorsed for use in the European Union (hereinafter the "EU"), and are relevant to its operations and effective for annual periods beginning on 1 January 2016. The following standards and amendments to the existing standards and interpretations issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

- Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures" - Investment Entities: Applying the Consolidation Exception - adopted by the EU on 22 September 2016 (effective for annual periods beginning on or after 1 January 2016),

- Amendments to IFRS 11 "Joint Arrangements" - Accounting for Acquisitions of Interests in Joint Operations - adopted by the EU on 24 November 2015 (effective for annual periods beginning on or after 1 January 2016),

- Amendments to IAS 1 "Presentation of Financial Statements" - Disclosure Initiative - adopted by the EU on 18 December 2015 (effective for annual periods beginning on or after 1 January 2016),

- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" - Clarification of Acceptable Methods of Depreciation and Amortisation - adopted by the EU on 2 December 2015 (effective for annual periods beginning on or after 1 January 2016),

- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" - Bearer Plants - adopted by the EU on 23 November 2015 (effective for annual periods beginning on or after 1 January 2016),

- Amendments to IAS 19 "Employee Benefits" - Defined Benefit Plans: Employee Contributions - adopted by the EU on 17 December 2014 (effective for annual periods beginning on or after 1 February 2015),

- Amendments to IAS 27 "Separate Financial Statements" - Equity Method in Separate Financial Statements - adopted by the EU on 18 December 2015 (effective for annual periods beginning on or after 1 January 2016).

- Amendments to various standards "Improvements to IFRSs (cycle 2010 - 2012)" resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 17 December 2014 (amendments are to be applied for annual periods beginning on or after 1 February 2015),

- Amendments to various standards "Improvements to IFRSs (cycle 2012 - 2014)" resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording - adopted by the EU on 15 December 2015 (amendments are to be applied for annual periods beginning on or after 1 January 2016).

The adoption of these amendments to the existing standards has not led to any material changes in the Company's financial statements.

At the date of authorisation of these financial statements, the following new standards and amendments to standards issued by IASB and adopted by the EU are not yet effective:

- IFRS 9 "Financial Instruments" - adopted by the EU on 22 November 2016 (effective for annual periods beginning on or after 1 January 2018),

- IFRS 15 "Revenue from Contracts with Customers" and amendments to IFRS 15 "Effective Date of IFRS 15" - adopted by the EU on 22 September 2016 (effective for annual periods beginning on or after 1 January 2018).

At present, IFRS as adopted by the EU do not significantly differ from regulations adopted by the International Accounting Standards Board (IASB) except for the following new standards, amendments to the existing standards and new interpretation, which were not endorsed for use in the EU as at the reporting date (effective dates stated below are for IFRS in full):

- IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016) – the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard,
- IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019),
- Amendments to IFRS 2 "Share-based Payment" – Classification and Measurement of Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2018),
- Amendments to IFRS 4 "Insurance Contracts" – Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2018 or when IFRS 9 "Financial Instruments" is applied for the first time),
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date deferred indefinitely until the research project on the equity method has been concluded),
- Amendments to IFRS 15 "Revenue from Contracts with Customers" – Clarifications to IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018),
- Amendments to IAS 7 "Statement of Cash Flows" – Disclosure Initiative (effective for annual periods beginning on or after 1 January 2017),
- Amendments to IAS 12 "Income Taxes" – Recognition of Deferred Tax Assets for Unrealised Losses (effective for annual periods beginning on or after 1 January 2017),
- Amendments to IAS 40 "Investment Property" – Transfers of Investment Property (effective for annual periods beginning on or after 1 January 2018),
- Amendments to various standards "Improvements to IFRSs (cycle 2014 – 2016)" resulting from the annual improvement project of IFRS (IFRS 1, IFRS 12 and IAS 28) primarily with a view to removing inconsistencies and clarifying wording (amendments to IFRS 12 are to be applied for annual periods beginning on or after 1 January 2017 and amendments to IFRS 1 and IAS 28 are to be applied for annual periods beginning on or after 1 January 2018),
- IFRIC 22 "Foreign Currency Transactions and Advance Consideration" (effective for annual periods beginning on or after 1 January 2018).

Hedge accounting for a portfolio of financial assets and liabilities whose principles have not been adopted by the EU remains unregulated.

According to the Company's estimates, the application of hedge accounting to a portfolio of financial assets or liabilities pursuant to IAS 39: "Financial Instruments: Recognition and Measurement" would not significantly impact the financial statements if applied as at reporting date.

The Company anticipates that the adoption of these standards and amendments to the existing standards and interpretations will have no material impact on its financial statements in the initial application period.

(in million EUR)

5. FINANCIAL INSTRUMENTS

a) Financial Risk Factors

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

The Company is not exposed to significant foreign currency risk as all material assets, liabilities and transactions are denominated in EUR. The main risks arising from the Company's financial instruments are interest rate risk, credit risk, and liquidity risk.

(1) Interest Rate Risk

The interest rate risk is managed by the Company by maintaining appropriate fixed and floating rate loans provided and received. The Company's exposures to interest rates on financial assets and financial liabilities are detailed in Note 7 and 12.

Sensitivity to changes in floating interest rates is not significant as the Company is only exposed to risk regarding a loan provided to GEOTERM KOŠICE, a.s. in the total amount of EUR 3.1 million as at 30 September 2017 (30 June 2017: EUR 3.1 million) with a floating interest rate of 3M EURIBOR + 1.5%.

(2) Credit risk related to receivables

The Company records a receivable from the loan granted to SPP Storage, s.r.o. and GEOTERM KOŠICE, a.s.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet, net of provisions.

(3) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash with reasonable maturity and marketable securities, the availability of funding through an adequate amount of committed credit lines, and the ability to close open market positions.

The Company's interest-bearing loans are drawn in EUR with a fixed or floating interest rate. Interest-bearing loans are provided without collateral, using a common market rate.

The table below summarises the maturity of financial liabilities at 30 September 2017 and 30 June 2017 based on contractual undiscounted payments:

As at 30 September 2017	*On demand*	*Less than 3 months*	*3 to 12 months*	*1 to 5 years*	*> 5 years*	*Total*
Non-current loans	-	-	-	133	-	133
Trade and other payables	-	154	319	-	-	473
Short-term loans	-	-	9	-	-	9

As at 30 June 2017	*On demand*	*Less than 3 months*	*3 to 12 months*	*1 to 5 years*	*> 5 years*	*Total*
Non-current loans	-	-	-	132	-	132
Trade and other payables	-	-	508	-	-	508

b) Capital Risk Management

The Company manages its capital to ensure that it is able to continue as a going concern, while maximising the return to shareholders through optimising the debt and equity ratio, and by ensuring a high credit rating and sound capital ratios.

The capital structure of the Company consists of debt, ie loans disclosed in Note 12, cash and cash equivalents and equity attributable to the owners of the parent company, which comprise the registered capital, legal and other reserves and retained earnings as disclosed in Note 11.

(in million EUR)

The gearing ratio at the period-end was as follows:

	At 30 September 2017	*At 30 June 2017*
Debt (i)	139	129
Cash and cash equivalents	1	19
Net debt	138	110
Equity	5 041	4 550
Net debt to equity ratio	**2.7%**	**2.4%**

(i) Debt is defined as non-current and current loans.

c) Categories of Financial Instruments

	At 30 September 2017	*At 30 June 2017*
Financial assets	**583**	**117**
Loans and receivables:		
Receivables and prepayments	*85*	*85*
Other current assets	*484*	*-*
Current loan receivable	*13*	*13*
Cash and cash equivalents	*1*	*19*
Financial liabilities	**612**	**637**
Financial liabilities at amortised cost:		
Non-current interest bearing borrowings	*130*	*129*
Trade and other payables	*473*	*508*
Short-term loans		

6. INVESTMENTS IN SUBSIDIARIES AND JOINT VENTURES

Business Name and Seat of the Company in which Non-Current Financial Assets are Placed	*Share in Registered Capital and in Voting Rights (%)*	*30 September 2017*				
		Assets of	*Liabilities*	*Revenue*	*Profit/ (Loss) of*	*Carrying Amount of*
	of the Company in which Non-Current Financial Assets are Placed					
Subsidiaries						
eustream, a.s., Votrubova 11/A, 821 09 Bratislava	100%	2 535	1 818	205	105	2 793
SPP - distribúcia, a.s., Mlynské nivy 44/b, 825 11 Bratislava *(1)*	100%	2 737	1 134	77	22	1 878
NAFTA a.s., Votrubova 1, 821 09 Bratislava	56.15%	524	331	38	18	217
GEOTERM KOŠICE, a.s., Moldavská 12, 040 11 Košice	95.82%	17	5	-	-	-
SPP Storage, s.r.o., Sokolovská 651/136 a 186 00, Prague 8, Czech Republic *(3), Note 7*	100%	246	131	8	4	163
SPP Infrastructure Financing B.V., Weteringschans 26, Amsterdam, Netherlands	100%	1 259	1 258	11	1	0.4
Plynárenská metrológia, s. r. o., Mlynské Nivy 44/b 825 11 Bratislava *(4)*	100%	x	x	x	x	0.3
Joint ventures						
Pozagas a.s., Malé námestie 1, 901 01 Malacky *(2)*	35%	96	17	7	2	18
Other non-current assets						
SLOVGEOTERM a.s., Palisády 39, 811 06 Bratislava (associate)	50%	x	x	x	x	0.1
GALANTATERM, spol. s r.o., Vodárenská 1608/1, 924 01 Galanta (shares)	17.50%	x	x	x	x	0.6
Total Non-Current Financial Assets	**x**	**x**	**x**	**x**	**x**	**5 070**

(in million EUR)

Business Name and Seat of the Company in which Non-Current Financial Assets are Placed	***Share in Registered Capital and in Voting Rights (%)***	***Assets of***	***Liabilities***	***Revenue***	***Profit/ (Loss) of***	***Carrying Amount of***
		30 June 2017				
	of the Company in which Non-Current Financial Assets are Placed					
Subsidiaries						
eustream, a.s., Votrubova 11/A, 821 09 Bratislava	100%	3 044	1 824	787	458	2 793
SPP - distribúcia, a.s., Mlynské nivy 44/b, 825 11 Bratislava *(1)*	100%	2 711	1 130	420	169	1 878
NAFTA a.s., Votrubova 1, 821 09 Bratislava	56.15%	551	295	167	82	217
GEOTERM KOŠICE, a.s., Moldavská 12, 040 11 Košice	95.82%	17	5	-	-	-
SPP Storage, s.r.o., Sokolovská 651/136 a 186 00, Prague 8, Czech Republic *(3), Note 7*	100%	239	130	31	17	163
SPP Infrastructure Financing B.V., Weteringschans 26, Amsterdam, Netherlands	100%	1 277	1 277	44	1	0.4
Plynárenská metrológia, s. r. o., Mlynské Nivy 44/b 825 11 Bratislava *(4)*	100%	x	x	x	x	0.3
Joint ventures						
Pozagas a.s., Malé námestie 1, 901 01 Malacky *(2)*	35%	95	17	33	11	18
Other non-current assets						
SLOVGEOTERM a.s., Palisády 39, 811 06 Bratislava (associate)	50%	x	x	x	x	0.1
GALANTATERM, spol. s r.o., Vodárenská 1608/1, 924 01 Galanta (shares)	17.50%	x	x	x	x	0.6
Total Non-Current Financial Assets	**x**	**x**	**x**	**x**	**x**	**5 070**

(1) SPP – distribúcia, a.s. decreased its reserve fund by EUR 100 million in July 2015.
(2) Shareholding held by SPP Infrastructure, a. s. (35%) and NAFTA a.s. (35%). Under the shareholders' agreement among SPP, NAFTA and GDF SUEZ, there is joint control over Pozagas.
(3) Disclosures in the financial statements of SPP Storage, s.r.o. prepared under Czech GAAP were converted into EUR using the ECB exchange rate as at the reporting date.
(4) The Company acquired a 100% share in Plynárenská metrológia, s.r.o. from SPP – distribúcia, a.s., (subsidiary) on 1 March 2017.
NOTE: Reporting periods for investments (12 months ended 31 December) are different from those applied by the Company. Therefore, balance sheet data on the investments are presented as at the reporting date of the Company (30 September 2017 and 30 June 2017). Information on investments in the income statement is for the three-month period ended 30 September 2017 and for the year ended 30 June 2017.

7. LOANS PROVIDED

In December 2014, SPPI provided a loan amounting to EUR 125 million to its subsidiary SPP Storage, s.r.o. which is payable in instalments in the amount of EUR 6.25 million every six months until 15 December 2024. The loan bears interest at a fixed rate of 2.665%.

The first four loan instalments totalling EUR 25 million (two instalments in June 2015 and two instalments in June 2016) were offset by an increase of equity in SPP Storage, s. r. o. The instalment as at 15 June 2017 was settled in accordance with the loan agreement. The remaining instalments are recognised as receivables from non-current and current loans based on their maturity (as at 30 September 2017: EUR 82 million including interest as non-current, EUR 13 million including interest as current, as at 30 June 2017: EUR 82 million including interest as non-current, EUR 13 million including interest as current).

Receivables from non-current loans include a loan from the subsidiary GEOTERM KOŠICE, a.s. totalling EUR 3.1 million as at 30 September 2017 (30 June 2017: EUR 3.1 million) with a floating interest rate of 3M EURIBOR + 1.5%.

(in million EUR)

Provided Loans:

Loans	***30 June 2017***	***Increase in Value***	***Impair-ment***	***Transfer of the Loan in the Reporting Period***	***30 September 2017***
Due in more than 5 years	82	-	-	-	82
Due in 1 to 3 years inclusive	3	-	-	-	3
Due in up to 1 year inclusive	13	-	-	-	13
Total loans	**98**	**-**	**-**	**-**	**98**

Loans	***30 June 2016***	***Increase in Value***	***Impair-ment***	***Transfer of the Loan in the Reporting Period***	***30 June 2017***
Due in more than 5 years	94	3	(15)	-	82
Due in 1 to 3 years inclusive	2	1	-	-	3
Due in up to 1 year inclusive	13	-	-	-	13
Total loans	**109**	**4**	**(15)**	**-**	**98**

There are no non-current financial assets under lien or with a restricted handling by the Company.

8. OTHER CURRENT ASSETS

Deposits provided to the shareholders are recognised by the Company as other current assets. As at 30 September 2017, the Company provided deposits in the amount of EUR 484 million: SPP – EUR 247 million and SGH – EUR 237 million.

The Company recognised no other current assets as at 30 June 2017. During the reporting period, which ended on 30 June 2017, the Company provided deposits of EUR 155 million to its shareholders and the deposits were settled in the given reporting period by the shareholders' claim to the Company's profit for the year ended 30 June 2016.

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in bank accounts which the Company can handle freely. The bank account balance is EUR 1 million as at 30 September 2017. The balance recognised as at 30 June 2017 amounted to EUR 19 million.

10. TRADE AND OTHER PAYABLES

Liabilities from cashpooling to the subsidiaries and other liabilities are recognised by the Company as liabilities with a remaining maturity period of up to 1 year. As at 30 September 2017, the balance of liabilities from cashpooling amounted to EUR 319 million. As at 30 June 2017, the balance of liabilities from cashpooling amounted to EUR 508 million.

Dividends awarded to the shareholders in the amount of EUR 154 million are recognised by the Company as other liabilities as at 30 September 2017.

The Company has no significant liabilities secured by a pledge or any other form of collateral.

11. EQUITY

The increase in registered capital was made by SPP, the former parent company by an in-kind contribution of financial investments (see Note 1) in May 2014, with a face value of EUR 4 922 783 042. (one share with a face value of EUR 25 000 and 4 922 758 042 ordinary registered shares with a face value of EUR 1). The shares have a certificate form and are not admitted to the stock exchange market. The transferability of the shares is not limited. The shares have been duly paid. The registered capital has been fully paid.

The registered capital was decreased on 30 December 2014 by EUR 1 259 416 105 based on the shareholders' decision. As at 30 June 2016, the registered capital consisted of three fully paid shares: two shares owned by SPP, one with a face value of EUR 1 868 292 263 and one with a face value of EUR 25 000, and one share owned by SGH with a face value of EUR 1 795 049 674.

(in million EUR)

Every year, the reserve fund will be supplemented by 10% of the net profit stated in the ordinary financial statements until it reaches 20% of the registered capital. The reserve fund was supplemented from the 2013 profit and an in-kind contribution in May 2014. The reserve fund reached the maximum amount.

In connection with the previous decrease in the registered capital, the Company decreased the legal reserve fund by EUR 251 883 000 to EUR 732 676 748 in the year ended 30 June 2016. The decision on the decrease of the legal reserve fund was made by the Shareholders' General Meeting held on 30 November 2015. Decrease of legal reserve fund was settled by netting with receivable from deposits provided to shareholders.

Shareholders are entitled to a share in the Company's profit (dividend) based on the General Meeting's decision and have a voting right, with each euro (EUR 1) of face value of shares representing one vote.

Profit distribution:

Type of distribution	***Distribution of profit for the year ended 30 June 2017***	***Distribution of profit for the year ended 30 June 2016***
Settlement of loss of prior periods	-	-
Dividends paid	154	666
Total	**154**	**666**

Profit for the year ended 30 June 2017 was approved by the Company's General Meeting on 28 September 2017 and allocated for payment of dividends to the shareholders.

A profit for the year ended 30 June 2016 was paid to the Company's shareholders as dividends; a portion of the dividends amounting to EUR 155 million was paid by its offsetting against the receivable from the shareholders owing to provided deposits (see Note 8).

12. INTEREST BEARING BORROWINGS

	Curr.	***Interest p. a. in %***	***Maturity***	***30 September 2017***	***30 June 2017***
Non-current loans					
Nafta, a.s.	EUR	3M EURIBOR + 1.16%	30 Apr 2019	130	129
Total non-current loans				**130**	**129**

As at 30 September 2017 the Company recognised a long-term loan amounting to EUR 130 million received from the subsidiary, Nafta, a.s., in the previous reporting period. The original amount of the drawn loan was EUR 145 million, a portion of the loan amounting to EUR 19 million (including the accrued interest) was repaid early in June 2016.

Interest on the loans is capitalised annually on the loan drawdown anniversary; interest falls due on the loan maturity date.

The Company recognised an authorised overdraft in a bank account (30 June 2017: EUR 0 million) as a short-term loan of EUR 9 million as at 30 September 2017.

13. INCOME FROM FINANCIAL INVESTMENTS

	Three-month period ended 30 September 2017	***Year ended 30 June 2017***
Dividends	646	154
Interest on loans (Note 7)	-	3
Total	**646**	**157**

A portion of dividends received in the 3-month period ended 30 September 2017 in the amount of EUR 351 million was settled during the reporting period by its offsetting against the Company's cash-pooling payable.

(in million EUR)

14. TAXATION

The reconciliation from theoretical income tax to reported income tax is presented in the following table:

	Three-month period ended 30 September 2017			***Year ended 30 June 2017***		
	Tax Base	***Tax***	***Tax in %***	***Tax Base***	***Tax***	***Tax in %***
Profit/loss prior to taxation, of which:	645			154		
Theoretical tax		135	21%		32	21 %
Tax non-deductible expenses	-	-	-	-	-	-
Revenues exempt from taxation	(646)	(136)	-	(154)	(32)	-
Tax loss carried forward	-	-	-	-	-	-
Total	**(1)**	**-**		**-**	**-**	**-**
Current income tax	-	-	-	-	-	-
Deferred income tax	-	-	-	-	-	-
Total Income Tax	**-**	**-**	**-**	**-**	**-**	**-**

15. CASH FLOWS FROM OPERATING ACTIVITIES

	Note	***Three-month period ended 30 September 2017***	***Year ended 30 June 2017***
Profit before taxation		**645**	**154**
Adjustments for non-cash transactions:			
Dividend income	13	(646)	(154)
Interest charged to expenses	12	1	2
Interest charged to income	13	-	(3)
Profit from operating activities prior to a change in working capital		-	(1)
Cash flows from operations		**-**	**(1)**

16. COMMITMENTS AND CONTINGENCIES

As at 30 September 2017 and as at 30 June 2017, the Company recognised a contingent liability – a loan commitment in the amount of EUR 500 million to Slovenský plynárenský priemysel, a.s. and EUR 480 million to Slovak Gas Holding B.V. under loan agreements.

17. TAXATION

The Company has significant transactions with several subsidiaries and joint ventures, the shareholders and other related parties. The tax environment in which the Company operates in Slovakia is dependent on the prevailing tax legislation and practice and has relatively little existing precedent. As the tax authorities are reluctant to provide official interpretations in respect of the tax legislation, there is an inherent risk that the tax authorities may require, for example, transfer pricing or other adjustments to the corporate income tax base. Corporate income tax in Slovakia is levied on each individual legal entity and, as a consequence, there is no concept of Company taxation or relief. The tax authorities in Slovakia have broad powers of interpretation of tax laws, which could result in unexpected results from tax inspections. The amount of any potential tax liabilities related to these risks cannot be estimated.

(in million EUR)

18. RELATED PARTY TRANSACTIONS

	Three-month period ended 30 September 2017					*30 September 2017*		
	Dividend income (Note 13)	***Interest income (Notes 7 and 13)***	***Interest expense (Note 12)***	***Dividends awarded to shareholders (Note 11)***	***Loan receivable (Note 7) and provided deposits (Note 8)***	***Loan payable (Note 12)***	***Cash-pooling payable (Note 10)***	***Payable from dividends (Note 10)***
Subsidiaries	646	-	1	-		98	130	319
SGH	-	-	-	75		237	-	-
SPP	-	-	-	79		247	-	-

	Year ended 30 June 2017					*30 June 2017*		
	Dividend income (Note 13)	***Interest income (Notes 7 and 13)***	***Interest expense (Note 12)***	***Dividends awarded to shareholders (Note 11)***	***Loan receivable (Note 7) and provided deposits (Note 8)***	***Loan payable (Note 12)***	***Cash-pooling payable (Note 10)***	***Payable from dividends (Note 10)***
Subsidiaries	154	3	2	-	98	129	508	-
SGH	-	-	-	326	-	-	-	-
SPP	-	-	-	340	-	-	-	-

Company management considers related-party transactions to be transactions made on an arm's length basis.

19. POST-BALANCE SHEET EVENTS

The Company signed an Agreement on Offsetting Mutual Receivables with its shareholder, Slovak Gas Holding B.V. (in the total amount of EUR 75 mil.) on 10 October 2017.

Except for the matter stated above no other significant events occurred after the reporting date that would require recognition or disclosure in these financial statements and that would have a significant impact on the fair presentation of information included in these financial statements.

Prepared on:
27 October 2017

Signature of a member of the statutory body of the reporting entity or a natural person acting as a reporting entity:

Approved on:

JUDr. Daniel Křetínský
Chairman of the Board of Directors

JUDr. Marián Valko
Member of the Board of Directors