

Report of the Supervisory Board of the company VEMEX Energie a.s.

Introduction

The Supervisory Board of the company **VEMEX Energie a.s.**, with its registered address at Prague 6 - Bubeneč, Na Zátorce 289/3, Postal Code 160 00, the Czech Republic, identification number (*IČO*): 289 03 765, registered in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 15299 (the "**Company**") conducted in the year 2018, in accordance with the applicable laws and the Articles of Association of the Company (the "**Articles**"), the examination of (i) the Financial Statements of the Company for the year 2018; (ii) the proposal of the Board of Directors for the settlement of loss for the year 2018; and (iii) Report on the Relations between connected parties of the Company for the year 2018 (including assessment whether the Company incurred any damage due to existence of control), with the following results.

1. Financial statements of the Company for the year 2018

The Supervisory Board examined the audited ordinary financial statements of the Company for the year 2018, which are part of the annual report of the Company executed as on May 13, 2019, and recommends to the General Meeting to approve the ordinary financial statements of the Company for the year 2018.

2. Proposal of the Board of Directors for the settlement of loss for the year 2018

The Supervisory Board examined the proposal of the Board of Directors for the settlement of loss for the year 2018 in the amount of minus CZK 27 594 thousand, so that the entire loss of the Company for the year 2018 in the amount of minus CZK 27 594 thousand will be transferred to the account of accumulated losses of previous years.

The Supervisory Board recommends to the General Meeting to approve the economic result of the Company for the year 2018 – loss in the amount of minus CZK 27 594 thousand, and to decide on the settlement of the loss in the amount of minus CZK 27 594 thousand so that the entire loss in the amount of minus CZK 27 594 thousand will be transferred to the account of accumulated losses of previous years.

3. Report on the relations between connected parties of the Company for the year 2018

The Supervisory Board examined the report on the relations between related parties of the Company for the year 2018 (the "**Report on Relations**"), which is part of the annual report of the Company executed on May 13, 2019, and did not find any discrepancies.

The majority shareholder of the Company, the company VEMEX s.r.o., with its registered address at Na Zátorce 289/3, Bubeneč, 160 00 Prague 6, identification number (*IČO*): 264 48 831, registered in

the Commercial Register maintained by the Municipal Court in Prague, section C, insert 82955, was identified as a controlling entity of the Company (“**Controlling Entity**”). Such conclusion was based on the respective legal opinion corroborated by the shareholding structure of shareholder VEMEX s.r.o. ┌

Furthermore, the Supervisory Board examined, whether the Company incurred any damage due to existence of control within the meaning of Sections 71 and 72 of the Business Corporations Act, and no harm to the Company was identified. On the contrary, the Company derives certain benefits from being part of the group with the Controlling Entity. └

The Supervisory Board has no objections to the Report on Relations and recommends to the General Meeting to approve the Report on Relations.

On 20 May 2019



Mikhail Shirokov
Chairman of the Supervisory Board
of VEMEX Energie a.s.