

MND Became the Most Preferred Energy Supplier in 2017

Prague, 2 July 2017 – According to its annual report, MND a.s. extracted 82 million cubic meters of natural gas and 116 thousand cubic meters of crude oil in 2017. Disclosed data show that MND Drilling and Services (MND DS) drilled 20 wells last year, three quarters of them abroad. The figures underscore the success of the company's expansion strategy aimed at developing its business as a drilling contractor. The volume of gas and electricity trading grew substantially as well. MND, a licensed trader, traded over gas and electricity worth over 31 billion crowns last year. The MND Retail Division also performed favorably, as the number of gas and electricity customers grew more than 80% in 2017. Currently, MND supplies one of the two commodities to over 92,500 customers. MND is the most preferred new energy supplier on the Czech market.

"Our product "Firsthand Gas" has made MND the fastest growing gas supplier on the domestic market. Thanks to unswerving dedication to communication based on a fair approach, we succeeded in meeting the target of having 100,000 signed contracts by the end of the year. The same trend has continued into this year. I'm happy to say that we are most often considered new energy supplier on the market," said Lukáš Pokrupa, MND's Head of Retail.

A high level of trust in the company has been confirmed by the success of last year's first bond issue on the Czech capital market worth 2.202 billion crowns as well as investors' interest in the bonds.

Last year, the MND Group traded 57.7 TWh of gas and managed 7.7 TWh in storage capacity. The company began supplying gas to Ukraine in addition to the Czech Republic, Slovakia, Germany, and Austria. As to the supply of electricity in 2017, MND provided supplies to the Czech Republic, Germany, Slovakia, and Hungary. MND's subsidiary **MND Gas Storage** continued to expand the storage capacity of the Dambořice storage facility and improved the business parameters of storage facilities in Germany.

Likewise, **MND DS** further increased its share of the European market. In addition to projects in France, Hungary, Germany, and Italy, the company secured a contract in Belgium. Thanks to the purchase of three RIG 30, 40, and 110 state-of-the-art medium-heavy drilling rigs from the German company ITAG, MND currently possesses the most comprehensive range of drilling rigs in Europe, ranging from 80 to 450 tons.

In 2017, MND carried out exploration on six sites with a total area of 2,318 square meters. The company extracted crude oil and natural gas at 39 deposits in Southeast Moravia. Two new wells in Borkovany were put into operation and work began on additional wells. *"The original projections regarding the available amount of crude oil and natural gas in a section of the Borkovany deposit have been confirmed. Likewise, we eventually found several high-potential gas*



deposits in the Girská region in Ukraine, where we increased production," added Zbyněk Parma, CEO of MND, a.s.

As regards corporate social responsibility, MND continued projects aimed at supporting environmental protection in municipalities where we conduct business. In addition, we sponsored sports activities, mainly in the South Moravian Region. MND also provided financial assistance for a dance party organized by the BENATURA association, the proceeds of which went to children from the Hodonín Children's Home and to persons suffering from mental disability residing at the Green House of Welfare in Hodonín.

The MND Group reported CZK 6.071 billion in consolidated equity, CZK 33.93 billion in revenues, and CZK -86 million in earnings after taxes.

Additional information:

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