

UNAUDITED INTERIM ACTIVITY REPORT

**FOR THE REPORTING PERIOD FROM
1 JANUARY 2017 TO 31 March 2017**

OF

ALPIQ ENERGY SE

with its registered address at Jungmannova 26/15, 110 00 Prague 1, business
registration No. (IC): 284 77 090

1. GENERAL INFORMATION

ALPIQ ENERGY SE ("the Company") is a European joint stock company having its registered address at Jungmannova 26/15, 110 00, Prague 1 Czech Republic, business registration No. (IC): 284 77 090, Tax ID: CZ 284 77 090, incorporated by an entry in the Public Register maintained with the Registration Court in Prague, File H81, on 20 October 2008. The Company is involved in electricity and gas trading. Alpiq Energy SE is a member of the Swiss energy group Alpiq (parent company of whole group is Alpiq Holding Ltd.).

2. COMPANY PROFILE

Name:	ALPIQ ENERGY SE
Registered Address:	Jungmannova 26/15, 110 00, Prague 1
Business Registration Number:	284 77 090
Legal form:	European company (société européenne - SE)
Business:	production, trading and services not included in appendices 1 to 3 of the Trade Licensing Act gas trading (as of 1 April 2014)
Scope of activities:	electricity trading lease of real estate, apartments and non-residential premises.
Basic capital:	EUR 7,000,000 (CZK 172,655,000)
Statutory bodies of the Company:	as at 31 March 2017

Board of Directors	
Chair:	Zdeněk Čihák
Member:	Edgar Carsten Lehmann
Member:	Peter Dworak

Supervisory Board	
Member:	Markus Brokhof

Procurators:	
Claudia Erni Eiholzer	Marek Musial
Cornelia Häuptli Baumgartner	Jacek Zoladek
Martin Hulena	Martin Šiška
Hans Günther Mayer	Marie Adamová
Paulius Gineitis	Tobias Meyer
Gergely Gonda	Hana Lindovská
Karel Ouška	

At least two members of the Board of Directors jointly (including the Board of Director's chairman and a member), or at least two procurators act and sign on the Company's behalf. In compliance with the Czech provisions of Section 164, paragraph 3 of Act No. 89/2012, the Civil Code, the Board of Directors Chairman is empowered to carry out legal acts towards the employees.

Shareholder: Alpiq AG (Alpiq Central Europe AG until 24 June 2014)
Olten, Bahnhofquai 12, zip code 4600
the Swiss Confederation
business registration No.: CHE-105.974.401

The ultimate parent company is Alpiq Holding Ltd, the Swiss Confederation.

The Company has foreign branches in Hungary, Poland, Romania and Switzerland. The Company has a permanent establishment in Lithuania.

3. BUSINESS PERFORMANCE

In 2017 the Company continued expanding its core activities in trading with electricity and gas, cross-border optimization of energy flows and providing energy services. The Company is active in majority of markets and power exchanges of Central, East and South East Europe as well as in all Baltic countries and some of the Scandinavian countries.

The Company started to be active on the energy exchanges SEEPEX in Serbia and IBEX in Bulgaria. In 2017 the Company started also to be active in Croatia and plans to start the activity on energy exchange in this country where the Company in 2016 received a license for electricity and gas trading.

In terms of energy services the Company provides services related to portfolio management and balancing, purchase of energy and color certificates from renewable producers or ancillary services in Hungary. Moreover, the Company offers wide scale of individual products for end customers including energy consulting.

Moreover, in the years 2014 and 2015, the Company started to provide supporting services to Alpiq Group companies (especially IT services), which resulted to significant increase of employees and extending of office spaces. In the same period, there were partly relocated employees from Swiss branch to Czech Republic and remaining part of employees was transferred to parent company Alpiq AG.

This trend continued also in 2016 when the provided IT services to Alpiq Group were expanded also to other administrative positions and scheduling. The expansion of providing services continues also in 2017 which resulted into relocation of the Company into new premises and seat.

In 2017 the business result for the first quarter resulted in a profit of EUR 1,878 thousand driven mainly by successful trading with electricity.

4. SIGNIFICANT CHANGES

On 24 January 2017 the procurator Martin Pich was deleted from the Public register.

On 16 March 2017 procurators Pavle Čulibrk, Alena Divišová, Radomír Roháč, Michal Dubeň, Janberk Sahin and Tomáš Plocek were deleted from the Public register.

On 24 April 2017 the Company changed its official seat to address Jungmannova 26/15, 110 00, Prague 1.

5. DESCRIPTION OF MAJOR RISKS AND UNCERTAINTIES

The risks the Company is exposed to stem from its primary business activity being forward energy trading with electricity, gas and related commodities.

The Company is exposed to the following risks:

Market risk:

Market risk is the risk that the value of an investment will change due to changes in market factors. Such factors comprise for instance macroeconomic and political instability and volatility on the financial markets, i.e. from fluctuations of market prices, interest rates, exchange rates, commodity prices, and equity.

Energy and gas price fluctuations

The principal activity of the Company is forward trading and distribution of electricity and gas. Thus, it is influenced by the changes in market prices of those commodities. Degree of such impacts depends on the open position of the Company. The risk management is done by setting limits on value at risk and profit at risk, as well as by making business decisions based on the detailed market analysis and thorough knowledge and understanding of fundamental market factors.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Company is exposed to the interest rate risk due to its loans drawn as well as provided. It is the Company policy to use as much as possible loans with fixed interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign currency exchange rates. The Company's exposure to the risk of changes in foreign currency exchange rates relates primarily to the Company's operating activities (when revenue or expenses are denominated in a different currency from the Company's functional currency).

The Company manages its foreign currency exposure partly by a natural hedging, i.e. by matching assets and liabilities in foreign currencies and using its offsetting effect in terms of the foreign exchange risk. The remaining balance is then hedged using primarily derivative instruments like FX forwards and swaps. Those are concluded with the ultimate parent company Alpiq Holding A.G.

Credit risk

Credit risk includes risk that a counterparty will not settle their obligations arising from financial instruments or contracts, leading to financial losses. The level of a credit risk depends on the general credit risk of the relevant party's country as well as the risks directly originating from the relevant party. The Company is exposed to credit risk from operating activities (mainly on the basis of receivables and borrowings) and from financing activities, including deposits with banks and financial institutions, foreign currency transactions and other financial instruments.

The credit risk is managed by setting limits for credit risk exposure. Those limits are maintained per counterparty and are subject to regular monitoring.

Liquidity risk

Liquidity risk occurs when the Company cannot fulfill its liabilities at maturity. The management of the Company monitors future cash flows and liquidity on a regular basis in order to mitigate this risk. In

case of a short term shortages of liquidity the Company uses short term credit lines provided by the ultimate parent company Alpiq Holding in the form of cash pooling.

The liquidity management approach of the Company is to possess sufficient liquidity at all times, thus to fulfill its liabilities both in normal and challenging conditions without causing any unacceptable losses or any damage on the reputation of the Company in the market.

6. TRANSACTIONS CONCLUDED BETWEEN RELATED PARTIES

The Company sells electricity and gas and provides services to related parties in the ordinary course of business.

Sales for 1-3/2017:

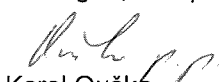
Related party	Amount in TEUR
Alpiq AG	52,864
Alpiq Energia Italia	15
Alpiq Energie France	19
Alpiq Energija BH d.o.o.	1,287
Alpiq Energija Hrvatska d.o.o. Zagreb	10,944
Alpiq Energija RS d.o.o. Beograd	10,277
Alpiq Energy Skopje DOOEL	2,236
Alpiq Generation (CZ) s.r.o.	3,602
Alpiq RomIndustries S.R.L.	9,338
Alpiq Turkey Enerji	475
Total	91,057

The Company purchases electricity and gas, receives services from related parties in the ordinary course of business, pays interest expense for using loans and fees for guarantees provided.


Purchases for 1-3/2017:

Related party	Amount in TEUR
Alpiq AG	-68,057
Alpiq Holding AG	-106
Alpiq Energia Bulgaria EOOD	-78
Alpiq Energija BH d.o.o.	-12,030
Alpiq Energija Hrvatska d.o.o. Zagreb	-19,474
Alpiq Energija RS d.o.o. Beograd	-706
Alpiq Energy Skopje DOOEL	-1,581
Alpiq Generation (CZ) s.r.o.	-15,535
Alpiq RomIndustries S.R.L.	-11,328
Alpiq Turkey Enerji	-58
Total	-128,953

In Prague, 28 April 2017


Karel Ouška
Registered proxy

ALPIQ ENERGY SE
Jungmannova 26/15
110 00 Praha 1
IČ 284 77 090
④


Marie Adamová
Registered proxy

