

**Although we have had a difficult year, we are not afraid of challenges; we are entering a transformation period of modern distribution and innovative technologies.**

**ČEZ Distribuce, a. s.  
Annual Report 2020**

Electricity is essential for the country's basic operation. Without electricity, nothing would work: businesses, households, transport, hospitals, communication. Europe's energy sector is undergoing a major transformation, moving towards renewables, shutting down emissions from coal combustion, decentralized generation, and digitization of services.

**Efficient operation, optimal use, and developm**

**Modern distribution**

**Supporting**

**Developing innovative technologies and**

In line with this trend, ČEZ Distribuce has been working to transform the Czech energy sector to ensure a safe and reliable supply of power and positive energy to its customers and the entire society. We are going to focus on operating our distribution system in an efficient and environment-friendly manner, on facilitating decentralized power generation development, distribution system digitalization and on providing modern energy services. The energy sector that we pass on to our children will be created in accordance with the principles of sustainable development. It will be emission-free, digitized, and will respond much faster to new wishes and requirements of customers.

**ent of distribution assets**



**and care for the customer's energy needs**



**new energy development in Czechia**



**digitalization**



**People who do not hesitate to help others in all circumstances – where do they come from? People who do their job perfectly even in complicated conditions and who can implement great ideas, either on their own or as part of teamwork?**

**They are all around us. Let us introduce you to stories of some of those people from ČEZ Distribuce. They demonstrated their social responsibility in practice during the COVID-19 pandemic. With their actions in 2020 they helped fulfill CEZ Group’s strategy and proved that they are experts with their heart in the right place.**

**real**



**real**



**real**



**real**





**Stories**

**People**

**Products**

**Energy**

**and so much more...**

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## Information about Persons Responsible for the Annual Report

### Responsibility for the Annual Report

#### Statutory Declaration

The information presented in the 2020 Annual Report of ČEZ Distribuce, a. s., corresponds to facts and no significant circumstances that could affect the accurate and correct assessment of ČEZ Distribuce, a. s., have been omitted or misrepresented.

Děčín, April 14, 2021



Ing. Martin Zmelík, MBA  
Chairman of the Board of Directors



Ing. Martin Molinger  
Member of the Board of Directors



real

## The leaflet years are over

**Veronika Nosková**, Grid Services Specialist

“We have changed the way we report planned power outages. Customers no longer have to look for paper leaflets in their area, they receive outage notifications conveniently and free of charge by e-mail or SMS. Just fill in your contact details at [www.cezdistribuce.cz/sluzba](http://www.cezdistribuce.cz/sluzba). This way, we meet the needs of our customers and also help nature.”

# Stories

## Introduction by the Chairman of the Board of Directors

Ladies and Gentlemen,

The past year has been extremely challenging for all of us, as it has exposed us to challenges that none of us could have previously imagined. The year 2020 was marked by measures related to the COVID-19 pandemic. Under stricter safety and hygiene measures and in often more demanding conditions, we have found ways to fulfill our work tasks and, as part of the state's critical infrastructure, ensure a safe and reliable supply of electricity. However, this would not have been possible without our colleagues themselves, who were disciplined and followed the applied measures, while there was no massive incidence of infection in our company.

We have proven that we are a great team that can work together and help each other. Just remember the deployment of our dispatchers and employees in the field, or voluntary events such as face mask sewing or protective equipment distribution. In this context, I would like to mention the complete isolation of dispatchers and serving dispatchers from the outside world, with set rotation in weekly cycles. This was an unprecedented measure, testing not only the dispatchers themselves, but their families as well. I value my colleagues all the more and appreciate that they were right there with us.

Despite all the above measures and restrictions, we managed to meet all economic targets and performance indicators. Operating profit before depreciation and amortization (EBITDA) amounted to CZK 17.2 billion, and compared to the previous year 2019, there was a slight increase in revenues from the electricity distribution sales. Due to external economic influences, consisting mainly in a decrease in electricity consumption, net profit decreased slightly to CZK 6.9 billion.

In 2020, we invested CZK 12.5 billion in the distribution grid renewal and development, which is CZK 1.5 billion more year-on-year. The most significant completed constructions include the renovation of the 110 kV Lískovec substation, the renovation of the Beroun transformer station and the Praha Sever—Kladno-Dřív transformer station. Thanks to the newly set parameters of regulation for 2021, we can continue this trend and fulfill the vision of our company not only in the field of investment in the renewal and development of the distribution grid, but also smart elements and digitization of processes within the company. These investments will reach CZK 13.5 billion next year.

Even last year, we did not avoid bad weather conditions and subsequent large-scale power outages. In total, we faced 10 emergencies and in all cases we managed to restore electricity supplies in a very short time. Looking at the number of affected customers, the highest intervention was Hurricane Sabine in February at 307,000 service points.

We have prepared new electronic ways of communication for our customers. One of them was a change in the way of announcing planned outages—The leaflet years are over. We responded to the government anti-epidemic measures by partially reducing planned outages, thus enabling work from home as well as distance learning for students.

We cooperate with schools, focusing primarily on electrical engineering students. For the 4th year in a row, we have been organizing the Prokop Diviš Motivation Program, where we annually distribute more than CZK 1 million among the most successful students in the electrical engineering fields. We also regularly contribute to those in need through the ČEZ Foundation.

ČEZ Distribuce is building a strong brand on the market and ranks among Czechia's most attractive employers. The Employer of the Year award proved this, as we achieved a great second place in the category of up to 5,000 employees for the first time.

Our goal is, and will continue to be, the distribution grid's efficient and ecological operation, enabling developing decentralized generation, digitizing the distribution grid and providing modern energy services with an emphasis on renewable energy sources. I believe that we will continue to provide you with a safe and reliable supply of electricity.

Please allow me to thank all those who contributed to the Company's results in 2020—customers and employees, without whom we could not have achieved these results. I also thank our business partners for supporting our company.

I wish you all good health and plenty of energy.



**Ing. Martin Zmelík, MBA**  
Chairman of the Board of Directors  
and Chief Executive Officer, ČEZ Distribuce, a. s.

## Selected Indicators

### Selected Financial Indicators

	Unit	2016	2017	2018	2019	2020
Physical headcount as at December 31	Number	2,640	2,807	4,561	4,590	4,630
Revenue from sales of own products and services	CZK millions	48,226	45,817	47,224	48,401	48,573
of which: Revenue from sales of electricity distribution	CZK millions	48,022	45,627	47,025	48,199	48,366
EBITDA	CZK millions	16,011	15,105	17,005	17,224	17,220
EBIT	CZK millions	9,164	8,100	9,671	9,548	9,246
Net income	CZK millions	7,259	6,396	7,669	7,296	6,927
Total assets	CZK millions	141,280	140,223	143,664	146,449	157,956
Equity	CZK millions	95,473	97,601	85,447	86,962	89,541
Net debt	CZK millions	11,250	13,001	26,634	27,616	29,421
Total debt to total capital	%	18.71	17.51	30.31	29.65	33.69
Capital expenditure	CZK millions	7,946	9,593	10,694	10,904	12,428
Operating cash flows	CZK millions	13,940	12,000	16,624	15,692	15,062

### Selected Sector-Specific Indicators

	Unit	2016	2017	2018	2019	2020
Service area	km <sup>2</sup>	52,001	52,001	52,001	52,001	52,001
Number of service points	Number	3,625,976	3,649,489	3,673,908	3,698,220	3,726,896
of which: HV, MV—large end-use customers	Number	14,860	14,892	14,861	14,846	14,723
LV—commercial retail	Number	436,797	435,844	437,262	437,932	439,857
LV—residential retail	Number	3,174,319	3,198,753	3,221,785	3,245,442	3,272,316
Peak load	MW	5,884	6,178	5,970	6,002	5,885
Installed line length	km	163,680	164,264	165,133	165,835	166,686
of which: HV	km	9,853	9,845	9,945	10,002	10,000
MV	km	50,658	50,698	50,881	51,006	51,134
LV	km	103,169	103,721	104,307	104,827	105,552
MV/LV transformer substations	Number	58,574	58,865	59,175	59,552	59,882
of which: owned by the company	Number	45,724	46,025	46,319	46,636	46,924
owned by a third party	Number	12,850	12,840	12,856	12,916	12,958
HV/HV, HV/MV, MV/MV transformer substations	Number	283	283	289	287	285

## Key Events of 2020 and 2021 until the Annual Report Closing Date

### Key Events of 2020

#### January

- Renovation work started on the reconstruction of the Český Brod transformer substation, which involves modifications to 110 kV switchgear. The construction project is aimed at enhancing reliability by replacing pneumatic drives with electric drives; modifying control boxes; installing electrically driven selector switch disconnectors for reactors, including modifications to the existing control system; as well as replacing the busbar and repairing the foundations of steel structures, including paintwork, throughout the substation.

#### February

- Storm Sabine hit Czechia in the morning of February 10, 2020, causing restrictions for 307,000 service points. The windstorm hit the ČEZ Distribuce service area in two waves, with the afternoon wave being much stronger and more disastrous. The Company declared a state of disaster in seven regions. Power was restored in most of the supplied area during the day and the state of disaster was terminated for most of the area in the evening.
- Windstorm Julie hit Czechia on February 23, 2020, cutting power to about 80,000 customers. However, the consequences of wind gusts were repaired so quickly that only 9 medium-voltage line failures were registered at 4 p.m.
- On February 27, 2020, the Board of Directors of ČEZ Distribuce, a. s., debated a letter of resignation received from Pavel Šolc and, at his request, approved the termination of his service as member of the Board of Directors with effect from March 31, 2020.

#### March

- Preventive measures were taken by ČEZ Distribuce, a. s., in connection with the occurrence and propagation of the SARS-CoV-2 coronavirus in Europe in order to reduce the risk of infection among employees.
- Vladimír Říha was removed from the Supervisory Board of ČEZ Distribuce, a. s., with effect from March 31, 2020, and Marek Šlégl was elected as member of the Supervisory Board of ČEZ Distribuce, a. s., with effect from April 1, 2020, by a decision of the sole shareholder.

#### April

- Renovation of the existing 110 kV overhead line between the Kladno-Dříň transformer station and the Praha Sever transformer station was started; the reason for the renovation was insufficient transmission capacity and unsatisfactory mechanical condition.
- Construction of the relocation of three double 110 kV overhead lines was started; the plan addresses the relocation due to freeing up mining space on the basis of a request from Vršanská uhelná a.s.
- As a result of coronavirus-related restrictions, call center activity increased significantly and customers began to use the Distribution Information Portal application more.
- In the first week of April, a hacker attack was prevented and thanks to the security measures in place, this activity was immediately detected and the availability of these communication elements was restored in a very short time.
- The web application <https://geoportal.cezdistribuce.cz> has started to provide free information on the location of power grids; a statement is sent to the inquirer by e-mail in online and digital forms.
- Due to the positive development of the coronavirus situation, it was decided to gradually release the measures taken.

#### May

- Phase I of Business Intelligence/Advanced Analytics (BI/AA) was launched in May; this system will help up to two thousand users with data processing and analysis in the future.
- On May 5, 2020, safe passage of oversized cargo under the high and low voltage lines was ensured; it was a turbine transport from Plzeň to Lovosice, the whole train weighed more than 245 tonnes and traveled more than 175 km.
- On May 18, 2020, the Board of Directors of ČEZ, a. s., approved the plan to transform ČEZ Korporátní služby, s.r.o., as at January 1, 2021, which will transfer the selected real estate and related movables to ČEZ Distribuce, a. s.

## June

- The renewal of the 110/22 kV Břidličná transformer station was started; the reason for this construction was the unsatisfactory technical condition of the 110 and 22 kV technology, the technology of the control and protection system, and the technology of in-house consumption.
- During the reconstruction of the line, a helicopter was used in the very inaccessible terrain in the Jičín region, which helped to set up 6 masts for high-voltage lines and took away 5 original ones.
- Prokop Diviš Motivational Program announced the 2019/2020 school year winner; the nine best students received diplomas and symbolic rewards for their year-round efforts; a total of 1,423 students took part in the motivational program in the past school year, and more than CZK 1 million was distributed among the ninety most successful of them.
- In Ostrava, the construction of the largest encapsulated substation was completed, where, due to the lack of space, a technically demanding solution, Gas Insulated Switchgear, had to be approached.

## July

- Safe passage of excessive cargo from Lovosice to Plzeň with 12 beer tanks was ensured.

## August

- Modernization of the Lískovec strategic substation was started, which will take place in stages in order to maintain the substation's operation; the new parameters will enable a future increase in short-circuit resistance up to 40 kA, which will improve the conditions for connecting other sources.

## September

- Construction of the 110/22 kV Rokycany transformer station began; a comprehensive renovation of the existing 110 kV substation will be carried out as part thereof.
- Construction of a new 110/22 kV transformer station in Dolní Benešov began; the reason for this construction was to solve the insufficient transformation power in the area and also to solve the distribution through foreign facilities.
- Construction at the 110/22 kV transformer station in Hoštice was completed; the subject thereof was a comprehensive reconstruction of the 110 kV technology and management and protection system.
- ČEZ Distribuce, a. s., was awarded the first place in the Employer of the Region poll announced by Sodexo; the award was achieved in the category of Employer Up to 5,000 Employees in the Prague region.

## October

- An extraordinary event occurred when an inattentive lumberjack tore down ten poles of power lines in Špičák near Železná Ruda, causing dozens of transformer stations and 8,000 households to lose electricity; the employees of ČEZ Distribuce, a. s., resumed the power supply by means of twisting, and repaired the lines in a short time using heavy equipment.
- On October 3 and 4, 2020, Czechia was hit by very strong winds; the strongest wind gusts were recorded in Moravia; in the district of Jeseník, 6 high-voltage lines were down on Saturday and about three quarters of households in this district were without electricity; the supply was restored in the afternoon of October 4, 2020.
- Based on the declared state of emergency and related emergency measures, ČEZ Distribuce, a. s., significantly reduced the number of planned electricity outages in its distribution territory from October 19, 2020, especially planned outages that could be postponed and did not affect the safety and reliability of electricity supply.
- A new campaign has been launched to change the way planned power outages are announced, "The leaflet years are over"; from January 2021, paper notifications about power outages will no longer be posted, all information will be online and customers will receive it either by e-mail or SMS after they register.
- The operation of JS ŘOT (Unified Field Crew Management System) was launched in the area of electricity meter service, ensuring greater efficiency of work in the field and bringing optimal work order solutions for planned and operational metering activities.

## November

- ČEZ Distribuce, a. s., was awarded the first place in the national Employer of the Region poll announced by Sodexo; the award was achieved in the category of Employer Up to 5,000 Employees.

## December

- Extensive renovation of the 110 kV substation at the Mělník power plant premises was started; the renovation will also include the fiber optic network renovation including the connection of station fiber optic cables to the new building of joint operations.
- On December 4–7, 2020, the Wenke windstorm hit part of the distribution grid mainly in the Moravia, East, North, and Center regions; the fault rate peaked at 31 high-voltage faults by 8 a.m. on December 5. The most frequent cause of faults was falling trees and branches, which broke wires, damaged insulators or poles and masts; fault crews, dispatchers, and distribution call center staff worked for three days to remove the effects of the wind calamity.
- On December 8, 2020, the redesigned website [www.cezdistribuce.cz](http://www.cezdistribuce.cz) was launched, where the site adapts to the screen on laptops, tablets, and mobile phones; the website receives more than 3.2 million hits per year.
- Principles for switching off distribution grid equipment in the pre-Christmas and New Year period have been established, no works that could be postponed to another period due to their nature were carried out from December 15, 2020, to January 1, 2021.
- Employees of ČEZ Distribuce, a. s., gave out gifts at the Jedlička Institute in Liberec for the thirteenth time.
- On the night of December 28, 2020, strong winds swept across Czechia; thirty faults were recorded on high-voltage lines and 12,000 service points were without electricity; the most serious situation was in the Pardubice and Olomouc regions and in Vysočina; the most frequent causes of faults were trees and branches falling onto the lines, damage to insulators and brackets, wire breakage, and damage to support points.

## Key Events of 2021 until the Annual Report Closing Date

### January

- Construction of a new 110/22 kV transformer station in Uničov was started; the 110 kV substation is constructed as a two-system outdoor substation with a transverse busbar switch; the 22 kV substation will be a single-system indoor substation in a cabinet design and transformation will be ensured by two transformers with an output of 25 MVA; the construction will also include a management and protection system,
- ČEZ Distribuce, a. s., as at January 1, 2021 took over the ownership of 30 premises that had been owned by ČEZ Korporátní služby, s.r.o., until the end of 2020.
- On January 28–30, 2021, the Karlovy Vary region experienced an increased number of faults caused by freshly fallen wet snow, which caused trees and branches to fall onto power lines; all 86 faults were resolved within three days.

### February

- Renovation of the 110 kV substation at the 110/22 kV Hranice transformer station was started due to insufficient short-circuit resistance and unsatisfactory mechanical condition; the construction also includes replacement of the management and protection system including replacement of protections at the 110 and 22 kV substation.
- Renovation of the 110/22 kV transformer station in Uhlířské Janovice began; the intention thereof is to carry out a comprehensive renovation of the 22 kV substation; at the 110 kV substation, air-operated disconnectors will be replaced with new electrically operated ones; at the same time, the management and protection system will be renovated including the replacement of protections at the 110 and 22 kV substation.
- Construction of a set of three 110 kV line relocations was completed, which was triggered by the request of Vršanská uhelná a.s., due to the mining area's release for further coal mining.
- On February 4, 2021, safe passage of oversized cargo under the high and low voltage lines from Přerov to Prachovice was ensured.

### March

- On March 12–14, 2021, Czechia was hit by the Klaus windstorm; 20,000 households lost electricity; the most common causes of faults were trees falling onto power lines, broken wires and insulators, and damaged support points.

## Governance Bodies

In accordance with applicable legislation and the bylaws of ČEZ Distribuce, a. s., the shareholders' meeting elects and removes members of the Board of Directors, two-thirds of Supervisory Board members, and members of the Personnel Committee. Employees elect one-third of Supervisory Board members from among Company employees.

### Supervisory Board

The Supervisory Board is the Company's supervisory body; it supervises the exercise of the Board of Directors' powers and the conduct of the Company's business activities. Details of the Supervisory Board's sessions, approval procedure, meetings, and decision making are specified by the Rules of Procedure in accordance with the bylaws.

#### Supervisory Board Members as at the Annual Report Publication Date

##### Tomáš Pleskač (born 1966)

Chairman of the Supervisory Board since May 10, 2017

Member of the Supervisory Board since January 2, 2017

A graduate of the Faculty of Business and Economics, University of Agriculture (today Mendel University) in Brno; MBA from Prague International Business School.

He currently holds the position of Chief Renewables and Distribution Officer at ČEZ, a. s.

He is a member of the Board of Directors of ČEZ, a. s., and the Chief Executive Officer's deputy for new energy.

##### Michaela Chaloupková (born 1975)

Vice-Chairwoman of the Supervisory Board since May 10, 2017

Member of the Supervisory Board since April 1, 2017

A graduate of the Faculty of Law, University of West Bohemia, Plzeň, and an Executive Master of Business Administration (MBA) program at the KATZ School of Business, University of Pittsburgh, specializing in the energy sector.

She currently holds the position of Chief Administrative Officer at ČEZ, a. s. She is a member of the Board of Directors of ČEZ, a. s.

##### Jan Brožík (born 1972)

Member of the Supervisory Board since December 1, 2018

A graduate of the Faculty of Finance and Accounting, University of Economics, Prague; MBA from the University of Pittsburgh.

He currently holds the position of Director of Financing at ČEZ, a. s.

##### Marek Šlégl (born 1977)

Member of the Supervisory Board since April 1, 2020

A graduate of the Faculty of Law, University of West Bohemia, Plzeň.

He currently holds the position of Director of Ownership Interest Administration at ČEZ, a. s.

##### Karel Čech (born 1958)

Member of the Supervisory Board elected from candidates elected by employees since September 1, 2018

A graduate of an industrial school of electrical engineering.

He works as Head of MV/LV Construction East under the Distribution Asset Management section of ČEZ Distribuce, a. s.

##### Václav Rašner (born 1966)

Member of the Supervisory Board elected from candidates elected by employees since September 1, 2018

A graduate of a power engineering program at the Technical University of Ostrava.

He works as a Technical Support Specialist in the Distribution Asset Management section of ČEZ Distribuce, a. s.

#### List of Supervisory Board Members Whose Membership Terminated in 2020 or until the Annual Report Closing Date

##### Vladimír Říha (born 1962)

Member of the Supervisory Board from March 1, 2016, to March 31, 2020

## Board of Directors

The Board of Directors is the Company's statutory governing body, which manages its activities and acts on its behalf. Board of Directors members are elected and removed by the shareholders' meeting. The powers of the Board of Directors are defined by the Company's bylaws approved by the shareholders' meeting. The Board of Directors makes decisions on all Company matters unless they are reserved for another company body by law or the Company's bylaws. Details of the Board of Directors' sessions, approval procedure, meetings, and decision making are specified by the Rules of Procedure of the Board of Directors of ČEZ Distribuce, a. s. The Board of Directors has five members; Board of Directors members elect and remove their chairperson and vice-chairperson. Pursuant to law and the Company's bylaws, the Supervisory Board is notified of selected matters or asked for an opinion or prior authorization of the Board of Directors' decision.

### Board of Directors Members as at the Annual Report Publication Date

#### Martin Zmelík (born 1975)

Chairman of the Board of Directors since August 1, 2018

A graduate of the Faculty of Business Administration, University of Economics, Prague; MBA from U.S. Business School Prague (Rochester Institute of Technology).

#### Radim Černý (born 1974)

Vice-Chairman of the Board of Directors since February 8, 2019

A graduate of the Faculty of Electrical Engineering, University of West Bohemia, Plzeň.

He is a member of the Board of Trustees of the Czech Association of Regulated Power Supply Companies (CARPSC).

#### Michaela Kociánová (born 1969)

Member of the Board of Directors since February 1, 2019

A graduate of the Material Engineering program at the Technical University of Ostrava.

#### Martin Molinger (born 1985)

Member of the Board of Directors since January 1, 2020

A graduate of the Faculty of Informatics and Management, University of Hradec Králové.

### Board of Directors Members Whose Membership Terminated in 2020 or until the Annual Report Closing Date

#### Pavel Šolc (born 1962)

Member of the Board of Directors from April 1, 2016, to March 31, 2020

### Principles of Remuneration of Members of the Board of Directors and Supervisory Board

The principles of remuneration of members of the Board of Directors and the Supervisory Board are governed by rules approved by the Company's shareholders' meeting and incorporated in service contracts with members of the Board of Directors and the Supervisory Board, as approved by a decision of the sole shareholder exercising the powers of the shareholders' meeting.

Specific tasks for individual Board of Directors members are also approved by a decision of the sole shareholder exercising the powers of the shareholders' meeting, as is the assessment of their fulfillment, which, in accordance with the rules of unbundling, is dependent solely on the Company's performance. Such specific tasks are evaluated annually.

ČEZ Distribuce, a. s., did not grant any credit or loan to members of the Board of Directors or the Supervisory Board and did not assume any liability or guaranty or performance on their behalf in 2020.

**Board of Directors Members**



**Martin Zmelík**  
Chairman of the Board of Directors



**Radim Černý**  
Vice-Chairman of the Board of Directors



Michaela Kociánová  
Member of the Board of Directors



Martin Molinger  
Member of the Board of Directors

**We are a modern company and  
keep up with current trends**

**real**

**Jan Kůla**, Solution Analyst

“Customer needs in the energy sector are changing and the transition to digital distribution is the answer to new challenges. We support electro-mobility development, connecting renewable energy sources, introducing automation, robotics, remotely controlled elements and intelligent metering, control and communication systems to continue ensuring a reliable and secure supply of electricity. It’s great to be part of this.”



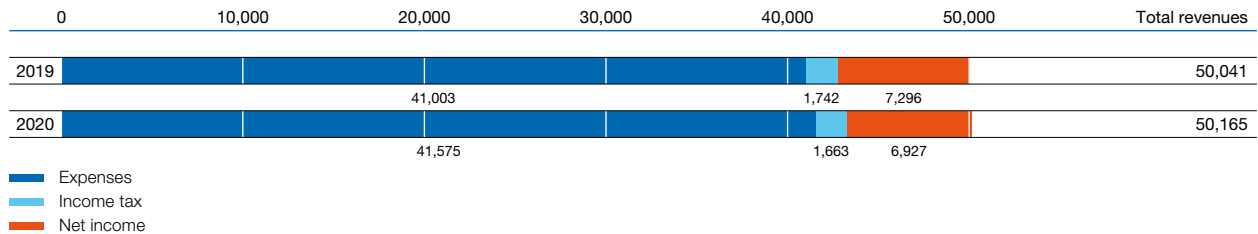
**People**

## Financial Performance

The joint-stock company ČEZ Distribuce was formed under the Draft Terms of Domestic Merger by the Formation of a New Company with the merger record date of January 1, 2010, and came into existence by registration in the Commercial Register kept by the Regional Court in Ústí nad Labem, Section B, File 2145, on October 1, 2010. Its core business is providing electricity distribution system services to individuals and legal entities.

### Revenues, Expenses, and Income

Income Structure (CZK Millions)



The Company's 2020 income before taxes was CZK 8,590 million. Its net income of CZK 6,927 million represents a decrease of CZK 369 million as compared to 2019.

Operating income was CZK 9,246 million, which is CZK 302 million less than in 2019, primarily due to lower revenues from electricity sales and increased operating expenses.

Financing activities generated a loss of CZK 656 million due to interest on borrowings; the loss increased by CZK 146 million as compared to 2019.

Total expenses without income tax were CZK 41,575 million in 2020. The highest amounts were expended on covering costs associated with support for renewable electricity, on purchasing system, transmission, and distribution services, and on purchasing electric power to cover losses, totaling CZK 24,430 million, followed by depreciation and amortization of noncurrent assets of CZK 8,004 million, other expenses on production-related consumption of CZK 4,276 million, personnel expenses of CZK 4,442 million, other expenses arising from operating activities of CZK -600 million, and financial expenses of CZK 1,023 million.

Total 2020 revenues amounted to CZK 50,165 million and consisted of revenue from distribution system services amounting to CZK 48,366 million, other revenues of an operating nature amounting to CZK 1,432 million, and financial revenue amounting to CZK 367 million.

### Asset and Capital Structure

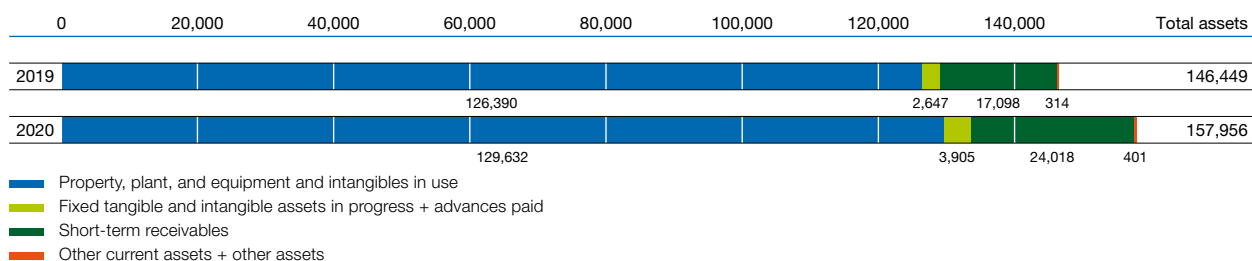
#### Total Assets

Total assets amounted to CZK 157,956 million, increasing by CZK 11,507 million against 2019.

Fixed assets amounted to CZK 133,537 million, increasing by CZK 4,500 million as compared to 2019. The most significant item was structures amounting to CZK 99,904 million, followed by tangible movable assets and sets thereof amounting to CZK 28,070 million, tangible fixed assets in progress amounting to CZK 3,698 million, land amounting to CZK 992 million, and intangible fixed assets amounting to CZK 720 million.

Current assets in 2020 increased CZK 6,984 million on the year before, amounting to CZK 24,377 million. The highest amounts were contingencies amounting to CZK 12,241 million, which represent mostly unbilled deliveries of services relating to electricity distribution, short-term receivables from Group companies within Group cash pooling amounting to CZK 10,149 million, short-term trade receivables amounting to CZK 1,383 million, materials amounting to CZK 339 million, and short-term advances paid amounting to CZK 210 million. Accruals amounted to CZK 42 million and increased by CZK 23 million against 2019.

#### Structure of Assets (CZK Millions)



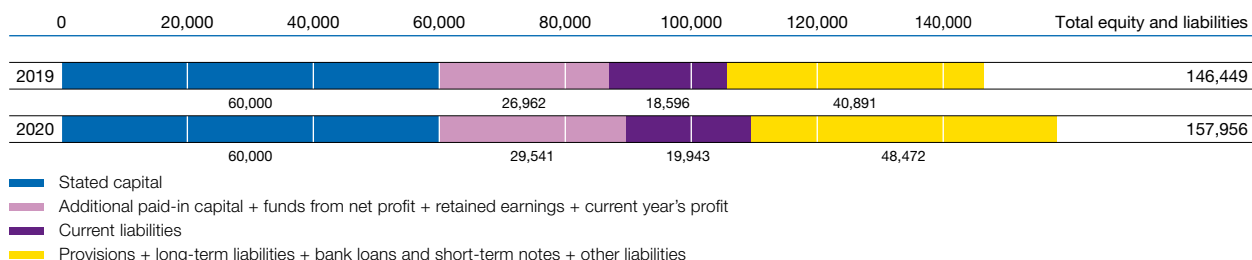
#### Equity and Liabilities

Equity amounted to CZK 89,541 million, increasing by CZK 2,579 million as compared to 2019. The highest items of equity were the stated capital registered in the Commercial Register, amounting to CZK 60,000 million, legal reserve of CZK 12,000 million, retained earnings of CZK 10,620 million, and the current period's profit of CZK 6,927 million.

Provisions and liabilities amounted to CZK 59,677 million, increasing by CZK 8,463 million year-on-year. The highest amounts were long-term liabilities to Group companies of CZK 26,483 million, short-term received advances of CZK 12,453 million, deferred tax liability of CZK 11,657 million, short-term trade payables of CZK 2,999 million, short contingent liabilities of CZK 2,240 million, and other provisions of CZK 1,593 million.

Other liabilities, consisting primarily of deferred revenue from connection applicants' contributions, amounted to CZK 8,737 million, increasing by CZK 465 million over the previous period.

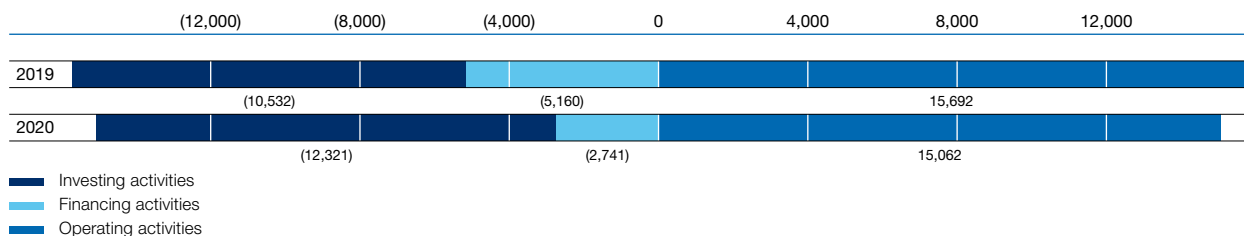
#### Structure of Equity and Liabilities (CZK Millions)



## Company Financing

### Cash Flows

#### Cash Flow Summary (CZK Millions)



Cash from operating activities, amounting to CZK 15,062 million, was generated by the following:

Profit on ordinary activities before taxes	8,590
Corporate income tax paid	(1,575)
Depreciation and amortization of fixed assets, write-offs	8,056
Changes in working capital	(512)
Other operating activities	503

Cash used in investing activities totaled CZK 12,321 million, with expenditures on purchases of fixed assets of CZK 12,370 million accounting for the greatest part thereof.

Cash used in financing activities totaled CZK 2,741 million; the amount included the payment of dividends amounting to CZK 4,345 million, change in cash under Group cash pooling of CZK 5,988 million, and change in the balance of loans of CZK -7,592 million.

### Borrowings and Their Maturity

As at December 31, 2020, the Company had loans amounting to CZK 27,911 million (maturing at December 31, 2025, September 25, 2028, and May 31, 2030). Of that amount, the long-term portion of loans amounted to CZK 26,483 million and the current portion amounted to CZK 1,428 million.

#### Key Financial Indicators

	Unit	2019	2020
Return on equity, net (ROE Net)	%	8.46	7.85
Return on assets, net (ROA Net)	%	5.03	4.55
EBIT margin	%	19.25	18.57
Financial debt to equity	%	23.46	31.63
Net debt to EBITDA	%	160.34	170.86
Current ratio	%	64.80	85.14
Operating cash flow to debt	%	50.27	39.49
Asset turnover	1	0.34	0.33
Fixed asset coverage	%	91.59	95.62
Depreciation-to-fixed assets ratio	%	55.54	55.77

## Economic and Financial Outlook for 2021

The year 2021 is the first year of the fifth regulatory period. The volume of purchases and sales of electricity distribution services is based on the expected development of electricity consumption, taking into account the economic downturn due to the COVID-19 pandemic in 2020 and the Energy Regulatory Office's pricing decisions for 2021, which take into consideration the principles of regulated prices on both the purchase and sales sides. The principles should ensure coverage of a distribution company's legitimate costs, including the generation of resources for distribution grid renovation and development and revenue for shareholders. The Company's plan for 2021 estimates revenue from sales of own products and services at CZK 47,929 million, income before taxes at CZK 7,692 million, and capital expenditures at CZK 13,500 million.

## Capital Expenditures

### Principal Goals of Capital Construction

The Company expended CZK 12,428 million on distribution system renovation and development in 2020. The principal objective of capital expenditures is improving the quality, reliability, and safety of electricity supplies. Capital expenditures went into grids at all voltage levels and were made across all asset groups, including expenditures on the development of automated grid control. In the field of new technologies, capital expenditures were made primarily on projects for the installation of remotely controlled elements in medium-voltage grids, followed by projects for the installation and addition of metering equipment at distribution substations. Our optical infrastructure development project entered its next stage.

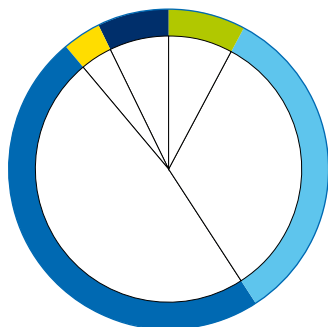
### Capital Expenditures in 2019 and 2020, Plan for 2021

#### Capital Expenditures (CZK Millions)

	2019	2020	2021
HV structures	844	927	1,377
MV structures	3,779	4,046	4,495
LV structures	5,050	6,020	5,758
Electricity meters	482	544	610
Ancillary expenditures	749	891	1,260
<b>Total</b>	<b>10,904</b>	<b>12,428</b>	<b>13,500</b>

#### Capital Expenditures in 2020

	%
HV structures	8
MV structures	33
LV structures	48
Electricity meters	4
Ancillary expenditures	7
<b>Total</b>	<b>100</b>



### Capital Expenditures on the Distribution System

Capital expenditures in 2020 were principally focused on MV and LV structures. CZK 10,066 million was expended on such assets in 2020. Most of the projects involved reconstructing and renovating underground and overhead lines, as well as constructing the MV parts of HV/MV transformer substations and MV/MV switching substations. Capital expenditures on HV structures amounted to CZK 927 million. Most of the projects concerned reconstructing and constructing new HV/MV transformer substations and HV overhead lines. CZK 1,435 million was expended on activities supporting main distribution processes, in particular the enhancement of operating and control systems and purchases of electricity meters. Capital expenditures on projects initiated at customers' requests totaled CZK 3,660 million.

#### Major Projects

- Lískovec, 110 kV substation reconstruction
- Beroun, transformer substation reconstruction
- Praha Sever – Kladno-Dříň, line renewal
- Výškov-ČSA, Výškov-Cheza, Výškov-Komořany, 110 kV line relocation
- Příbram-Brod, transformer station reconstruction
- Hoštice, 110 kV substation reconstruction
- Lanškroun, 22 kV substation reconstruction
- Koštov, substation reconstruction
- Krásné Březno, 22 kV substation reconstruction
- Přeštice—Domažlice, wire replacement

## Information on the Company's Core Business


The Company's core business is providing electricity distribution services to individuals and legal entities. The Company manages distribution system assets and controls the operation of the distribution system from its control center.

In 2020, the distribution system was operated and maintained in line with quality standards and requirements defined in the Preventive Maintenance Regulations to the maximum extent possible. Continuous operation of the distribution system during the year was negatively affected by ten emergency conditions of increased failure rates caused by severe weather, during which there were 6,138 emergency interruptions of electricity distribution with impacts on customers that lasted more than three minutes. Besides those interruptions, there were other unplanned interruptions that lasted more than three minutes and affected at least one customer: 43 interruptions at the HV level, 5,846 interruptions at the MV level, and 20,846 interruptions at the LV level. In addition, 6,995 damaged fuses were replaced in customers' main fuse boxes or feeder boxes.

The Company monitors and evaluates indicators concerning the quality and reliability of electricity supply and distribution and the quality of provided services. One of the indicators is the System Average Interruption Duration Index (SAIDI), which represents the total average outage duration per customer during a whole year. The value includes all emergency and planned interruptions that occurred directly in the Company's distribution system during the year. Exemptions are interruptions due to severe weather, which are excluded from the value.

In 2020, the achieved values of the supply continuity indicators were significantly affected by the social situation and the Czech government's anti-epidemic measures related to the SARS-CoV-2 pandemic and the COVID-19 disease. The most significant impact was in the area of planned outages. During 2020, the company carried out significant reductions in planned interruptions twice in response to the growing needs of teleworking customers and the ongoing distance schooling. In most cases, selected planned maintenance tasks that could be postponed and did not directly affect the safety and reliability of electricity supply were postponed.

### System Average Interruption Duration Index (Minutes)

	0	50	100	150	200	Total
2019						232.6
2020						220.0

ČEZ Distribuce, a. s., owns and operates the following distribution system assets:

### Distribution System Infrastructure

	Unit	2019	2020
Installed line length	km	165,835	166,686
of which: HV	km	10,002	10,000
MV	km	51,006	51,134
LV	km	104,827	105,552
MV/LV transformer substations	Number	59,552	59,882
of which: owned by the company	Number	46,636	46,924
owned by a third party	Number	12,916	12,958
HV/HV, HV/MV, MV/MV transformer substations	Number	287	285

The Company's distribution system distributed 42,959 GWh of electricity in 2020.

#### Annual Figures on Electricity Distribution (GWh)

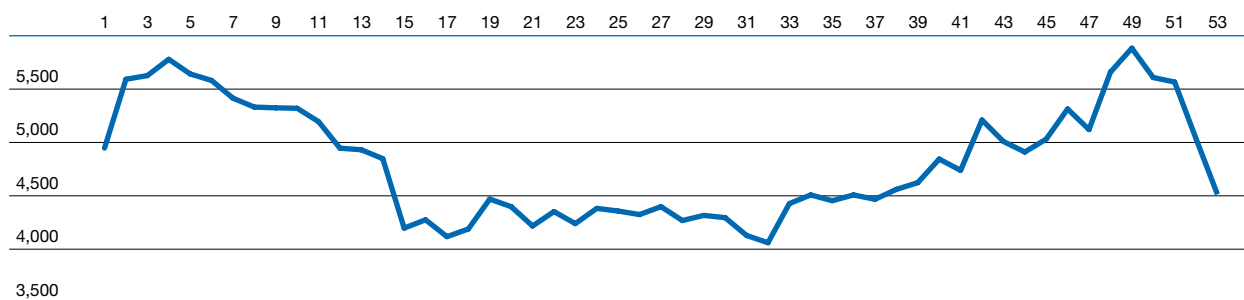
	2019	2020
<b>System inflow</b>		
Supplied from transmission service provider's grid	28,743	28,273
Supplied from facilities owned by ČEZ, a. s.	3,248	2,306
Supplied from neighboring distribution service providers	1,210	1,201
Supplied from facilities owned by other producers, including autoproducers	8,446	8,789
Supplied from other facilities	19	50
Imports (from abroad) at distribution service level	3	3
Distribution license holders (local distribution system)	2,855	2,337
<b>Total system inflow</b>	<b>44,524</b>	<b>42,959</b>
<b>System outflow</b>		
HV/MV customers	13,415	12,386
LV customers	14,551	14,956
Consumed by producers in distribution service provider's grid	1,864	1,715
Consumed by other facilities	19	50
Supplied to neighboring distribution service providers	5,956	5,720
Supplied to transmission service provider's grid	124	82
Exports (to abroad) at distribution service level	408	411
Distribution license holders (local distribution system)	6,032	5,619
Other consumption by distribution service provider	49	50
Losses	2,106	1,970
<b>Total system outflow</b>	<b>44,524</b>	<b>42,959</b>

Electricity inflow into the Company's distribution system was 42,959 GWh in 2020. This was a decrease of 3.51%, or 1,565 GWh, as compared to 2019. The greatest percentage, 65.81%, was electricity inflow from the transmission service provider's grid, which was 28,273 GWh. This was an decrease of 470 GWh compared to 2019. The amount of electricity procured directly from the facilities of ČEZ, a. s. was 2,306 GWh, which was 942 GWh less than in 2019. Supplies from neighboring distribution service providers decreased by 9 GWh year-on-year; supplies from facilities owned by other producers, including autoproducers, increased by 343 GWh. The amount of electricity from other facilities increased by 31 GWh. Imports from abroad did not change year-on-year; supplies from local distribution systems decreased by 518 GWh.

The amount of electricity distributed to HV and MV customers decreased by 1,029 GWh year-on-year; electricity distributed to customers at those voltage levels accounted for 28.83% of total supplies. The amount of electricity distributed at LV level increased by 405 GWh and accounted for 34.81% of total supplies. Producers' consumption decreased by 149 GWh as compared to 2019; other facilities' consumption increased by 31 GWh. Supplies to neighboring distribution service providers decreased by 236 GWh year-on-year; they account for 13.32% of the total amount of electricity distributed. The amount supplied back to the transmission service provider's grid decreased by 42 GWh. Exports abroad increased by 3 GWh year-on-year. Supplies to local distribution systems decreased by 413 GWh in a year-on-year comparison. Other consumption increased by 1 GWh; losses decreased by 136 GWh.

The highest hourly peak was 5,885 MW, achieved on December 3, 2020, at 5 p.m.

#### Weekly Peaks (MW)



ČEZ Distribuce, a. s., sells its electricity distribution services to customers through electricity traders or by direct sales. ČEZ Distribuce, a. s., had a framework contract with 139 active traders in 2020.

#### Number of Service Points

	Unit	2019	2020
HV, MV—large end-use customers	Number	14,846	14,723
LV—commercial retail	Number	437,932	439,857
LV—residential retail	Number	3,245,442	3,272,316
<b>Total</b>		<b>3,698,220</b>	<b>3,726,896</b>


Almost 29,000 new service points were connected in 2020. Additionally, 4,172 new generating facilities with a total installed capacity of 60 MW were connected in 2020. CZK 789 million was collected from customers in contributions towards connection and capacity increases pursuant to Decree No. 16/2016 Sb., on conditions for connection to the electricity system, and CZK 3,021 million was expended on fulfilling their requests in 2020.

#### New Connections, Increased Capacity

Voltage Level	Expenditures on the distribution system (CZK millions)	Contributions collected (CZK millions)	Connected or increased (MW)
HV	4	26	47
MV	278	149	190
LV	2,739	614	680
<b>Total</b>	<b>3,021</b>	<b>789</b>	<b>917</b>



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**We are an attractive employer  
for smart and capable people who  
are not afraid of any obstacles**

# Energy

**Petra Vojáčková**, Project Manager

“Second place in the Employer of the Year award in the category of medium-sized companies (up to 5,000 employees) came as no surprise to me. The company invests in the development and training of its employees and offers opportunities for employment. I am happy to be part of this wonderful group of people.”

## Safety and Quality Management, Environmental Protection

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### Occupational Safety and Health

The whole year 2020 was mainly marked by measures related to the COVID-19 epidemic. ČEZ Distribuce, a. s., continued to meet the requirements for continuous safety and security improvement in 2020. All measures taken are proposed and approved at the level of the expert working group Koronavir-2 established by CEZ Group and are in line with the government anti-epidemiological measures. Within ČEZ Distribuce, a. s., a working group also operates to implement or update the measures to the company's conditions. An optimally adjusted safety management system allowed the Company to keep a positive development trend in occupational safety and hygiene in the work environment. The excellent results in this area were significantly helped by a certified OSH management system, implemented in compliance with the "Safe Enterprise" program.

One fatal work accident and twelve time-loss work accidents with a total duration of incapacity for work of 1,178 days occurred in ČEZ Distribuce, a. s. in 2020. The fatal work accident is currently still under investigation by the Czech Police—Central Bohemian Region Police Headquarters and the Regional Labor Inspectorate for the Capital City of Prague. All of the injuries were duly investigated.

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### Fire Prevention

Fire protection focused on prevention, protecting employees and property from fire, and creating conditions for safe operation of the distribution grid. The company has set up a functional management system in the area of fire protection. The fulfillment of statutory obligations is ensured by the performance of professionally competent persons. Prevention is fulfilled, among other things, by continuous updating of fire protection documentation, training and professional preparation of employees, as well as control and audit activities of professionally qualified persons and managers of all management levels according to approved annual plans. To support all these activities, an FP module was put into operation in the SWIM app. The company met the fire protection targets set for 2020. Within the framework of state fire supervision, no serious deficiencies were detected in the company by the state administration authorities. No extraordinary event occurred at the company during the period—fire with damage exceeding CZK 1 million.

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### OSH Coordination on Construction Sites

OSH coordination on construction sites has become an integral part of the company's OSH care. Here, we ensure the performance of activities on ongoing constructions and reconstructions of ČEZ Distribuce, a. s., to the extent stipulated by Act No. 309/2006 Sb. During the implementation, we participate to the maximum extent in the adoption of measures to ensure the safety of constructions and at the same time support the implementation and project preparation through consulting activities.

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## Quality Assurance

The Company applies quality standards within all processes. Key process indicators and required process outputs are reviewed by internal audits, checks, and other feedback tools. Compliance with qualitative indicators and targets is part of employee performance appraisal and an incentive component of pay. The quality of management relies on a uniform technical policy, standardization, technical standardization, and provision of preventive maintenance. The compliance of management systems, certified to ČSN EN ISO 14001, ČSN EN ISO 50001, and the "Safe Enterprise" program, and also to ČSN EN ISO 9001 for certain processes, is regularly audited by a certification company and the regional occupational safety inspectorate.

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## Environmental Protection

In compliance with applicable law, ČEZ Distribuce, a. s., is continuously committed to creating the conditions for effective protection of the environment and its compartments. Specialized Company employees in charge of environmental care attended actively to all environmental compartments, in particular bird protection, waste and water management, accident prevention, and cleanup of old environmental burdens.

ČEZ Distribuce is implementing a project for "Perch Guard Installation on MV Line Support Structures" in order to ensure sufficient technical security of high-voltage lines to protect birds until 2025. A total of 24,000 support structures for medium-voltage power lines were made safe in 2020. ČEZ Distribuce owns approximately 475,000 MV support structures; almost 64% of them are already safe for birds. There are still about 181,000 support structures to be made safe. In 2020, CZK 45 million was spent on bird protection. There are a total of 78 sites with old environmental burdens within the service area of ČEZ Distribuce. Some environmental burdens were already cleaned up in the past years and preparations for remediation processes are underway for others. By the end of 2020, environmental burdens had been removed at 48 sites. Monitoring, additional research or load documentation update is underway at 28 sites; active remediation was carried out at the site of the Domažlice transformer station. An external EMS recertification audit, verifying the validity of certification to ČSN EN ISO 14001 for up to 2023, and an external surveillance audit to ČSN EN ISO 50001 (EnMS) were successfully conducted in November. The latter audit verified compliance of the Company's energy management system in the operation of technical and nontechnical distribution system facilities with the requirements of the standard.

## Shares and Shareholders

The total amount of the stated capital of ČEZ Distribuce, a. s., registered in the Commercial Register at the closing date of the Annual Report was CZK 60,000 million. The Company's sole shareholder is ČEZ, a. s. ([www.cez.cz](http://www.cez.cz)), having its registered office at Praha 4, Duhová 2/1444, postcode 140 53, company registration number 452 74 649, holding a 100% stake in the stated capital of ČEZ Distribuce, a. s.

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### Classes and Volumes of Issued Stock

The stated capital is divided into 600 registered materialized common shares of stock with a nominal value of CZK 100 million. The common shares of stock are replaced with a Stock Certificate with a total nominal value of CZK 60,000 million issued to ČEZ, a. s., having its registered office at Praha 4, Duhová 2/1444, postcode 140 53, company registration number 452 74 649. The Company did not acquire any treasury shares in 2020.

## Human Resources

### Employment Changes

In the field of labor relations and welfare policy, ČEZ Distribuce, a. s., strove to maintain social peace, respecting the Labor Code and related legislation as well as collective agreements in effect at ČEZ Distribuce, a. s.

#### New Hires and Exits in 2020

	Number of employees
New hires	307
Exits	232

The workforce headcount as at December 31, 2020, was 4,630 employees.

### Education and Training

In 2020, as in previous years, ČEZ Distribuce, a. s., focused on developing and maintaining the core competencies of its employees, i.e. both professional and soft skills. To this end, employees attended both internal courses and external training, workshops, seminars, and custom-tailored courses provided according to their needs and interests. Particular emphasis was placed on the development of key employees by supporting and further developing their potential. The company focused more on developing change management, sharing know-how, and developing employees' digital skills.

New programs have been established to adapt new employees and interdepartmental cooperation. It was mainly an adaptation program for new employees, where the employees, in an interactive way, get acquainted with ČEZ Distribuce, a. s., its organizational structure, activities of individual departments, and their interconnection. For one year, they visit workplaces where they can get to know their colleagues' work (e.g. visits to the call center, the Network Unit, the Electrical Station Unit and the Measurement Unit). In order to support the development of key employees, the 50 Hz Talent Program was set up—a long-term comprehensive training system (based on annual cycles) aimed at strengthening and acquiring competencies in management, communication, and other psychosocial skills. For employees who are new to managerial positions, the company has prepared a development program called New Manager in ČEZ Distribuce, which prepares new managers to take over managerial positions within one year. As part of sharing of know-how, the Named Lecturers or Learning from Each Other program is running with the aim of sharing and transferring professional expertise. As a result of the COVID-19 disease pandemic and the subsequent governmental measures to which ČEZ Distribuce, a. s., immediately reacted and at the same time set up its internal and often stricter steps and procedures to manage the risk of spreading the disease and to protect employees, educational activities were gradually transferred online for most of 2020. In the case of external suppliers, the same procedure was followed. In 2020, ČEZ Distribuce, a. s., spent a total of CZK 16 million on developing and education of its employees.

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## Welfare Policy

ČEZ Distribuce, a. s., provides its employees with monetary and nonmonetary benefits. In the area of non-monetary benefits, employees benefit in particular from leave extended by one week beyond the entitlement under the Labor Code, reduced weekly working hours, and the opportunity to engage in various non-work activities. The company paid for vaccination against tick-borne encephalitis for selected professions that need it due to the nature of their work. In order to improve the health safety of employees, an above-standard flu vaccination option was provided at the company's expense, and voluntary antigen testing was provided for selected critical groups of employees in connection with COVID-19.

ČEZ Distribuce, a. s., expended CZK 269 million on monetary benefits in 2020. Key items that the company made contributions to in the past year included, most importantly, a Cafeteria, contributions to retirement plans and life insurance, meal plans, health care, and milestone birthday rewards.

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## Relations with Labor Unions

There were a total of 31 local labor unions operating at ČEZ Distribuce, a. s., in 2020. 2,362 employees were local union members. Collective bargaining on an amendment to the effective collective agreement took place in 2020, concerning mainly wages and salaries, and the welfare area. The collective bargaining culminated in the signing of Amendment 16 to the collective agreement. There were a total of 23 regular meetings held between the employer and labor union representatives in 2020, at which information was presented to the labor organizations and topics set down by the Labor Code and the collective agreement were discussed. In addition, several other extraordinary meetings were organized between union representatives and the company's Board of Directors on key cross-sectional topics.

## Research and Development

ČEZ Distribuce, a. s., put up 18 topics for master's and bachelor's theses for students from schools with electrical engineering programs in 2020, focusing on a range of topics associated with electricity generation and distribution. Three topics are being worked on at the moment. In four cases, the company cooperates as a professional guarantor of individual diploma thesis topics.

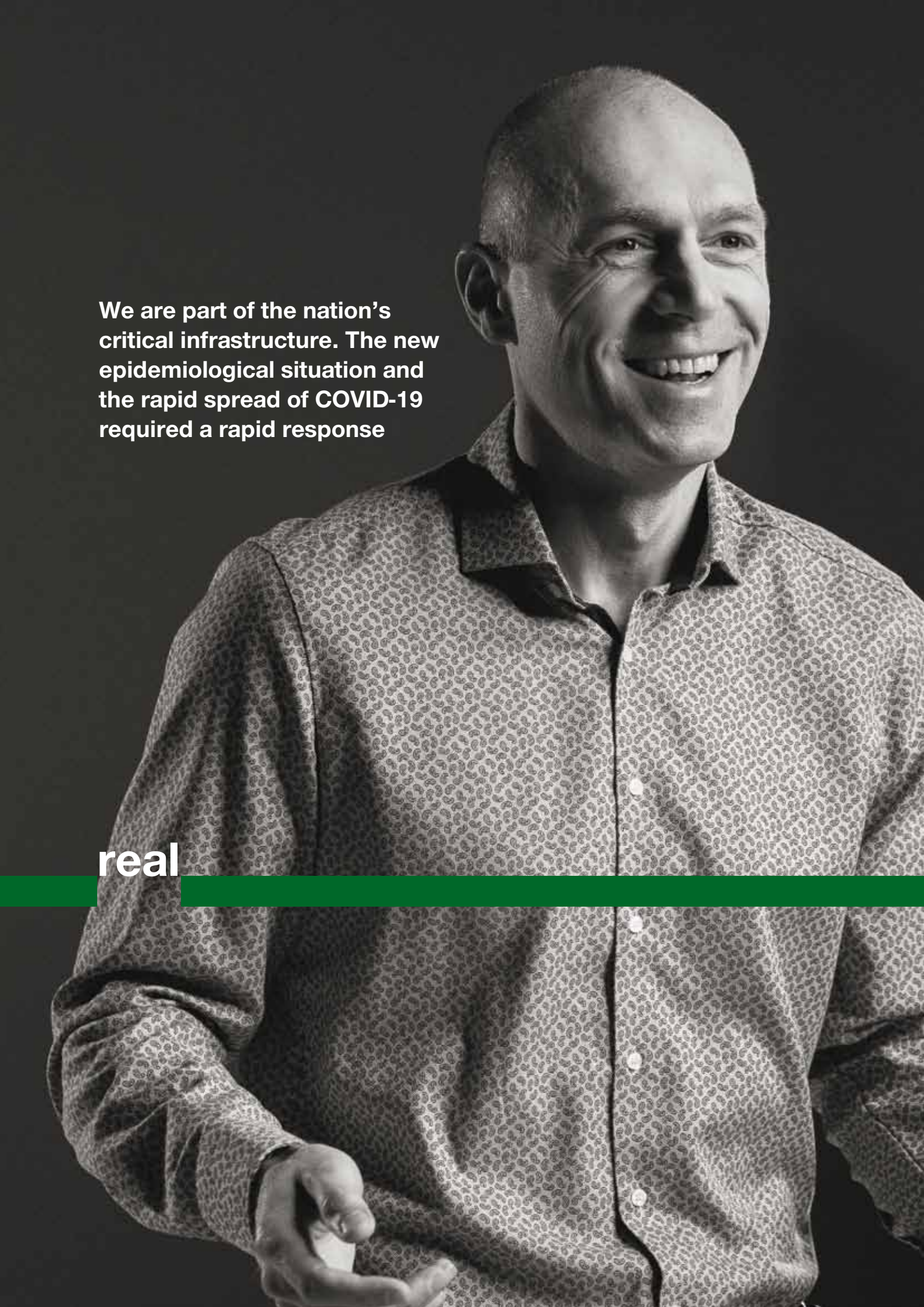
ČEZ Distribuce, a. s., continued to participate in projects of applied research, experimental development and innovation, including programs announced by the Technology Agency of the Czech Republic. The multiannual project ES4G (Theta Program) is focused on developing and testing methods that will enable optimization of energy flows in order to improve energy performance and increase energy security in the agglomeration of the MV distribution network in Jablonec/Liberec.

ČEZ Distribuce, a. s., continues the National Energy Center projects, focusing on new elements and technologies of energy grids and on research into secure communication technologies for smart communication networks in the energy sector. Extensive measurements continue in selected locations in 2020 in order to verify the availability of LPWAN (low-power wide-area network) technologies. A data generator simulating a defined distribution grid device was developed for this testing.

Testing the compensation device prototype at the Kralovice transformer station in real conditions of the distribution grid continues in cooperation with the University of West Bohemia in Plzeň and in cooperation with EGE in České Budějovice the MCI current injection module was successfully tested and integrated into the distribution grid.

The InterFlex project (part of the Horizon 2020 framework program) successfully tested and evaluated use times related to power control of charging racks, voltage control of plants with output over 100 kW and implementing advanced functions of photovoltaic inverters. The outputs from the test cases are gradually being incorporated into the company's processes (requirements for manufacturing plants and charging stations). The InterFlex project was successfully completed as at February 28, 2020.

ČEZ Distribuce, a. s., as part of the OneNet project (within the Horizon 2020 framework program), has been preparing a concept for using the flexibility of fleet charging stations for electric vehicles through a platform for involving new market entities. Both the existing and newly built fleet non-public charging stations owned by the distributor will be used to test the concept.



**We are part of the nation's  
critical infrastructure. The new  
epidemiological situation and  
the rapid spread of COVID-19  
required a rapid response**

**real**

A person's hand is visible on the left side of the frame, holding a bright, glowing orb. The background is dark, with a beam of light shining down from the orb. The word "Products" is written in large white letters across the middle of the image, with a green horizontal bar behind it.

# Products

**Pavel Rouček**, Head of Quality Department

“We have to ensure the supply of electricity in every situation and hospitals, shops, companies, schools, and households cannot do without it. The most significant preventive measure, never applied before, was control center isolation from the outside world and setting shift rotations in weekly cycles. That was a very interesting experience for many of us.”

## Donations and Sponsorship Program

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### Donations

ČEZ Distribuce, a. s., contributed a total of CZK 115 million to projects undertaken by the ČEZ Foundation ([www.nadacecez.cz](http://www.nadacecez.cz)) in 2020. The ČEZ Foundation's support went into developing leisure-time activities for children and youth, improving the quality of life for disadvantaged people, and improving the civic amenities of municipalities in regions where ČEZ Distribuce, a. s., operates.

Donations made directly by ČEZ Distribuce, a. s., totaled CZK 3.66 million in 2020. This amount was distributed among 13 selected entities that supported education, culture, public space cultivation, youth leisure activities, and environmental protection. The Company contributed CZK 4.22 million to the CEZ GROUP SENIORS Endowment Fund in 2020.

## Developments in the Legislative Framework for the Energy Sector

The basis of the legislative framework for electricity distribution consists of the following regulations, as amended from time to time, for more information, visit <http://www.cezdistribuce.cz/cs/energeticka-legislativa.html>:

- Act No. 458/2000 Sb., on the conditions for doing business and exercising state administration in energy industries and on amendments to some acts (Energy Act)
- Act No. 165/2012 Sb., on supported energy sources and on amendments to some acts (Supported Sources Act)
- Act No. 406/2000 Sb., on energy management
- Act No. 194/2017 Sb., on measures to reduce the cost of deploying high-speed electronic communications networks and on amendment to certain related acts
- Act No. 183/2006 Sb., on land use planning and the building code (Building Act)
- Act No. 416/2009 Sb., on accelerated construction of transport, water, energy, and electronic communications infrastructures (Line Act)
- Act No. 184/2006 Sb., on revoking or restricting ownership of land or buildings (the Expropriation Act)
- Decree No. 408/2015 Sb., on Electricity Market Rules
- Decree No. 194/2015 Sb., on the manner of price regulation and procedures for price regulation in the electricity and heat sectors
- Decree No. 262/2015 Sb., on regulatory reporting
- Decree No. 540/2005 Sb., on the quality of electricity supplies and related services in the electricity sector
- Decree No. 70/2016 Sb., on the billing of supplies and related services in the energy sectors
- Decree No. 80/2010 Sb., on a state of emergency in the electricity sector and on requirements for the contents of an emergency plan
- Decree No. 8/2016 Sb., on the details of licensing for doing business in the energy sectors
- Decree No. 16/2016 Sb., on conditions for connection to the electricity system
- Decree No. 359/2020 Sb., on electricity metering

In 2020, the following significant legislation relevant to the energy sector was amended from the perspective of electricity distribution:

On July 1, 2020, Decree No. 302/2020 Sb., amending Decree No. 408/2015 Sb., on Electricity Market Rules, as amended by Decree No. 127/2017 Sb., entered into force. Decree No. 302/2020 Sb. responds in particular to the establishment of the international TERRE platform for the exchange of regulatory energy.

On September 4, 2020, Decree No. 359/2020 Sb., on electricity metering, was issued in the Collection of Laws, which replaced the existing Decree No. 82/2011 Sb., on electricity metering and the method for determining damages in case of unauthorized consumption, unauthorized supply, unauthorized transmission, or unauthorized distribution of electricity. The decree contains amendments regarding measuring electricity consumption in the low-voltage distribution grid and amendments regarding damages. The decree has been effective since January 1, 2021. On December 15, 2020, Decree No. 554/2020 Sb., amending Decree No. 262/2015 Sb., on regulatory reporting, as amended by Decree No. 50/2017 Sb., was issued. Decree No. 554/2020 Sb. responds to a number of European Commission regulations, which resulted in the modification of certain concepts and statements themselves, and to the Principles of Price Regulation for the fifth regulatory period. The Decree entered into force on January 1, 2021.

**In addition, other regulations affecting electricity distribution were amended in 2020:**

On February 26, 2020, Act No. 47/2020 Sb., amending Act No. 200/1994 Sb., on surveying and on amendments to certain acts related to its implementation, as amended, was issued in the Collection of Laws, as well as Act No. 183/2006 Sb., on land use planning and building regulations (Building Act), as amended, and other related acts. The amendment sets out the rules for the nationwide application of digital technical maps, which will be processed at the level of individual regions. A region's digital technical map will include data on transport and engineering infrastructure objects and facilities and information on plans to make changes to the infrastructure. The amendment to the act will be effective from July 1, 2023.

On April 29, 2020, Act No. 237/2020 Sb. was issued, amending the wording of Act No. 151/1997 Sb., on asset valuation and on amendment to some acts, as amended, and other related acts. The amendment to the act, among other things, updates a provision on the valuation of servitudes and provides for a more detailed servitude valuation procedure to be set out in a decree implementing the Asset Valuation Act. The amendment has been effective since January 1, 2021.

On September 1, 2020, Decree No. 264/2020 Sb., on the energy performance of buildings, which replaced Decree No. 78/2013 Sb., entered into force. The decree was issued in response to further demands from the European Commission to reduce the energy performance of buildings.

On September 22, 2020, Decree No. 393/2020 Sb., on the digital technical map of the region, was issued in the Collection of Laws, defining the requirements for digital technical maps of the regions. It is an implementing legislation for Act No. 47/2020 Sb., amending the land surveying act. The Decree thus establishes parameters of data relating to technical infrastructure networks and other objects registered in technical digital maps, conditions of their registration and other related details. The Decree will come into force on July 1, 2023.

Act No. 403/2020 Sb., amending Act No. 416/2009 Sb., on accelerated construction of transport, water, energy, and electronic communications infrastructures, as amended (Line Act) was issued in the Collection of Laws on October 13, 2020. Due to the amendment to the Line Act, some other legal acts, particularly the building act, energy act and confiscation act, had to be amended too. The amendment modified provisions necessary for the construction of nuclear facilities. It concerns, however, construction projects in the area of electricity distribution and heat supply as well. The Line Act amendment shows that the document delivery is being simplified, and the permitting process itself has been modified. For some types of energy structures, it was possible to combine the construction permit procedure with expropriation and to use accelerated procedures for the expropriation itself (interim decision). The Energy Act amendment extends the buildings established in the public interest to include power generation plants with capacity of more than 100 MW. The Expropriation Act amendment now sets specific legal deadlines for individual steps. Among the Building Act amendments, the introduction of a new type of a nationwide land use planning documentation—land use development plan—can be highlighted. There has also been a general modification, which consists in an explicit mention of the time limit for issuing binding opinions by the authorities. If this binding opinion forms the basis for proceedings under the Building Act, a new fictitious consent will apply if the relevant opinion is not issued within the time limit. A charging station equipped exclusively with a conventional charging point (up to 22 kW) will no longer require planning permission. The Act entered into force on January 1, 2021.


On November 30, 2020, Decree No. 488/2020 Sb., amending Decree No. 441/2013 Sb., on the implementation of the property valuation act (Valuation Decree), as amended, was issued with effect from January 1, 2021. The amendment introduces a more detailed method of valuing easements, including a simplified valuation of technical infrastructure easements.

On December 2, 2020, Government Regulation No. 492/2020 Sb., amending Government Regulation No. 189/2018 Sb., on sustainability criteria for biofuels and reducing greenhouse gas emissions from fuels, entered into force. The regulation has been effective from January 1, 2021.

On December 11, 2020, Decree No. 516/2000 Sb., on fuel requirements and implementation of certain other provisions of the Fuel Act, was issued in the Collection of Laws, regulating, among other things, the method of submitting data on the amount of electricity consumed for recharging vehicles at recharging stations. The Decree has been effective from January 1, 2021.

**Disclaimer:**

The Developments in the Legislative Framework section contains selected information concerning legislation and was drawn up with the greatest care possible. However, it cannot be regarded as qualified legal advice. ČEZ Distribuce, a. s., may not be held liable for any legal act performed or refrained from by anyone on the basis of the provided overview.



We cannot beat the weather...

real

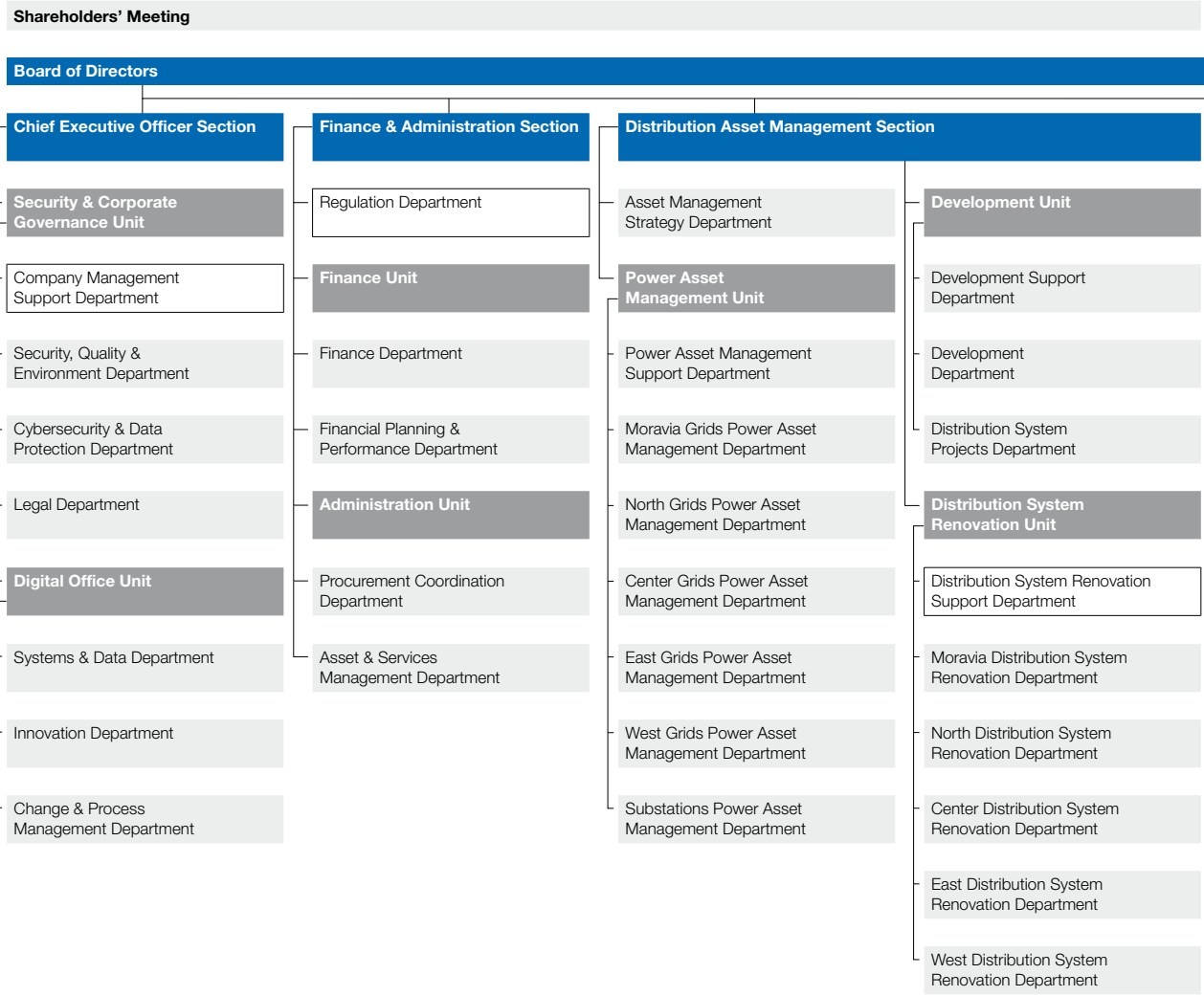
**Tomáš Bárta**, Operation Technician

“2020 has been a stormy year, literally. We were hit hardest by Hurricane Sabine in February, when 307,000 service points were out of power. The whims of weather are a challenge for us every year, but I would not trade my job for any other.”

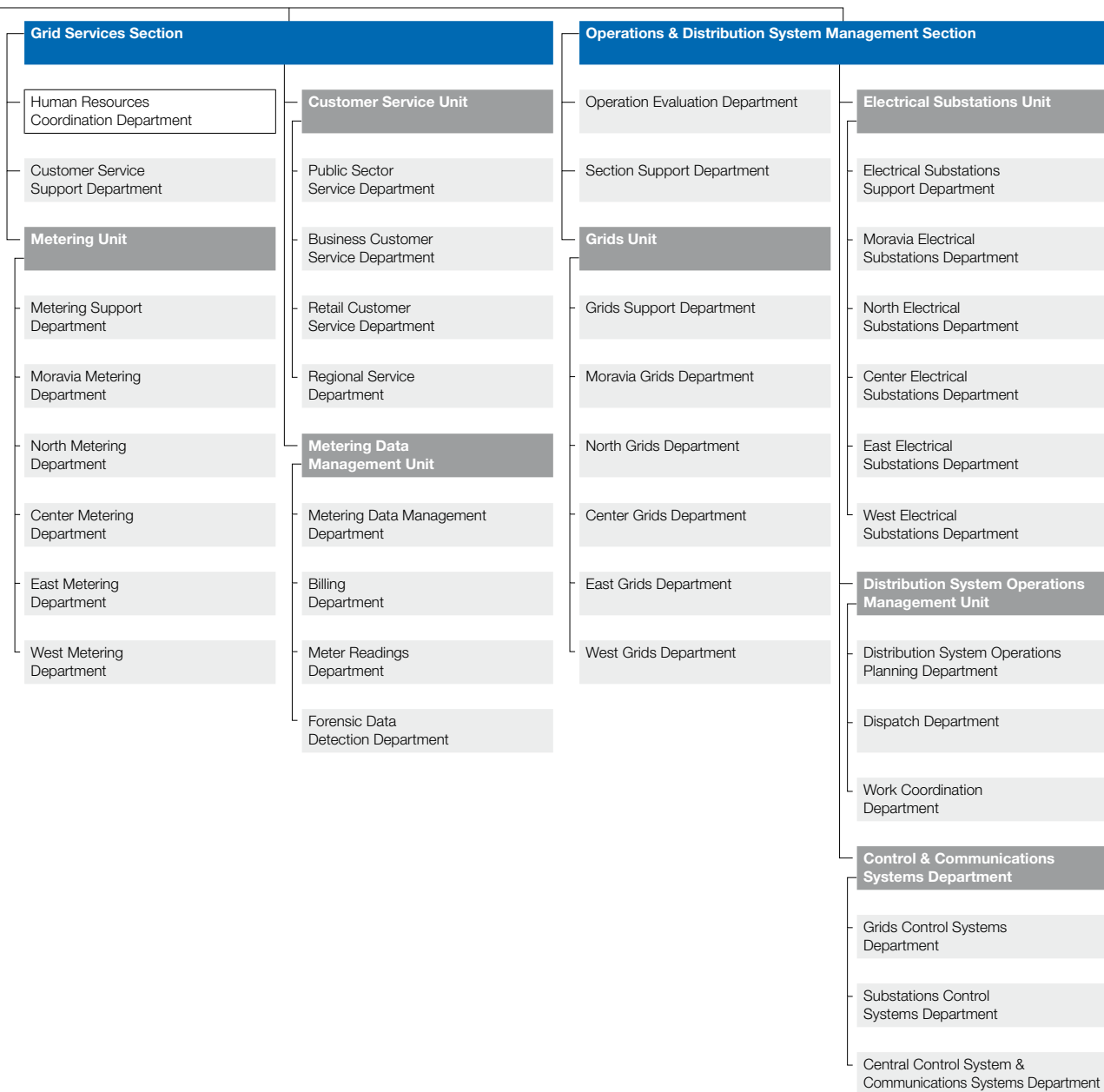


# Products

# Basic Organization Chart of ČEZ Distribuce, a. s., as at April 1, 2021



**Supervisory Board**



## Glossary of Terms and Abbreviations

### Glossary of Terms and Abbreviations

Terms and Abbreviations	Commentary
Cash pooling	A method for optimizing bank account management. Using this method, participating companies' account balances are consolidated on a daily basis. Contractual credit and debit interest is calculated for accounts included in the cash pool.
Czechia	Czech Republic
Distribution system (DS)	An interconnected set of 110 kV lines and equipment, except selected 110 kV lines and equipment that are part of the transmission system, and 0.4/0.23 kV, 3 kV, 6 kV, 10 kV, 22 kV, and 35 kV lines and equipment that serve to distribute electricity in a defined area of Czechia, including metering, protective, control, safeguarding, information, and telecommunications systems.
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation, and amortization
Electricity market operator (OTE)	A joint-stock company founded by the government, whose task is to organize the electricity market in Czechia, reconcile agreed and actual supply and consumption for market participants, ensure the settlement of differences between agreed and actual supplies, and organize the electricity spot market.
ES4G—Energy System for Grids	A smart system for energy management in energy grids
Framework contract	A contract entered into by a trader and a distributor when the trader has at least one customer with an integrated contract.
FRS	Fire Rescue Service
HV	High voltage—distribution infrastructure with phase-to-phase voltage over 52 kV
Large customers	Customers that use electricity from medium- and high-voltage grids
LPWAN	Low-power wide-area network
LV	Low voltage—distribution infrastructure with phase-to-phase voltage of 1 kV or less
MV	Medium voltage—distribution infrastructure with phase-to-phase voltage from 1 kV to 52 kV
OSH	Occupational safety and health
Renewable energy sources (RES)	Sources of energy that are naturally replenished. This means the energy of water, geothermal heat, sunlight, and wind or energy obtained by biomass combustion.
Retail customers	The category of electricity consumption consisting of electricity customers connected to low-voltage grids (up to 1 kV). The category is subdivided into the residential and commercial retail segments.
ROA	Return on assets
ROE	Return on equity
SAIDI—System Average Interruption Duration Index	An indicator of continuity in electricity distribution. The average total duration of interruption in electricity distribution to customers in a system over a reported period. Presented as minutes/year/customer.
Transmission system (TS)	An interconnected set of 400 kV and 220 kV lines and equipment and selected 110 kV lines and equipment that serves for electricity transmission throughout Czechia and interconnection with the electricity systems of neighboring countries, including metering, protective, control, safeguarding, information, and telecommunications systems. The transmission system is built and operated in the public interest.

## List of Units and Abbreviations Used

Unit	Name
GWh	Gigawatt-hour; $1 \text{ GWh} = 10^9 \text{ Wh} = 10^6 \text{ kWh}$ ; Wh = unit of energy
kA	Kiloamp
km	Kilometer
kV	Kilovolt; $1 \text{ kV} = 10^3 \text{ V}$ ; V = unit of electric potential (voltage)
kW	Kilowatt; $1 \text{ kW} = 10^3 \text{ W}$ ; W = unit of power
m	Million
MVA	Megavolt-ampere; $1 \text{ MVA} = 10^6 \text{ VA}$ ; VA = unit of apparent (total) power
MW	Megawatt; $1 \text{ MW} = 10^6 \text{ W} = 10^3 \text{ kW}$ ; W = unit of power

## Methods Used to Calculate Financial Indicators

Indicator	Description
Total Debt to Total Capital	$(\text{Long-Term Liabilities including Current Portion} + \text{Short-Term Loans}) / (\text{Long-Term Debt including Current Portion} + \text{Short-Term Loans} + \text{Equity})$
Net Debt	$\text{Long-Term Liabilities including Current Portion} + \text{Short-Term Loans} - \text{Cash and Cash Equivalents} - \text{Highly Liquid Financial Assets}$
Net Debt to EBITDA	$(\text{Long-Term Liabilities including Current Portion} + \text{Bonds} + \text{Short-Term Loans} - \text{Cash and Cash Equivalents} - \text{Highly Liquid Financial Assets}) / \text{Earnings before Taxes and Other Expenses and Revenues} + \text{Depreciation and Amortization}$
Net Income	Earnings after Taxes (profit or loss in the reporting period)
EBIT	Earnings before Taxes and Other Expenses and Revenues
EBIT Margin	$\text{EBIT} / \text{Operating Revenue}$
EBITDA	$\text{Earnings before Taxes and Other Expenses and Revenues} + \text{Depreciation and Amortization}$
Financial Debt to Equity	$(\text{Long-Term Liabilities including Current Portion} + \text{Bonds} + \text{Short-Term Loans}) / \text{Average Equity}$
Fixed Asset Coverage	$(\text{Equity} + \text{Noncontrolling Interests} + \text{Long-Term Liabilities} + \text{Deferred Tax Liability}) / \text{Fixed Assets}$
Asset Turnover	$\text{Total Operating Revenue} / \text{Average Assets}$
Operating Cash Flow to Debt	$\text{Operating Cash Flow} / \text{Long-Term Liabilities}$
Return on Assets, Net (ROA Net)	$\text{Earnings after Taxes} / \text{Average Total Assets}$
Return on Equity, Net (ROE Net)	$\text{Earnings after Taxes} / \text{Average Equity}$
Depreciation-to-Fixed Assets Ratio	$-1 * (\text{Accumulated Depreciation and Allowances for Tangible Fixed Assets}) / \text{Depreciated Tangible Fixed Assets in Use, Gross}$

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## Related Parties Report for 2020

ČEZ Distribuce, a. s., having its registered office at Děčín—Děčín IV-Podmokly, Teplická 874/8, 405 02, company registration number: 24729035, registered in the Commercial Register kept by the Regional Court in Ústí nad Labem, file ref. B 2145 (the “Preparer”), is, as a managed entity, part of the CEZ Concern, which is headed by ČEZ, a. s., as the managing entity and which additionally included the following managed entities in 2020:

Areál Třeboradice, a.s.; ČEZ Bohunice a.s.; ČEZ Distribuce, a. s.; ČEZ Energetické produkty, s.r.o.; ČEZ Energetické služby, s.r.o.; ČEZ ENERGOSERVIS spol. s r.o.; ČEZ ESCO, a.s.; ČEZ ICT Services, a. s.; ČEZ Korporátní služby, s.r.o.; ČEZ Obnovitelné zdroje, s.r.o.; ČEZ Prodej, a.s.; ČEZ Teplárenská, a.s.; Elektrárna Dětmárovice, a.s.; Elektrárna Dukovany II, a. s.; Elektrárna Mělník III, a. s.; Elektrárna Počeradý, a.s.; Elektrárna Temelín II, a. s.; Energetické centrum s.r.o.; Energocentrum Vítkovice, a. s.; Energotrans, a.s.; MARTIA a.s.; PRODECO, a.s.; Revitrans, a.s.; Severočeské doly a.s.; SD - Kolejová doprava, a.s.; and Telco Pro Services, a. s.

ČEZ Distribuce, a. s., and ČEZ Energetické služby, s.r.o., are subjected to concern management in full compliance with all requirements of unbundling rules resulting from the Energy Act and Directive 2009/72/EC of the European Parliament and of the Council.

The CEZ Concern is part of a group of businesses controlled by the Czech Republic—Ministry of Finance. The Czech Republic—Ministry of Finance owns shares of stock corresponding to a 69.78% share in the stated capital of ČEZ, a. s.

This Related Parties Report (the “Report”) for 2020 (the “reporting period”) was prepared by the statutory governing body pursuant to Section 82 et seq. of Act No. 90/2012 Sb., on commercial companies and cooperatives (Business Corporations Act), as amended.

### Managing Entity and Preparer of the Related Parties Report

#### Managing Entity

Company: ČEZ, a. s.

Registered office: Praha 4, Duhová 2/1444, postcode 140 53

Company reg. No.: 45274649

Registered in the Commercial Register kept by the Municipal Court in Prague, file ref. B 1581.

#### Controlled Entity/Preparer

Company: ČEZ Distribuce, a. s.

Registered office: Děčín—Děčín IV-Podmokly, Teplická 874/8, postcode 405 02

Company reg. No.: 24729035

Registered in the Commercial Register kept by the Regional Court in Ústí nad Labem, file ref. B 2145.

## 1. Structure of Relations between the Managing Entity and the Controlled Entity and between the Controlled Entity and Entities Controlled by the Same Managing Entity

A chart showing the ownership structure of all related parties in the period from January 1, 2020, to December 31, 2020, prepared by the Managing Entity, is included in Annex 1 to this Report and constitutes its integral part.

## 2. Role of the Managing Entity in the Group of Businesses

ČEZ Distribuce, a. s. (Controlled Entity), as a wholly owned subsidiary of ČEZ, a. s., performs, in particular, the licensed activity of a distribution system operator and other activities and services relating to the performance of the above-mentioned licensed activity. The Controlled Entity performs all its activities in accordance with business licenses granted to it within its line of business as defined in its bylaws and registered in the Commercial Register.

## 3. Manner and Means of Control

ČEZ, a. s., is the sole shareholder of ČEZ Distribuce, a. s., and holds a 100% share in voting rights. Because of this share in voting rights, ČEZ, a. s., may appoint and remove most members of the Controlled Entity's statutory governing body. Means of control within the CEZ Concern include approval of strategic programs, business strategies, business plans, and annual budgets. The concern management of ČEZ Distribuce, a. s., is applied in full compliance with all requirements of unbundling rules resulting from Act No. 458/2000 Sb., Energy Act, and Directive 2009/72/EC of the European Parliament and of the Council.

## 4. List of Acts Performed in the Last Accounting Period That Were Performed at the Instigation or in the Interest of the Managing Entity or Entities Controlled by the Managing Entity and Concerned Assets Exceeding 10% of the Equity of the Controlled Entity as Identified in Its Latest Financial Statements

No such acts were performed in the period concerned.

## 5. List of Mutual Contracts between the Controlled Entity and the Managing Entity or between Controlled Entities

This list includes an overview of mutual contracts between the Controlled Entity and the Managing Entity or between controlled entities that were in force in the period from January 1 to December 31, 2020. The companies and contracts are arranged without regard to the value of performance.

### 1. ČEZ, a. s.

- 6 personal data processing agreements
- Trademark licensing agreement
- Consensual declaration of an ancillary service provider and a distribution system operator to whose distribution system a facility of the provider of ancillary services to ČEPS, a.s., is connected—Mělník II Power Plant (EME3), dated March 16, 2018
- Consensual declaration of an ancillary service provider and a distribution system operator to whose distribution system a facility of the provider of ancillary services to ČEPS, a.s., is connected—Štěchovice II Pumped-Storage Power Plant (EST2), March 16, 2018
- Consensual declaration of an ancillary service provider and a distribution system operator to whose distribution system a facility of the provider of ancillary services to ČEPS, a.s., is connected—Prunéřov I Power Plant (EPRU I), March 16, 2018
- Consensual declaration of an ancillary service provider and a distribution system operator to whose distribution system a facility of the provider of ancillary services to ČEPS, a.s., is connected—Ledvice II & III Power Plant (ELE), March 16, 2018
- Consensual declaration of an ancillary service provider and a distribution system operator to whose distribution system a facility of the provider of ancillary services to ČEPS, a.s., is connected—Trnava Heating Plant (ETR), March 16, 2018
- Mutual credit facility agreement based on a multilevel flexible online real bilateral CZK cash pooling agreement for the economically linked group of January 28, 2016
- Mutual credit facility agreement based on a multilevel flexible online real bilateral EUR cash pooling agreement for the economically linked group of January 28, 2016
- 4 credit facility agreements (agreement subject: loan)
- 69 electricity supply contracts for electric mobility
- Contract for work—diagnostic measurements of cables
- 2 agreements for the settlement of costs of providing consulting services
- Distribution network repairs and maintenance
- Agreement for professional psychological testing
- Electricity and heat supplies, water/sewer fees
- Agreement for facility connection to the distribution system
- Electricity and heat supplies, water/sewer fees
- Lease of nonresidential premises
- Framework agreement for the provision of services at hydroelectric power plant substations
- Lease of nonresidential premises
- 5 service agreements
- 4 nonresidential lease agreements
- 3 lease agreements
- Ancillary service agreement for voltage and reactive power control of December 15, 2014
- Agreement on joint controllers' mutual rights and obligations
- Agreement for transfer of title to transformer substations of September 3, 2019

- 5 preliminary easement agreements and a building right agreement
- Heat supply agreement
- Relocation
- 3 contracts for charging station delivery
- Agreement for Orlik power plant connection to the distribution network
- Agreement for Trmice heating plant connection to the distribution network
- Želina small hydropower plant connection agreement
- Agreement for Vestec photovoltaic power plant connection to the distribution network
- Agreement for Ledvice power plant connection to the distribution network
- Agreement for Słapy power plant connection to the distribution network
- Agreement for Orlik power plant connection to the distribution network
- Agreement on concerted action in the award and performance of a public contract of November 29, 2018
- Agreement on concerted action in the award and performance of a public contract of August 26, 2019
- Agreement on concerted action in the award and performance of a public contract of August 29, 2017
- Agreement on concerted action in the award and performance of a public contract of November 14, 2019
- Agreement on concerted action in the award and performance of a public contract of September 20, 2019
- Agreement on concerted action in the award and performance of a public contract of October 14, 2019
- Agreement on concerted action in the award and performance of a public contract of June 5, 2019
- Agreement on concerted action in the award and performance of a public contract of August 6, 2019
- Agreement on concerted action in the award and performance of a public contract of June 20, 2017
- Agreement on concerted action in the award and performance of a public contract of May 13, 2015
- Agreement on concerted action in the award and performance of a public contract of September 22, 2016
- Agreement for the provision of information technology and telecommunications services from 2019
- Agreement for the provision of information technology and telecommunications services of June 18, 2019
- Agreement for the provision of information technology and telecommunications services of June 19, 2019
- Agreement for the provision of information technology and telecommunications services of April 15, 2019
- 2 agreements for the provision of control service and balancing service for customer electricity supplies
- Substation operation
- 3 agreements for the operation, maintenance, and repairs of hydroelectric power plant switchgear
- 2 agreements for the provision of control service and balancing service for customer electricity supplies
- Agreement for the provision of information technology and telecommunications services from 2019
- Agreement for the provision of information technology and telecommunications services from 2018
- Agreement for the provision of information technology and telecommunications services of June 14, 2016
- Agreement for the provision of information technology and telecommunications services from 2019
- Agreement for the provision of information technology and telecommunications services from 2017
- Agreement for the provision of information technology and telecommunications services of January 7, 2019
- Agreement for the provision of information technology and telecommunications services from 2017
- Agreement for the provision of information technology and telecommunications services of June 5, 2018
- Agreement for the provision of information technology and telecommunications services from 2016
- Agreement for the provision of information technology and telecommunications services from 2015
- Agreement for the provision of information technology and telecommunications services of June 29, 2018
- Agreement for the provision of information technology and telecommunications services from 2018
- Agreement for the provision of information technology and telecommunications services of July 11, 2018
- Agreement for the provision of information technology and telecommunications services of December 20, 2019
- Agreement for the provision of information technology and telecommunications services of June 28, 2019
- Agreement for the provision of information technology and telecommunications services of September 26, 2016
- Agreement for the provision of information technology and telecommunications services of February 28, 2019
- Agreement for the provision of information technology and telecommunications services of July 30, 2018
- Agreement for the provision of information technology and telecommunications services of August 14, 2018
- Agreement for the provision of information technology and telecommunications services of July 4, 2019
- Agreement for the provision of information technology and telecommunications services of August 20, 2019
- Agreement for the provision of information technology and telecommunications services of October 12, 2018
- Agreement for the provision of information technology and telecommunications services of July 3, 2018
- Agreement on concerted action in the award and performance of a public contract of August 6, 2018
- Agreement on contracting entities' concerted action in the award and performance of a public contract (Contracting Entities Agreement) for "Mail and Registered Mail Delivery"
- Agreement on mailing conditions—business letters, contract with Česká pošta, s.p., as amended

- Agreement on concerted action in the award of public contracts for “Deliveries of Midsize and Large Utility Vehicles, 4x4 Heavy Off-Road Vehicles, and Trucks,” “Deliveries of Work Platforms,” “Deliveries of Special Work Platforms for Live-Line Working,” “Deliveries of Cable Test Vehicles,” “Deliveries of Conversions Kits for Utility Vehicles,” and “Deliveries of Light Utility Vehicles”
  - Agreement on concerted action in the award of a public contract for “Deliveries of Light and Off-Road Utility Vehicles”
  - Agreement on concerted action in the award of a public contract for “Deliveries of Cars for CEZ Group and Related Servicing and Maintenance Services”
  - Agreement on concerted action in the award of a public contract for “Vehicle Insurance”
  - Agreement on concerted action in the award and performance of a public contract (O2 Telemetry for CEZ Group 2019–2024)
  - Agreement on concerted action in the award and performance of a public contract (CEZ Group Telemetry)
  - Agreement on collaboration in the performance of a public contract (CEZ Group Corporate Mobile Telephony 2019–2024)
  - Separate service agreement
  - 4 agreements on concerted action in the award of a public contract
  - 18 agreements on concerted action in the performance of a public contract
  - 6 agreements on concerted action in the award and performance of a public contract
  - Agreement on concerted action in the award of a public contract for the Distribution BI segment
  - Agreement on concerted action in the performance of a public contract for the Distribution BI segment
  - 7 agreements on concerted action in the performance of a public contract
  - 1 agreement on concerted action in the award and performance of a public contract
  - Agreement on concerted action in the award and performance of a public contract for “Deliveries of Midsize and Large Utility Vehicles, Heavy Off-Road Vehicles, Cars, and Trucks”
  - Agreement on concerted action in the award and performance of a public contract for “Deliveries of Cars, Utility Vehicles, and Trucks”
  - Agreement on concerted action in the award and performance of a public contract for “Tire Delivery for CEZ Group”
  - Agreement on contracting entities’ concerted action in the award and performance of public contracts (association agreement)—tire delivery for CEZ Group
  - Public contract
  - Agreement on collaboration in the performance of a public contract for “Delivery of Utility Vehicles”
  - Agreement on contracting entities’ concerted action in the award and performance of a public contract for “Fuel Delivery for CEZ Group”
- 2. ČEZ Energetické služby, s.r.o.**
- Agreement for Local Distribution System Connection to the HV Distribution System—Horní Suchá, No. 4101502065/16\_VN\_1008020698
  - Agreement for Distribution System Services at 22 kV Voltage Level—Horní Suchá, No. 16\_VN\_5\_08020701
  - Contract for Distribution System Services at 110 kV (HV) Voltage Level, No. 4101533547/17\_VVN\_5\_08121498
  - Contract for Distribution System Services at 110 kV (HV) Voltage Level, No. 4101427441/16\_VVN\_5\_07787416
  - Framework Service Agreement No. (4400040826) 44-00024484/22-4400000051 including Amendments No. 1–14
  - Ostrava-Výškovice Lease Agreement, No. 51\_20090301\_02/09520123, incl. Amendments No. 1–8
  - Service Agreement for Initial Investigation of Emergencies at ČEZ ES RES Facilities, No. 4400032751 (4400039906) incl. Amendment No. 1
  - Kdyně Connection Agreement, No. 19\_SOP\_03\_4121543745
  - 38 orders for PPE inspections, cable diagnostics, measuring cable car performance, oil sampling, laboratory analyses of transformer oils, periodic tests of testers, determination of transformer condition
  - Lease Agreement (office 312, Česká Třebová), No. 392\_2020\_014 / 4102270033
  - Service Agreement, No. 17410268
  - Agreement on In-House Consumption of TR and SP (State-owned enterprise), No. 20410195/4102249884
  - Agreement on the Construction in Hodolany, No. 20410072/4102157874
  - Lease Agreement No. 19410208
  - Agreement on the Construction in Petrovice, No. 20410079/4102165985
  - Agreement on the project documentation in Hlučín-Rovniny, No. 20410170/4102230946
  - Agreement on the Construction of Poruba B—Reconstruction, No. 20410124/4102198882
  - Agreement on the Construction of Lázně Bohdaneč, No. 20410193
  - Agreement on the Renewal of in-house consumption, No. 19410359.
- 3. ČEZ Energo, s.r.o.**
- 103 agreements on facility connection to distribution grid—individual cogeneration units
  - 79 agreements on distribution grid services
  - 12 preliminary agreements—electricity
  - 74 agreements on electricity connection
  - Purchase Agreement—Sale of Cogeneration Unit 2
  - Lease Agreement
  - Preliminary Agreement

#### 4. ČEZ ESCO, a.s.

- Lease Agreement, No. 4400037001 (1550010034)\_31\_2016\_04 including Amendments No. 1–8
- Agreement on the provision of occupational health and safety, fire safety, environmental protection, No. 4400037112 (2015\_106\_01), including Amendment No. 1
- Personal Data Processing Agreement, No. 1550040066, P3A18000014207 to the Framework Agreement for the Provision of Distribution Grid Services
- Framework Contract for Distribution System Services No. 1550040066 (14740354\_RSD\_2017\_D\_00) including Distribution Portal (DIP, OÚ, DIP) Operation Rules
- Cooperation Agreement, No. 1550040181—Ensuring the Maintenance of SAP Licenses dated July 3, 2018
- Agreement on a Joint Procedure for Awarding and Fulfilling a Public Contract (Fuel Supply for CEZ Group) dated June 20, 2017

#### 5. ČEZ ICT Services, a. s.

- General ICT services agreement
- 2 nonresidential lease agreements (as amended)
- General contract for work and services
- Personal data processing agreement
- Agreement for contract assignment
- 4 agreements for assignment of software, licenses, and contracts (purchase agreement)
- 13 preliminary agreements
- Order for ICT services for reinvoicing CC hardware and software (Mittel gateways & SmartRecord) service support
- Personal data processing agreement
- 12 purchase agreements for technological software

#### 6. ČEZ Korporátní služby, s.r.o.

- General agreement for the provision and procurement of services and leases
- Separate agreement for accounting services made under the GA, as amended, of December 19, 2012
- Separate agreement for personnel services made under the GA
- Separate agreement for print and reprographic services made under the GA, as amended
- Separate agreement for document filing and destruction services made under the GA, as amended
- Separate agreement for correspondence processing services made under the GA, as amended
- Separate agreement for PD1 vehicle lease and services, as amended
- Separate agreement for PD3 vehicle lease (car rental), as amended
- Separate agreement for PD4 vehicle services, as amended

- Separate agreement for property management and other services made under the GA, as amended
- Agreement for the procurement of work and services for electrical inspections, as amended
- Agreement for OSH, FP, and EP services, as amended
- 159 agreements for facility connection to distribution system
- 162 preliminary servitude/easement agreements
- 4 sales contracts for land and other assets
- Site use and operation agreement
- 2 agreements for storm water discharge
- Separate agreement under the General Agreement for the provision and procurement of services and leases—Lease Agreement (PN2)
- Lease agreement for use of premises (revenue)
- Agreement for sewage discharge to wastewater treatment plant
- Agreement for sublease of office premises (Alpha)
- Sublease agreement (Karlovy Vary garage premises)
- Agreement for sublease of business premises and for business lease of movables (Jablonec)
- Agreement for back-charge of actual costs of consumed and discharged water
- Contracting entities association agreement
- Agreement for district heating substation on Dvůr Králové nad Labem site
- Water service agreement—Pardubice
- Water service agreement—Špindlerův Mlýn
- Water service agreement—Dobruška
- Water service agreement—Hořice
- Agreement on back-charge of actual costs of rainwater discharges
- Agreement for potable water treatment and wastewater discharge
- General agreement on the assignment of claims within CEZ group for set-off purposes
- Parking space sublease agreement (Teplice)
- Sublease agreement for leased premises (Hudlice)
- Sublease agreement for leased premises (Jilemnice)
- Sublease agreement (Olomouc)
- Separate agreement for TOC services
- Sales contract for purchase of land in Všestary
- Short-term lease agreement
- Vehicle transfer agreement—capitalization phase 1
- Personal data processing agreement
- Vehicle transfer agreement—capitalization phase 2
- Real property purchase agreement—Tuhnice
- Real property purchase agreement—Havlíčkův Brod
- Real property purchase agreement—Zábřeh nad Odrou
- Transformer substation purchase agreement OS\_7877
- Switchgear purchase agreement OS\_7877
- Real property purchase agreement—Opočíněk

- Purchase agreement, vehicle equipment and accessories—capitalization phase 2
- Real property purchase agreement (“Proluka”)
- Movable property purchase agreement (“Proluka”)
- Movable property purchase agreement (“Roudnice nad Labem”)
- Personal data processing agreement
- Agreement on the Purchase of Movables dated February 10, 2020
- Purchase Agreement on the Abolition of Easements of June 18, 2020
- Lease Agreement dated August 18, 2020
- Agreement on the Purchase of Property—Toušeň Spa of October 6, 2020
- General Agreement on Cession of Receivables of February 6, 2020
- Preliminary Agreement on Implementing the Relocation of the Distribution Equipment for the Supply of EE of September 11, 2020
- Agreement on Ordinary National Consignments—Replying of October 7, 2020
- 225 distribution grid connection agreements
- 166 preliminary agreements—easements

#### 7. ČEZ Obnovitelné zdroje, s.r.o.

- Agreements for facility connection to the distribution grid
- Electricity distribution agreements
- Agreement on Back-Charge of Costs Associated with Waste Water Treatment
- Preliminary Agreement MVE\_Hracholusky, zkoušky\_OPP
- Preliminary Agreement MVE\_Hracholusky, přenastavení\_ochran
- SOD\_MVE\_VYDRA\_ČEZD\_přenastavení\_ochran\_generátoru, number 4102170093,
- SOD\_zkoušky50\_školení\_predm\_kninicky\_ČEZd
- SOD\_FVE\_RALSKO\_ČEZD\_diagnostics\_kabelu
- Amendment No. 1 to the Agreement on the provision of DG Service from the Voltage Level of 10 kV (MV), No. 18\_VN\_3\_08817112
- Agreement on Compensation for Electricity Generation Reduction during Dispatching, No. 10407658/2020/DŘ
- Preliminary Agreement on Connecting Generating Facility to the DG at Voltage Level of 22 kV (MV), No. 20\_SOBS04\_4121654694 (FVE Tísek)
- Preliminary Agreement on Connecting Generating Facility to the DG at Voltage Level of 110 kV (HV), No. 20\_SOBS01\_4121652014 (FVE Horní Benešov)
- Preliminary Agreement on Connecting Generating Facility to the DG at Voltage Level of 22 kV (MV), No. 20\_SOBS02\_4121647472 (FVE Hrušovany, k. ú. Vysočany u Chomutova)

- Preliminary Agreement on Connecting Generating Facility to the DG at Voltage Level of 22 kV (MV), No. 20\_SOBS02\_4121651853 (FVE Bruntál)
- Preliminary Agreement on Connecting Generating Facility to the Distribution Grid at Voltage Level of 22 kV (MV), No. 20\_SOBS01\_4121676749 (FVE Dělouš)
- Preliminary Agreement on Connecting Generating Facility to the Distribution Grid at Voltage Level of 22 kV (MV), No. 20\_SOBS01\_4121674293 (FVE Vrskař)
- Preliminary Agreement on Connecting Generating Facility to the Distribution Grid at Voltage Level of 22 kV (MV), No. 20\_SOBS01\_4121676970 (FVE Vyklice)
- Preliminary Agreement on Connecting Generating Facility to the Distribution Grid at Voltage Level of 22 kV (MV), No. 20\_SOBS01\_4121674303 (FVE Záluží u Litvínova)
- Preliminary Agreement on Connecting Generating Facility to the DG at Voltage Level of 22 kV (MV), No. 20\_SOBS01\_4121670180 (FVE Kurojedy)
- Preliminary Agreement on Connecting Generating Facility to the DG at Voltage Level of 22 kV (MV), No. 20\_SOBS01\_4121673888 (FVE Dolní Litvínov)
- Preliminary Agreement on Connecting Generating Facility to the DG at Voltage Level of 22 kV (MV), No. 20\_SOBS01\_4121672570 (FVE Poběžovice)
- Preliminary Agreement on Connecting Generating Facility to the DG at Voltage Level of 22 kV (MV), No. 20\_SOBS02\_4121683661 (FVE Pastuchovice)
- Preliminary Agreement on Connecting Generating Facility to the DG at Voltage Level of 22 kV (MV), No. 20\_SOBS01\_4121685937 (FVE Knínice)

#### 8. ČEZ OZ uzavřený investiční fond a.s.

- Servitude agreement—Přelouč (wastewater treatment plant)
- Lease agreement, switchgear and UPS siting—Noviny pod Ralskem
- Lease agreement—Nekoř, Pastviny SHP Operation
- Lease agreement—Noviny transformer substation
- Lease agreement—Hradec Králové, Křížkova (House No. 788, Old House No. 622/2)
- Servitude agreement—Vydra, Čeňkova Pila
- Agreement for structure siting and operation—Nekoř, Pastviny SHP
- Agreement for equipment siting and operation at the Pastviny SOE site
- Servitude agreement—Spálov SHP
- Preliminary servitude agreement—Kladno-Dříví MV
- Servitude agreement—Srní

#### 9. ČEZ Prodej, a.s.

- Framework Agreement for Distribution System Services of March 31, 2016
- Agreement for OSH, Fire Protection, and Environmental Protection Services of December 21, 2011
- Agreement for Generation Connection to the Medium-Voltage Distribution System of May 19, 2017
- Supply Agreement for Electricity for Internal Consumption, as amended by its Amendment of December 8, 2016, and Amendment 2 of December 21, 2017
- Supply Contract for Electricity to Cover Distribution System Losses of December 31, 2017
- Personal Data Processing Agreement of May 25, 2018
- Personal Data Processing Agreement of OSH, FP, EP of May 24, 2018
- Amendment No. 4 to the Service Agreement
- Connection Agreement
- Supply Agreement for Electricity to Cover Distribution System Losses
- Amendment No. 2 to the Agreement on Electricity Supply for Other Consumption

#### 10. ČEZ Teplárenská, a.s.

- Nonresidential Lease Agreement
- Electricity service point connection agreements with ČEZ Teplárenská, a.s.
- Preliminary Easement Agreement and Agreement of the Placement of Building, No. IE-12-2007569, building name: Trutnov abandonment TS\_TU0023
- Preliminary Easement Agreement and Agreement on the Placement of Building, No. IV-12-4016976/VB/P004
- Preliminary Easement Agreement and Placement of Building, Agreement No. IV-12-2017240/SOBS VB/5, building name: Trutnov KNN 3234, SERVICE TRADING
- Easement Agreement
- Servitude/Easement Agreement, No. IV-12-4016976/4
- Preliminary Servitude/Easement Agreement and Agreement on the Building Right, No. IV-12-6022947/4
- Preliminary Easement Agreement and Agreement on the Placement of Building, No. IE-12-4006042/VB/P002
- Servitude/Easement Agreement, No. IV-12-6000864/VB53, Dolní Beřkovice, MV, TS, KNN, 53 RD, No. 128/1

#### 11. Elektrárna Dětmárovice, a.s.

- Ancillary Service Agreement for Voltage and Reactive Power Regulation, as amended by Amendment No. 1
- Agreement on the distribution of EE as amended by Amendment No. 1
- Agreement for electricity generation facility equipment connection to distribution system, as amended by amendment 2
- Agreement for electricity consumer connection to MV/HV distribution system

#### 12. Elektrárna Počeradý, a.s.

- Agreement on Connection of Generating Facility to the Distribution Grid, No. 17\_VVN\_1008211968
- Agreement on the provision of Distribution Grid Service from the Voltage Level, No. 19\_VVN\_3\_09299955

#### 13. ČEZ Energetické produkty, s.r.o.

- Distribution system connection agreement

#### 14. Energotrans, a.s.

- Agreement on the Provision of Electricity Distribution from the MV or HV Voltage Level, No. 14\_VVN-2\_06355413
- Consensual declaration of the ancillary service provider, EMĚ (Mělník Power Plant) I distribution system operator to whose DG the equipment of the provider of ancillary services to ČEPS, a.s., is connected
- Consensual declaration of the ancillary service provider, EMĚ (Mělník Power Plant) II distribution system operator to whose DG the equipment of the provider of ancillary services to ČEPS, a.s., is connected
- Agreement for Generating Facility Connection to the MV/HV Distribution System, No. 171008164681
- Ancillary Service Agreement for Voltage and Reactive Power Control and Amendment
- Lease Agreement on the Lease of Non-Residential Premises in EMĚ (Mělník Power Plant) and Amendment
- Agreement on the Provision of 110 kV Substation Services and Amendments

#### 15. PRODECO, a.s.

- Easement Agreement—underground LV cable lines

**16. Severočeské doly a.s.**

- Distribution Agreement, No. DNT-03306\_3\_3\_902019
- Electricity distribution and system services DB-03306\_3\_3\_903008
- Connection to distribution system VN-DNT-16\_VVN\_1007399667
- Purchase agreement—Fláje electricity consumption (Střelná tel. tower)
- Connection of electrical equipment at Bílina Mine to HV distribution system
- Agreement on electricity service point connection to distribution grid
- Agreement for electricity consumer connection to MV/HV distribution grid
- Agreement for Local Distribution System Connection to the Medium-Voltage/High-Voltage Distribution System—No. DNT-17\_VVN\_1008271616,
- Agreement on the Provision of Distribution Grid Service from the HV Voltage Level DNT, No. 17\_VVN\_3\_08280980
- Agreement on the Provision of Distribution Grid Service from the HV Voltage Level DNT, No. 17\_VVN\_3\_08280983
- Agreement on the Provision of Distribution Grid Service from the HV Voltage Level DNT, No. 17\_VVN\_3\_08280985
- Agreement on the Provision of Distribution Grid Service from the HV Voltage Level DB, No. 17\_VVN\_3\_08279403
- Agreement on the Provision of Distribution Grid Service from the HV Voltage Level DB, No. 17\_VVN\_3\_08279402
- Agreement on the Provision of Distribution Grid Service from the HV Voltage Level DB, No. 17\_VVN\_3\_08279397
- Lease agreement—transformer station, DB Building Management
- Easement Agreement on—ČEZ Distribuce, a. s., Děčín
- Easement Agreement on—ČEZ Distribuce, a. s., ENERGO - PRO, Chomutov,
- Easement agreement
- Preliminary easement agreement
- Easement agreement
- Preliminary Easement Agreement—ČEZ Distribuce, a. s., Pruněřov
- Preliminary Utility Easement Agreement

**17. Telco Pro Services, a. s.**

- Personal data processing agreement
- Connection Agreement
- Connection Implementation Agreement
- Servitude Agreement of March 12, 2020
- Deployment Agreement of November 9, 2020
- Service Agreement for RTU and ŘSS, Operation of HDO and IF East and Moravia Transmitters
- Agreement on the Operation of HDO and TF East and Moravia Transmitters
- 47 lease agreements

**18. Tepelné hospodářství města Ústí nad Labem s.r.o.**

- Nonresidential Lease Agreement (Transformer Substation)
- Utility Tunnel and Corridor Sublease Agreement
- Agreements on Electricity Consumer Connection to Distribution System to Voltage Level of 0.4 kV (LV)
- Servitude Agreement of October 30, 2017
- Preliminary Easement Agreement and Agreement of the Placement of Building,
- Preliminary Agreement on the Connection of Service Point to the Distribution Grid of May 7, 2019

**19. Teplo Klášterec s.r.o.**

- Agreement to share provable costs of storm water discharge
- Agreement for electricity consumer connection to low-voltage distribution system
- Servitude/easement agreement

**20. ÚJV Řež, a.s.**

- Distribution system service agreement
- Agreement for local distribution system connection

**21. Centrum výzkumu Řež s.r.o.**

- Agreement for facility connection to distribution system—Plzeň

**22. MARTIA a.s.**

- General Terms and Conditions VOP PD v08
- General Terms and Conditions VOP REAL v08
- Energy sector design work
- 2015\_HZS\_PD\_ZÁPAD—4400030716
- 2015\_HZSII\_SEVER—4400030730
- 2015\_HZS\_PD\_SEVER—4400030712
- 2015\_HZSII\_ZÁPAD—4400030731
- MARTIA, PD II—MV/LV structures, SDR GA—4400039902
- Agreement on Connection of Photovoltaic Generating Facility to the Distribution Grid, No. 18\_SOP\_02\_4121436518
- Personal Data Processing Agreement, No. P3A18000001192
- Framework Agreement with Several Contractors—HZS I—4400047469 of June 30, 2020
- Personal Data Processing Agreement—P3A20000000289 of June 15, 2020
- Framework Agreement with Several Contractors—HZS II—4400047520 of June 30, 2020
- Personal Data Processing Agreement—P3A20000000494 of June 22, 2020
- Work Agreement for RS 4400047520—4400048055-2020 of July 9, 2020

**23. Lomy Mořina spol. s r.o.**

- Agreement to Relocate Distribution Equipment for Electricity Supply, No. Z\_S24\_128120067462 of June 12, 2020
- Preliminary Agreement on the Connection of Consumption Electrical Equipment to the Distribution Grid up to a Voltage Level of 22 kV (MV), No. 19\_SOSBS01\_4121574762 of September 24, 2019

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## 6. Loss Incurred by the Controlled Entity and Its Settlement

In the reporting period, ČEZ Distribuce, a. s., did not incur any loss arising out of contracts with related parties, other legal acts performed in the interest of related parties, or measures taken in the interest or at the instigation of related parties that were made or adopted prior to the last accounting period.

## 7. Other Information

### 7.1. Confidentiality of Information

Confidentiality applies to information and facts that are trade secrets of the Managing Entity and its related parties, as well as information identified as confidential by those entities or arising from their business relations whose partial disclosure or disclosure in connection with other information or facts could be detrimental to those entities or their contractual partners, as well as information whose confidentiality and protection is directly required by law.

### 7.2. Glossary of Abbreviations Used in the Report

BOSH	Occupational safety and health
EE	Electrical energy
MPP	Mělník Power Plant
ICT	Information and communications technologies
LVc	Low-voltage cable
SHP	Small hydropower plant
LV	Low voltage
RES	Renewable energy sources
EP	Environmental protection
PD	Project documentation
FP	Fire protection
GA	General agreement
SOE	State-owned enterprise
TR	Transformer
TS	Transformer substation
MV	Medium voltage
HV	High voltage

## 8. Conclusion

The Board of Directors of ČEZ Distribuce, a. s., did not encounter disadvantages resulting from relations between the Managing Entity and the Controlled Entity or related parties. The Board of Directors is not aware of any risks arising from relations between the Controlled Entity and the Controlling Entity and between the Controlled Entity and entities controlled by the same Controlling Entity.

ČEZ Distribuce, a. s., leverages synergies within CEZ Group and CEZ Group's expertise to efficiently perform its licensed activity and the related ancillary services. It also takes advantage of participation in CEZ Group's risk management system and system of internal controls, insurance program, and safety and quality management system.

The Board of Directors of ČEZ Distribuce, a. s., did not encounter adversities arising out of relations between the Controlled Entity and related parties.


This Related Parties Report was prepared with due care, with commitment to providing objective information gathered for the specified purpose of this Report.

The Report was submitted to the Supervisory Board of ČEZ Distribuce, a. s., for review pursuant to Article 12(8)(d) of the Company's bylaws as well as in compliance with Section 83 of the Business Corporations Act.

The Board of Directors of ČEZ Distribuce, a. s., approved this Related Parties Report on February 23, 2021.

The auditor's opinion on the Report is included in the auditor's report on the ČEZ Distribuce, a. s., 2020 Annual Report.

In Prague, on February 23, 2021



Ing. Martin Zmelík, MBA  
Chairman of the Board of Directors



Ing. Martin Molinger  
Member of the Board of Directors

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(Translation of a report originally issued in Czech – see Note 2 to the financial statements.)

## Independent Auditor's Report

To the Shareholder of ČEZ Distribuce, a. s.:

### Opinion

We have audited the accompanying financial statements of ČEZ Distribuce, a. s. (the Company) prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2020, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Company, see Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the Czech Republic.

### Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation 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 Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic 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.

### Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information. 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 is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.



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Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

#### **Responsibilities of the Company's Board of Directors for the Financial Statements**

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as the Board of Directors 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, the Board of Directors 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 the Board of Directors 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 above regulations 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 the above law or regulation, we exercise professional judgment and maintain professional skepticism 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Ernst & Young Audit, s.r.o.**

License No. 401

A handwritten signature in black ink, appearing to read 'Luděk Jireček', with a long horizontal flourish extending to the right.

**Luděk Jireček, Auditor**

License No. 2164

14 April 2021

Prague, Czech Republic

## ČEZ Distribuce, a. s. Balance Sheet as at December 31, 2020

(in thousands of CZK)

Ident.	ASSETS	Current year		Prior year	
		Gross	Adjustments	Net	Net
	<b>TOTAL ASSETS</b>	<b>321,437,384</b>	<b>(163,481,495)</b>	<b>157,955,889</b>	<b>146,448,569</b>
A.	Stock subscription receivable			0	0
B.	<b>Fixed assets</b>	<b>296,178,695</b>	<b>(162,641,393)</b>	<b>133,537,302</b>	<b>129,036,731</b>
B. I.	<b>Intangible fixed assets</b>	<b>1,936,976</b>	<b>(1,216,642)</b>	<b>720,334</b>	<b>645,139</b>
B. I. 1.	Research and development			0	0
B. I. 2.	<b>Valuable rights</b>	<b>1,609,117</b>	<b>(1,054,392)</b>	<b>554,725</b>	<b>470,835</b>
B. I. 2. 1.	Software	1,567,707	(1,012,982)	554,725	470,833
B. I. 2. 2.	Other valuable rights	41,410	(41,410)	0	2
B. I. 3.	Goodwill			0	0
B. I. 4.	Other intangible fixed assets	249,093	(162,250)	86,843	104,659
B. I. 5.	<b>Advances granted for intangible fixed assets and intangible fixed assets in progress</b>	<b>78,766</b>	<b>0</b>	<b>78,766</b>	<b>69,645</b>
B. I. 5. 1.	Advances granted for intangible fixed assets			0	0
B. I. 5. 2.	Intangible fixed assets in progress	78,766		78,766	69,645
B. II.	<b>Tangible fixed assets</b>	<b>294,241,719</b>	<b>(161,424,751)</b>	<b>132,816,968</b>	<b>128,391,592</b>
B. II. 1.	<b>Land and structures</b>	<b>217,737,639</b>	<b>(116,841,635)</b>	<b>100,896,004</b>	<b>98,046,013</b>
B. II. 1. 1.	Land	992,244		992,244	947,385
B. II. 1. 2.	Structures	216,745,395	(116,841,635)	99,903,760	97,098,628
B. II. 2.	Movable assets and sets of movable assets	72,633,050	(44,563,341)	28,069,709	27,750,894
B. II. 3.	Gain or loss on revaluation of acquired property			0	0
B. II. 4.	<b>Other tangible fixed assets</b>	<b>44,892</b>	<b>(19,775)</b>	<b>25,117</b>	<b>17,383</b>
B. II. 4. 1.	Perennial crops			0	0
B. II. 4. 2.	Livestock			0	0
B. II. 4. 3.	Miscellaneous tangible fixed assets	44,892	(19,775)	25,117	17,383
B. II. 5.	<b>Advances granted for tangible fixed assets and tangible fixed assets in progress</b>	<b>3,826,138</b>	<b>0</b>	<b>3,826,138</b>	<b>2,577,302</b>
B. II. 5. 1.	Advances granted for tangible fixed assets	127,768		127,768	150,260
B. II. 5. 2.	Tangible fixed assets in progress	3,698,370		3,698,370	2,427,042
B. III.	<b>Long-term investments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
B. III. 1.	Interests – controlled or controlling entity			0	0
B. III. 2.	Loans and borrowings – controlled or controlling entity			0	0
B. III. 3.	Interests – associates			0	0
B. III. 4.	Loans and borrowings to associates			0	0
B. III. 5.	Other long-term securities and interests			0	0
B. III. 6.	Loans and borrowings – other			0	0
B. III. 7.	<b>Other long-term investments</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
B. III. 7. 1.	Miscellaneous long-term investments			0	0
B. III. 7. 2.	Advances granted for long-term investments			0	0

(in thousands of CZK)

Ident.	ASSETS	Current year			Prior year
		Gross	Adjustments	Net	Net
<b>C.</b>	<b>Current assets</b>	<b>25,217,051</b>	<b>(840,102)</b>	<b>24,376,949</b>	<b>17,392,679</b>
<b>C. I.</b>	<b>Inventories</b>	<b>346,989</b>	<b>(71)</b>	<b>346,918</b>	<b>282,219</b>
C. I. 1.	Materials	339,219	(71)	339,148	257,446
C. I. 2.	Work in progress and semi-finished production	7,770		7,770	24,773
<b>C. I. 3.</b>	<b>Finished products and goods</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
C. I. 3. 1.	Finished products			0	0
C. I. 3. 2.	Goods			0	0
C. I. 4.	Livestock			0	0
C. I. 5.	Advances granted for inventories			0	0
<b>C. II.</b>	<b>Receivables</b>	<b>24,870,060</b>	<b>(840,031)</b>	<b>24,030,029</b>	<b>17,110,456</b>
<b>C. II. 1.</b>	<b>Long-term receivables</b>	<b>15,112</b>	<b>(2,713)</b>	<b>12,399</b>	<b>12,243</b>
C. II. 1. 1.	Trade receivables	7,356	(7)	7,349	7,992
C. II. 1. 2.	Receivables – controlled or controlling entity			0	0
C. II. 1. 3.	Receivables – associates			0	0
C. II. 1. 4.	Deferred tax asset			0	0
<b>C. II. 1. 5.</b>	<b>Other receivables</b>	<b>7,756</b>	<b>(2,706)</b>	<b>5,050</b>	<b>4,251</b>
C. II. 1. 5. 1.	Receivables from partners			0	0
C. II. 1. 5. 2.	Long-term advances granted			0	0
C. II. 1. 5. 3.	Unbilled revenue			0	0
C. II. 1. 5. 4.	Miscellaneous receivables	7,756	(2,706)	5,050	4,251
<b>C. II. 2.</b>	<b>Short-term receivables</b>	<b>24,854,948</b>	<b>(837,318)</b>	<b>24,017,630</b>	<b>17,098,213</b>
C. II. 2. 1.	Trade receivables	2,219,393	(836,280)	1,383,113	1,342,908
C. II. 2. 2.	Receivables – controlled or controlling entity	10,148,809		10,148,809	4,160,733
C. II. 2. 3.	Receivables – associates			0	0
<b>C. II. 2. 4.</b>	<b>Other receivables</b>	<b>12,486,746</b>	<b>(1,038)</b>	<b>12,485,708</b>	<b>11,594,572</b>
C. II. 2. 4. 1.	Receivables from partners			0	0
C. II. 2. 4. 2.	Social security and health insurance			0	0
C. II. 2. 4. 3.	Due from government – tax receivables	24,859		24,859	16,443
C. II. 2. 4. 4.	Short-term advances granted	210,081		210,081	199,786
C. II. 2. 4. 5.	Unbilled revenue	12,241,527	(230)	12,241,297	11,368,572
C. II. 2. 4. 6.	Miscellaneous receivables	10,279	(808)	9,471	9,771
<b>C. III.</b>	<b>Short-term financial assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
C. III. 1.	Interests – controlled or controlling entity			0	0
C. III. 2.	Other short-term financial assets			0	0
<b>C. IV.</b>	<b>Cash</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>4</b>
C. IV. 1.	Cash in hand	2		2	4
C. IV. 2.	Cash at bank			0	0
<b>D.</b>	<b>Prepaid expenses and accrued income</b>	<b>41,638</b>	<b>0</b>	<b>41,638</b>	<b>19,159</b>
D. 1.	Prepaid expenses	41,355		41,355	13,048
D. 2.	Prepaid expenses (specific-purpose expenses)			0	0
D. 3.	Accrued income	283		283	6,111

(in thousands of CZK)

Ident.	EQUITY & LIABILITIES	Current year	Prior year
	<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>157,955,889</b>	<b>146,448,569</b>
<b>A.</b>	<b>Equity</b>	<b>89,540,982</b>	<b>86,961,708</b>
<b>A. I.</b>	<b>Stated capital</b>	<b>60,000,000</b>	<b>60,000,000</b>
A. I. 1.	Stated capital	60,000,000	60,000,000
A. I. 2.	Own ownership interests (-)		
A. I. 3.	Changes in stated capital		
<b>A. II.</b>	<b>Share premium and capital reserves</b>	<b>(5,487)</b>	<b>(3,184)</b>
A. II. 1.	Share premium		
A. II. 2.	Capital reserves	(5,487)	(3,184)
A. II. 2. 1.	Other capital reserves	1,314	1,313
A. II. 2. 2.	Gains or losses on revaluation of assets and liabilities (+/-)		
A. II. 2. 3.	Gains or losses on revaluation upon corporate transformation (+/-)		
A. II. 2. 4.	Differences arising on corporate transformation (+/-)	(6,801)	(4,497)
A. II. 2. 5.	Differences arising between balance sheet date and transformation date (+/-)		
<b>A. III.</b>	<b>Reserves from profit</b>	<b>12,000,000</b>	<b>12,000,000</b>
A. III. 1.	Other reserves	12 000 000	12 000 000
A. III. 2.	Statutory and other reserves		
<b>A. IV.</b>	<b>Profit (loss) for previous years (+/-)</b>	<b>10,619,892</b>	<b>7,668,621</b>
A. IV. 1.	Retained earnings	10,619,892	7,668,621
A. IV. 2.	Other profit (loss) for previous years (+/-)		
<b>A. V.</b>	<b>Profit (loss) for the year (+/-)</b>	<b>6,926,577</b>	<b>7,296,271</b>
<b>A. VI.</b>	<b>Approved decision on advances for profit distribution (-)</b>		
<b>B. + C.</b>	<b>Provisions and liabilities</b>	<b>59,677,424</b>	<b>51,214,640</b>
<b>B.</b>	<b>Provisions</b>	<b>1,592,550</b>	<b>1,401,427</b>
B. 1.	Provision for pensions and similar obligations		
B. 2.	Provision for corporate income tax		
B. 3.	Provisions recognized under special legislation		
B. 4.	Other provisions	1,592,550	1,401,427

(in thousands of CZK)

Ident.	EQUITY & LIABILITIES	Current year	Prior year
<b>C.</b>	<b>Liabilities</b>	<b>58,084,874</b>	<b>49,813,213</b>
<b>C. I.</b>	<b>Long-term liabilities</b>	<b>38,141,493</b>	<b>31,217,228</b>
<b>C. I. 1.</b>	<b>Bonds payable</b>		
C. I. 1. 1.	Convertible bonds		
C. I. 1. 2.	Other bonds		
C. I. 2.	Liabilities to credit institutions		
C. I. 3.	Long-term advances received		
C. I. 4.	Trade payables		
C. I. 5.	Long-term notes payable		
C. I. 6.	Liabilities – controlled or controlling entity	26,482,760	19,660,000
C. I. 7.	Liabilities – associates		
C. I. 8.	Deferred tax liability	11,657,449	11,557,228
<b>C. I. 9.</b>	<b>Other liabilities</b>	<b>1,284</b>	
C. I. 9. 1.	Liabilities to partners		
C. I. 9. 2.	Unbilled deliveries	1,284	
C. I. 9. 3.	Miscellaneous liabilities		
<b>C. II.</b>	<b>Short-term liabilities</b>	<b>19,943,381</b>	<b>18,595,985</b>
<b>C. II. 1.</b>	<b>Bonds payable</b>		
C. II. 1. 1.	Convertible bonds		
C. II. 1. 2.	Other bonds		
C. II. 2.	Liabilities to credit institutions		
C. II. 3.	Short-term advances received	12,452,505	12,018,562
C. II. 4.	Trade payables	2,998,666	3,044,129
C. II. 5.	Short-term notes payable		
C. II. 6.	Liabilities – controlled or controlling entity	1,428,560	560,000
C. II. 7.	Liabilities – associates		
<b>C. II. 8.</b>	<b>Other liabilities</b>	<b>3,063,650</b>	<b>2,973,294</b>
C. II. 8. 1.	Liabilities to partners		
C. II. 8. 2.	Short-term borrowings		
C. II. 8. 3.	Liabilities to employees	184,219	182,777
C. II. 8. 4.	Liabilities arising from social security and health insurance	106,903	99,322
C. II. 8. 5.	Due to government – taxes and subsidies	516,428	502,646
C. II. 8. 6.	Unbilled deliveries	2,240,166	2,167,494
C. II. 8. 7.	Miscellaneous liabilities	15,934	21,055
<b>D.</b>	<b>Accruals and deferred income</b>	<b>8,737,483</b>	<b>8,272,221</b>
D. 1.	Accruals	86,267	73,192
D. 2.	Deferred income	8,651,216	8,199,029

## ČEZ Distribuce, a. s. Statement of Income for the Year Ended December 31, 2020

(in thousands of CZK)

Ident.	TEXT	Accounting period	
		current	prior
I.	Revenues from sale of finished products and services	48,573,492	48,401,084
II.	Revenues from sale of goods		
A.	<b>Production-related consumption</b>	<b>28,705,829</b>	<b>28,587,536</b>
A. 1.	Costs of goods sold		
A. 2.	Consumption of material and energy	3,290,628	2,899,981
A. 3.	Services	25,415,201	25,687,555
B.	Change in inventory produced internally (+/-)	17,004	47,904
C.	Own work capitalized (-)	(1,102,861)	(921,751)
D.	<b>Personnel expenses</b>	<b>4,441,638</b>	<b>4,177,705</b>
D. 1.	Wages and salaries	3,071,586	2,879,688
D. 2.	<b>Social security and health insurance costs and other costs</b>	<b>1,370,052</b>	<b>1,298,017</b>
D. 2. 1.	Social security and health insurance costs	1,048,871	984,819
D. 2. 2.	Other costs	321,181	313,198
E.	<b>Value adjustments in respect of operating activities</b>	<b>7,904,431</b>	<b>7,678,379</b>
E. 1.	<b>Value adjustments in respect of intangible and tangible fixed assets</b>	<b>8,004,390</b>	<b>7,690,481</b>
E. 1. 1.	Value adjustments in respect of intangible and tangible fixed assets – permanent	8,004,390	7,690,481
E. 1. 2.	Value adjustments in respect of intangible and tangible fixed assets – temporary		
E. 2.	Value adjustments in respect of inventories		
E. 3.	Value adjustments in respect of receivables	(99,959)	(12,102)
III.	<b>Other operating income</b>	<b>1,224,483</b>	<b>1,194,934</b>
III. 1.	Income from sale of fixed assets	55,124	34,234
III. 2.	Income from sale of materials	110,410	107,424
III. 3.	Miscellaneous operating income	1,058,949	1,053,276
F.	<b>Other operating expenses</b>	<b>586,135</b>	<b>478,064</b>
F. 1.	Net book value of fixed assets sold	24,022	17,375
F. 2.	Net book value of materials sold	81,526	74,180
F. 3.	Taxes and charges relating to operations	23,243	22,556
F. 4.	Provisions relating to operations and prepaid expenses (specific-purpose expenses)	191,124	113,908
F. 5.	Miscellaneous operating expenses	266,220	250,045
*	<b>Profit or loss on operating activities (+/-)</b>	<b>9,245,799</b>	<b>9,548,181</b>

(in thousands of CZK)

Ident.	TEXT	Accounting period	
		current	prior
IV.	Income from long-term investments – interests		
IV. 1.	Income from interests – controlled or controlling entity		
IV. 2.	Other income from interests		
G.	Costs of interests sold		
V.	Income from other long-term investments		
V. 1.	Income from other long-term investments – controlled or controlling entity		
V. 2.	Other income from other long-term investments		
H.	Expenses relating to other long-term investments		
VI.	<b>Interest receivable and similar income</b>	<b>20,893</b>	<b>97,293</b>
VI. 1.	Interest receivable and similar income – controlled or controlling entity	20,893	97,293
VI. 2.	Other interest receivable and similar income		
I.	Value adjustments and provisions relating to financial activities		
J.	<b>Interest payable and similar expenses</b>	<b>675,299</b>	<b>606,501</b>
J. 1.	Interest payable and similar expenses – controlled or controlling entity	675,299	606,501
J. 2.	Other interest payable and similar expenses		
VII.	Other financial income	346,517	347,376
K.	Other financial expenses	348,101	348,264
*	<b>Profit or loss on financial activities (+/-)</b>	<b>(655,990)</b>	<b>(510,096)</b>
**	<b>Profit or loss before income tax (+/-)</b>	<b>8,589,809</b>	<b>9,038,085</b>
L.	Income tax	1,663,232	1,741,814
L. 1.	Income tax due	1,567,046	1,641,245
L. 2.	Income tax deferred (+/-)	96,186	100,569
**	<b>Profit or loss after income tax (+/-)</b>	<b>6,926,577</b>	<b>7,296,271</b>
M.	Transfer of share of profit or loss to partners (+/-)		
***	<b>Profit or loss for the year (+/-)</b>	<b>6,926,577</b>	<b>7,296,271</b>
*	<b>Net turnover = I. + II. + III. + IV. + V. + VI. + VII.</b>	<b>50,165,385</b>	<b>50,040,687</b>

## ČEZ Distribuce, a. s.

### Cash Flows Statement for the Year Ended December 31, 2020

(in thousands of CZK)

Ident.	TEXT	Accounting period	
		current	prior
P.	Cash and cash equivalents at beginning of year	4	0
	<b>Cash flows from operating activities</b>		
Z.	Profit or loss before income tax (+/-)	8,589,809	9,038,085
A.1.	Adjustments to reconcile profit or loss to net cash provided by or used in operating activities	9,195,171	8,660,677
A.1.1.	Depreciation and amortization of fixed assets and write-off of receivables	8,056,397	7,731,214
A.1.2.	Change in allowances, provisions and accruals and deferrals	515,022	435,166
A.1.2.1.	Change in allowances	(99,978)	(12,102)
A.1.2.2.	Change in provisions	191,124	113,908
A.1.2.3.	Change in accruals and deferrals	423,876	333,360
A.1.3.	Gain/loss on disposal of fixed assets, own ownership interests	(31,102)	(16,859)
A.1.4.	Interest expense and interest income	654,406	509,208
A.1.5.	Other non-cash movements	448	1,948
A.1.6.	Income from profit shares	0	0
A.2.	Change in non-cash components of working capital	(512,101)	180,143
A.2.1.	Change in operating receivables	(868,582)	(787,786)
A.2.2.	Change in short-term operating liabilities	421,180	934,153
A.2.3.	Change in inventories	(64,699)	33,776
A.3.	Interest paid, net of capitalized interest	(662,220)	(611,074)
A.4.	Interest received	26,721	97,633
A.5.	Income tax paid, incl. tax assessments for previous years	(1,575,462)	(1,673,579)
A.6.	Profit shares received	0	0
A.	Net cash provided by (used in) operating activities	15,061,918	15,691,885
	<b>Cash flows from financing activities</b>		
B.1.	Purchase of fixed assets	(12,370,127)	(10,569,439)
B.2.	Proceeds from sale of fixed assets	48,679	37,801
B.	Net cash provided by (used in) investing activities	(12,321,448)	(10,531,638)
	<b>Cash flows from financing activities</b>		
C.1.	Change in long-term liabilities and short-term loans	7,592,604	(790,500)
C.2.	Change in receivables/payables from group cash pooling	(5,988,076)	1,406,883
C.3.	Effect of changes in equity on cash	(4,345,000)	(5,776,626)
C.	Net cash provided by (used in) financing activities	(2,740,472)	(5,160,243)
F.	Net increase (decrease) in cash and cash equivalents	(2)	4
R.	Cash and cash equivalents at end of year	2	4

## ČEZ Distribuce, a. s. Statement of Changes in Equity, December 31, 2020

(in thousands of CZK)

	Stated capital	Other capital reserves	Reserves from profit	Accumulated profit or loss	Total
Opening balance at January 1, 2018	60,000,000	5,676,802	12,000,000	7,769,758	85,446,560
Transformations at January 1, 2019		(4,497)			(4,497)
Profit or loss for the year 2019				7,296,271	7,296,271
Profit share		(5,675,489)		(101,137)	(5,776,626)
Closing balance at December 31, 2019	60,000,000	(3,184)	12,000,000	14,964,892	86,961,708
Transformations at January 1, 2020		(2,303)			(2,303)
Profit or loss for the year 2020				6,926,577	6,926,577
Profit share				(4,345,000)	(4,345,000)
Closing balance at December 31, 2020	60,000,000	(5,487)	12,000,000	17,546,469	89,540,982

# ČEZ Distribuce, a. s.

## Notes to the Financial Statements for the Year Ended 31 December 2020

(Translation of Financial Statements Originally Issued in Czech – See Note 2 to the Financial Statements)

### 1. Description of the Company

ČEZ Distribuce, a. s. (“the Company”) was founded, based on a merger by consolidation, as a successor company of the dissolving companies ČEZ Distribuční zařízení, a.s., and ČEZ Distribuce, a. s., with a merger decisive date 1 January 2010 and an effective date as of 1 October 2010. As a result of the merger by consolidation, the business assets, including employment related rights and obligations, of the dissolving companies were transferred to the successor company.

The Company’s registered office is located at Děčín IV-Podmokly, Teplická 874/8, post code: 405 02, Czech Republic, and the business registration number (IČO) is 24729035. The Company is involved in the operation of the power grid and in the distribution of electricity to individuals and legal entities.

The sole shareholder is ČEZ, a. s., Duhová 2/1444, post code: 140 53, Prague 4, business registration number (IČO): 45274649.

The Company is included in the ČEZ Group and in the consolidated group of the parent company ČEZ, a. s.

Members of the statutory bodies as at 31 December 2020 were as follows:

Board of Directors		Supervisory Board	
Chair:	Martin Zmelik	Chair:	Tomáš Pleskač
Vice-Chair:	Radim Černý	Vice-Chair:	Michaela Chaloupková
Member:	Michaela Kociánová	Member:	Marek Šlégl
Member:	Martin Molinger	Member:	Karel Čech
		Member:	Václav Rašner
		Member:	Jan Brožík

On 9 December 2019, subject to the decision of the sole shareholder executing the powers of the general meeting of ČEZ Distribuce, a. s., the Board of Directors of ČEZ, a. s., elected Martin Molinger member of the Board of Directors of ČEZ Distribuce, a. s., with effect as of 1 January 2020.

On 27 February 2020, ČEZ Distribuce, a. s.’s Board of Directors discussed notification on resignation of Pavel Šolc and approved termination of his membership in the Board of Directors at his own request as of 31 March 2020.

Subject to the decision of the sole shareholder of 27 March 2020, Vladimír Říha was removed from the Supervisory Board’s member position as of 31 March 2020 and Marek Šlégl was elected a new Supervisory Board’s member as of 1 April 2020.

These facts correspond to the entry in the Commercial Register as at 31 December 2020.

The Company’s organizational structure is as follows:

- CEO Office,
- Finance & Administration Division,
- Distribution Assets Management Division,
- Network Services Division,
- Grid Operations and Management Division.

**Description of the transformations:**

As of 1 January 2020 in accordance with the project of demerger through spin-off by acquisition between the companies involved, namely ČEZ Korporátní služby, s.r.o., with its registered address at 28. října 3123/152, Moravská Ostrava, 702 00 Ostrava, business registration no.: 262 06 803 as one party as the Demerging Company and ČEZ Distribuce, a. s., as the other party as the Successor Company, a carved out part of assets comprised of part of car fleet of ČEZ Korporátní služby, s.r.o. determined in the Project was transferred to ČEZ Distribuce, a. s. whilst the Demerging Company did not cease to exist.

The transformation was recorded in the Commercial Register maintained by the Regional Court in Ústí nad Labem as of 1 January 2020. The effective date of the transformation was set at 1 January 2020.

The Opening Balance Sheet was prepared as shown below (in net amounts, in CZK thousands):

Caption	Assets in CZK thousands	Balance sheet as at 31/12/2019 ČEZ Distribuce, a. s.	Spin-off of ČEZ Korporátní služby, s.r.o.	Opening balance sheet of ČEZ Distribuce, a. s. as at 01/01/2020
	<b>Total assets</b>	<b>146,448,569</b>	<b>101,731</b>	<b>146,550,300</b>
<b>B.</b>	<b>Fixed assets</b>	<b>129,036,731</b>	<b>101,731</b>	<b>129,138,462</b>
<b>B. I.</b>	<b>Intangible Fixed Assets</b>	<b>645,139</b>	<b>–</b>	<b>645,139</b>
<b>B. I. 2.</b>	<b>Valuable rights</b>	<b>470,835</b>	<b>–</b>	<b>470,835</b>
<b>B. I. 2. 1.</b>	Software	470,833	–	470,833
<b>B. I. 2. 2.</b>	Other valuable rights	2	–	2
<b>B. I. 4.</b>	Other intangible fixed assets	104,659	–	104,659
<b>B. I. 5.</b>	<b>Advances granted for intangible fixed assets and intangible fixed assets in progress</b>	<b>69,645</b>	<b>–</b>	<b>69,645</b>
<b>B. I. 5. 2.</b>	<b>Intangible fixed assets in progress</b>	<b>69,645</b>	<b>–</b>	<b>69,645</b>
<b>B. II.</b>	<b>Tangible Fixed Assets</b>	<b>128,391,592</b>	<b>101,731</b>	<b>128,493,323</b>
<b>B. II. 1.</b>	<b>Land and structures</b>	<b>98,046,013</b>	<b>–</b>	<b>98,046,013</b>
<b>B. II. 1. 1.</b>	Land	947,385	–	947,385
<b>B. II. 1. 2.</b>	Structures	97,098,628	–	97,098,628
<b>B. II. 2.</b>	Movable assets and sets of movable assets	27,760,894	101,731	27,852,625
<b>B. II. 4.</b>	<b>Other tangible fixed assets</b>	<b>17,383</b>	<b>–</b>	<b>17,383</b>
<b>B. II. 4. 3.</b>	Miscellaneous tangible fixed assets	17,383	–	17,383
<b>B. II. 5.</b>	<b>Advances granted for tangible fixed assets and tangible fixed assets in progress</b>	<b>2,577,302</b>	<b>–</b>	<b>2,577,302</b>
<b>B. II. 5. 1.</b>	Advances granted for tangible fixed assets	150,260	–	150,260
<b>B. II. 5. 2.</b>	Tangible fixed assets in progress	2,427,042	–	2,427,042
<b>C.</b>	<b>Current assets</b>	<b>17,392,679</b>	<b>–</b>	<b>17,392,679</b>
<b>C. I.</b>	<b>Inventory</b>	<b>282,219</b>	<b>–</b>	<b>282,219</b>
<b>C. I. 1.</b>	Materials	257,446	–	257,446
<b>C. I. 2.</b>	Work in progress and semi-finished production	24,773	–	24,773
<b>C. II.</b>	<b>Receivables</b>	<b>17,110,456</b>	<b>–</b>	<b>17,110,456</b>
<b>C. II. 1.</b>	<b>Long-term receivables</b>	<b>12,243</b>	<b>–</b>	<b>12,243</b>
<b>C. II. 1. 1.</b>	Trade receivables	7,992	–	7,992
<b>C. II. 1. 5.</b>	<b>Receivables – other</b>	<b>4,251</b>	<b>–</b>	<b>4,251</b>
<b>C. II. 1. 5. 4.</b>	Miscellaneous receivables	4,251	–	4,251
<b>C. II. 2.</b>	<b>Short-term receivables</b>	<b>17,098,213</b>	<b>–</b>	<b>17,098,213</b>
<b>C. II. 2. 1.</b>	Trade receivables	1,342,908	–	1,342,908
<b>C. II. 2. 2.</b>	Receivables – controlled or controlling entity	4,160,733	–	4,160,733
<b>C. II. 2. 4.</b>	<b>Receivables – other</b>	<b>11,594,572</b>	<b>–</b>	<b>11,594,572</b>
<b>C. II. 2. 4. 3.</b>	Due from government - tax receivables	16,443	–	16,443
<b>C. II. 2. 4. 4.</b>	Short-term advances granted	199,786	–	199,786
<b>C. II. 2. 4. 5.</b>	Unbilled revenue	11,368,572	–	11,368,572
<b>C. II. 2. 4. 6.</b>	Miscellaneous receivables	9,771	–	9,771
<b>C. IV.</b>	<b>Cash</b>	<b>4</b>	<b>–</b>	<b>4</b>
<b>C. IV. 1.</b>	Cash in hand	4	–	4
<b>D.</b>	<b>Prepaid expenses and accrued income</b>	<b>19,159</b>	<b>–</b>	<b>19,159</b>
<b>D. 1.</b>	Prepaid expenses	13,048	–	13,048
<b>D. 3.</b>	Accrued income	6,111	–	6,111

Caption	Liabilities in CZK thousands	Balance sheet as at 31/12/2019 ČEZ Distribuce, a. s.	Spin-off of ČEZ Korporátní služby, s.r.o.	Opening balance sheet of ČEZ Distribuce, a. s. as at 01/01/2020
	<b>Total equity &amp; liabilities</b>	<b>146,448,569</b>	<b>101,731</b>	<b>146,550,300</b>
<b>A.</b>	<b>Equity</b>	<b>86,961,708</b>	<b>(2,304)</b>	<b>86,959,404</b>
<b>A. I.</b>	<b>Basic capital</b>	<b>60,000,000</b>	<b>–</b>	<b>60,000,000</b>
A. I. 1.	Registered capital	60,000,000	–	60,000,000
<b>A. II.</b>	<b>Share premium and revaluation reserve</b>	<b>(3,184)</b>	<b>(2,304)</b>	<b>(5,488)</b>
<b>A. II. 2.</b>	<b>Capital funds</b>	<b>(3,184)</b>	<b>(2,304)</b>	<b>(5,488)</b>
A. II. 2. 1.	Other capital funds	1,313	–	1,313
A. II. 2. 4.	Differences arising on corporate transformation	(4,497)	(2,304)	(6,801)
<b>A. III.</b>	<b>Reserves from profit</b>	<b>12,000,000</b>	<b>–</b>	<b>12,000,000</b>
A. III. 1.	Other reserves	12,000,000	–	12,000,000
<b>A. IV.</b>	<b>Profit (loss) brought forward</b>	<b>7,668,621</b>	<b>–</b>	<b>7,668,621</b>
A. IV. 1.	Retained earnings/accumulated loss	7,668,621	–	7,668,621
<b>A. V.</b>	<b>Profit (loss) for the year</b>	<b>7,296,271</b>	<b>–</b>	<b>7,296,271</b>
<b>B. + C.</b>	<b>Provisions and Liabilities</b>	<b>51,214,640</b>	<b>104,035</b>	<b>51,318,675</b>
<b>B.</b>	<b>Provisions</b>	<b>1,401,427</b>	<b>–</b>	<b>1,401,427</b>
B. 2.	Provision for corporate income tax	–	–	–
B. 4.	Other provisions	1,401,427	–	1,401,427
<b>C.</b>	<b>Liabilities</b>	<b>49,813,213</b>	<b>104,035</b>	<b>49,917,248</b>
<b>C. I.</b>	<b>Long-term liabilities</b>	<b>31,217,228</b>	<b>104,035</b>	<b>31,321,263</b>
C. I. 6.	Liabilities – controlled or controlling entity	19,660,000	100,000	19,760,000
C. I. 8.	Deferred tax liability	11,557,228	4,035	11,561,263
<b>C. II.</b>	<b>Current liabilities</b>	<b>18,595,985</b>	<b>–</b>	<b>18,595,985</b>
C. II. 3.	Short-term advances received	12,018,562	–	12,018,562
C. II. 4.	Trade payables	3,044,129	–	3,044,129
C. II. 6.	Liabilities – controlled or controlling entity	560,000	–	560,000
<b>C. II. 8.</b>	<b>Other liabilities</b>	<b>2,973,294</b>	<b>–</b>	<b>2,973,294</b>
C. II. 8. 3.	Liabilities to employees	182,777	–	182,777
C. II. 8. 4.	Social security and health insurance liabilities	99,322	–	99,322
C. II. 8. 5.	Due to government – taxes and subsidies	502,646	–	502,646
C. II. 8. 6.	Unbilled deliveries	2,167,494	–	2,167,494
C. II. 8. 7.	Miscellaneous liabilities	21,055	–	21,055
<b>D.</b>	<b>Accruals and deferred income</b>	<b>8,272,221</b>	<b>–</b>	<b>8,272,221</b>
D. 1.	Accruals	73,192	–	73,192
D. 2.	Deferred income	8,199,029	–	8,199,029

## 2. Basis of Presentation of the Financial Statements

The accompanying financial statements were prepared in accordance with the Czech Act on Accounting and the related guidelines as applicable for 2020 and 2019.

The management of the Company considered the potential impact of COVID-19 on its activities and business and concluded it does not have a significant impact on the going concern assumption. Accordingly, the financial statements for the year ended 31 December 2020 were prepared on the assumption that the Company would be able to continue as a going concern.

The impacts of COVID-19 in the next years will primarily depend on the measures taken and their impact on the economic situation as a whole in the Czech Republic.

### Explanation Added for Translation into English

These financial statements are presented on the basis of accounting principles and standards generally accepted in the Czech Republic. Certain accounting practices applied by the Company that conform with generally accepted accounting principles and standards in the Czech Republic may not conform with generally accepted accounting principles in other countries.

### 3. Summary of Significant Accounting Policies

The accounting policies applied by the Company in preparing the 2020 and 2019 financial statements are as follows:

#### a) Intangible Fixed Assets

Intangible fixed assets are recorded at their acquisition cost and related expenses. Interest on loans and borrowings is not considered to be part of these costs.

Intangible fixed assets with a cost exceeding CZK 60 thousand are amortized over their useful economic life.

Intangible fixed assets include software provided that it has been developed internally for trading purposes, or it has been acquired from other parties, irrespective of its cost. The above also applies to software licenses, if such licenses are not part of the valuation of the acquired software, or part of the technical improvement of the existing software.

#### Amortization

Amortization is calculated based on the acquisition cost and the estimated useful life of the related asset.

The useful economic lives are as follows:

	Years
Research and development	6
Software	4–6
Other valuable rights	6
Other intangible fixed assets	6

The costs of technical improvements are capitalized. Repairs and maintenance expenses are expensed as incurred.

#### b) Tangible Fixed Assets

Tangible fixed assets are recorded at their acquisition cost, which consists of purchase price, freight, customs duties and other related costs. Interest on loans and borrowings is not considered to be part of these costs.

Tangible fixed assets belonging to the category of tangible assets and sets of tangible assets – machinery, appliances, equipment, vehicles and fixtures and fittings related to the licensed activities of a company distributing electricity with a cost exceeding CZK 5 thousand are depreciated over their useful economic lives. Transformer station technologies, transformers of the distribution company and power meters are deemed the tangible fixed assets regardless of their valuation.

Easements on land and building, excluding the right to use and enjoy, are also deemed the tangible fixed assets regardless of their valuation, unless they are reported as part of the building valuation.

Internally-developed tangible fixed assets are recorded at their accumulated cost, which consists of direct material, labor costs and production overheads.

Tangible fixed assets acquired free of charge are valued at their replacement cost and are recorded with a corresponding credit to the 'Other capital funds account' on the date of acquisition. The costs of technical improvements are capitalized. Repairs and maintenance expenses are expensed as incurred.

#### Depreciation

Depreciation is calculated based on the acquisition cost and the estimated useful life of the related asset. The useful economic lives are as follows:

	Years
Structures	10–50
Machinery and equipment	4–30
Vehicles	5–10
Furniture and fixtures	5–30
Miscellaneous tangible fixed assets	6–30

Acquisition costs and net book values of depreciated intangible and tangible fixed assets were revalued in an expert opinion as at 1 January 2010. The revaluation of acquisition costs and net book value of assets was made in connection with the merger project (see introduction to Note 1).

**c) Cash**

Cash includes liquid valuables, cash in hand and at bank.

Within the ČEZ Group, a system for utilization of idle money of individual group companies, i.e. cash pool, has been introduced. Cash deposited in, or used from, this system as at the balance sheet date is reported in 'Short-term receivables – controlled or controlling entity' or 'Current liabilities – controlled or controlling entity', as appropriate, in the accompanying balance sheet and the change in the deposited cash is reported in 'Change in receivables/payables from group cash pool' in the accompanying cash flow statement.

**d) Inventory**

Purchased inventory is stated at actual cost being determined using the weighted average method. Costs of purchased inventory include acquisition-related costs (freight, customs, commission, etc.).

Finished goods and work-in-progress (services) are recorded at actual cost. Actual cost includes, in particular, direct costs of material, manufacturing costs of relaying and cost of inventory produced internally. The cost of inventory produced internally includes direct labor costs, including overhead costs, and are allocated to work-in-progress on the basis of hours actually worked.

**e) Receivables**

Receivables are initially measured at their nominal amount. Purchased receivables are measured at cost. Both long- and short-term receivables are carried at their realizable value after allowance for doubtful accounts. Additions to the allowance account are charged to income.

**f) Equity**

The basic capital of the Company is stated at the amount recorded in the Commercial Register maintained in the Registry Court. Any increase or decrease in the basic capital made pursuant to the decision of the General Meeting which was not entered in the Commercial Register as at the balance sheet date is recorded through changes in basic capital. Contributions in excess of basic capital are recorded as share premium. Other capital funds consist of monetary and non-monetary contributions in excess of basic capital, such as tangible assets donations, etc.

In accordance with the Articles of Association, the Company creates a reserve fund from profit.

The Company establishes a reserve fund from profit after tax disclosed in the annual financial statements in the year, in which profit is generated for the first time; the reserve fund is allocated a minimum of 20% of profit after tax, however not more than 10% of basic capital.

The reserve fund is allocated 5% of profit after tax for each particular year until the fund reaches 20% of basic capital of the Company. The fund can only be used to offset losses. The amounts used from the fund are replenished in the same manner as the reserve fund has been established.

**g) Provisions and Liabilities**

The Company creates legal provisions in accordance with the Act on Provisions and provisions for losses and risks if the related purpose amount and timing can be reliably estimated and the accrual and matching principles are observed.

Long-term liabilities and current liabilities are carried at their nominal values.

Long-term liabilities and current liabilities to credit institutions are recorded at their nominal values. Any portion of long-term debt which is due within one year of the balance sheet date is classified as short-term debt.

Liabilities or contingent liabilities that are not recorded in the balance sheet because significant uncertainties exist with respect to the amount, title or timing of the expected outflow of benefits are described in Note 15.

**h) Leases**

The Company records leased assets by expensing the lease payments and, for finance leases, capitalizing the residual value of the leased assets when the lease contract expires and the purchase option is exercised.

**i) Foreign Currency Transactions**

Assets and liabilities whose acquisition or production costs were denominated in foreign currencies are translated into Czech crowns at the exchange rate existing at the transaction date. On the balance sheet date monetary items are adjusted to the exchange rates published by the Czech National Bank at 31 December.

Realized and unrealized exchange rate gains and losses were charged or credited, as appropriate, to finance income for the year.

**j) Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. The Company management prepared these estimates and predictions based on all available relevant information. These estimates and assumptions are based on information available as at the date of the financial statements and may differ from actual results.

**k) Recognition of Revenues and Expenses**

Revenues and expenses are recognized on an accrual basis, that is, they are recognized in the periods in which the actual flow of the related goods or services occurs, regardless of when the related monetary flow arises.

Long-term contracts are accounted for according to the completed contract method as specified in the contract.

The Company recognizes as an expense any additions to provisions for or allowances against risks, losses or physical damage that are known as at the financial statements' date.

Revenues from distribution services are recorded at the time of the distributed electricity delivery. Total revenues from provided services comprise the billing and changes in unbilled distribution services. The Company records these revenues as revenues from sales of own products and services. Costs of electricity distribution and the power grid operation are recorded as service consumption (mainly system and transmission services) and consumption of material and energy.

Changes in unbilled distribution services are set monthly on the basis of estimation. The estimation of monthly change of unbilled distribution services comes from deliveries of electricity in the given month after deduction of actual billing and estimation of distribution network losses. The total estimation is verified by calculation which is based on the load simulation at each point of delivery on the basis of temperature-adjusted load profiles. The actual billed distribution service amounts may differ from the estimation.

**l) Income Tax**

The corporate income tax expense is calculated based on the statutory tax rate and book income before taxes, increased or decreased by the appropriate permanent and temporary differences (e.g. non-deductible provisions and allowances, entertainment expenses, differences between book and tax depreciation, etc.). In addition, the following items are taken into consideration: tax base decreasing items (donations), tax deductible items and income tax reliefs.

The Company records an outstanding income tax liability, net of paid tax prepayments, in provisions. If income tax prepayments exceed the estimate of current income tax expense as at the balance sheet date, the difference will be recorded as a short-term receivable.

The deferred tax position reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for corporate income tax purposes, taking into consideration the period of realization.

Deferred tax asset is recognized when it becomes probable that the asset will be realized in the future.

**m) Subsequent Events**

The impact of events that occurred between the balance sheet date and the date of the financial statements preparation is recognized in the financial statements provided these events provide additional evidence about conditions that existed at the date of the balance sheet.

If material events reflecting the facts occurring after the balance sheet date happened between the balance sheet date and the date of the financial statements preparation the consequences of these events are disclosed in the notes to the financial statements but not recognized in the financial statements.

## 4. Fixed Assets

### a) Intangible Fixed Assets (in CZK thousands)

#### COST

	At beginning of year	Additions	Disposals	Transfers	At end of year
Software	1,307,556	–	(1,094)	261,245	1,567,707
Other valuable rights	41,410	–	–	–	41,410
Other intangible fixed assets	239,587	–	(670)	10,176	249,093
Intangible fixed assets in progress	69,645	280,542	–	(271,421)	78,766
<b>2020 Total</b>	<b>1,658,198</b>	<b>280,542</b>	<b>(1,764)</b>	<b>–</b>	<b>1,936,976</b>
<b>2019 Total</b>	<b>1,453,136</b>	<b>254,534</b>	<b>(49,472)</b>	<b>–</b>	<b>1,658,198</b>

#### ACCUMULATED AMORTIZATION

	At beginning of year	Amortization during year	Disposals	At end of year	Net book value
Software	(836,723)	(177,353)	1,094	(1,012,982)	554,725
Other valuable rights	(41,408)	(2)	–	(41,410)	–
Other intangible fixed assets	(134,928)	(27,992)	670	(162,250)	86,843
Intangible fixed assets in progress	–	–	–	–	78,766
<b>2020 Total</b>	<b>(1,013,059)</b>	<b>(205,347)</b>	<b>1,764</b>	<b>(1,216,642)</b>	<b>720,334</b>
<b>2019 Total</b>	<b>(882,722)</b>	<b>(179,809)</b>	<b>49,472</b>	<b>(1,013,059)</b>	<b>645,139</b>

Valuable rights, patents and licenses are amortized over their useful lives as specified in the relevant contracts.

The total value of intangible assets which are not reflected in the accompanying balance sheet was CZK 4,184 thousand and CZK 4,212 thousand at acquisition cost as at 31 December 2020 and 2019, respectively.

### b) Tangible Fixed Assets (in CZK thousands)

#### COST

	At beginning of year	Trans-formations	Additions	Disposals	Transfers	Other movements	At end of year
Land	947,385	–	–	(2,441)	47,295	5	992,244
Structures	210,184,493	–	–	(1,019,882)	7,560,631	20,153	216,745,395
Movable items	70,612,244	167,819	–	(1,391,356)	3,262,206	(17,863)	72,633,050
Other tangible fixed assets	32,842	–	–	–	12,050	–	44,892
Tangible fixed assets in progress	2,427,042	–	12,037,611	(16,195)	(10,750,088)	–	3,698,370
Advances granted for tangible fixed assets	150,260	–	109,602	–	(132,094)	–	127,768
<b>2020 Total</b>	<b>284,354,266</b>	<b>167,819</b>	<b>12,147,213</b>	<b>(2,429,874)</b>	<b>–</b>	<b>2,295</b>	<b>294,241,719</b>
<b>2019 Total</b>	<b>275,546,829</b>	<b>922,685</b>	<b>10,637,123</b>	<b>(2,760,194)</b>	<b>–</b>	<b>7,823</b>	<b>284,354,266</b>

#### ACCUMULATED DEPRECIATION AND ALLOWANCES

	At beginning of year	Trans-formations	Depreciation during year	Cost of sales	Disposals	Other movements	At end of year	Net book value
Land	–	–	–	–	–	–	–	992,244
Structures	(113,085,865)	–	(4,759,799)	(1,117)	1,019,882	(14,736)	(116,841,635)	99,903,760
Movable items	(42,861,350)	(66,088)	(3,034,928)	(4,639)	1,391,356	12,308	(44,563,341)	28,069,709
Other tangible fixed assets	(15,459)	–	(4,316)	–	–	–	(19,775)	25,117
Tangible fixed assets in progress	–	–	–	–	–	–	–	3,698,370
Advances granted for tangible fixed assets	–	–	–	–	–	–	–	127,768
<b>2020 Total</b>	<b>(155,962,674)</b>	<b>(66,088)</b>	<b>(7,799,043)</b>	<b>(5,756)</b>	<b>2,411,238</b>	<b>(2,428)</b>	<b>(161,424,751)</b>	<b>132,816,968</b>
<b>2019 Total</b>	<b>(150,533,915)</b>	<b>(661,256)</b>	<b>(7,510,672)</b>	<b>(7,846)</b>	<b>2,758,974</b>	<b>(7,959)</b>	<b>(155,962,674)</b>	<b>128,391,592</b>

The total value of tangible fixed assets which are not reflected in the accompanying balance sheet was CZK 34,632 thousand and CZK 37,560 thousand at acquisition cost as at 31 December 2020 and 2019, respectively.

## 5. Inventory

Excess, obsolete and slow-moving inventory has been written down to its estimated net realizable value by an allowance account (see Note 7).

## 6. Receivables

Allowances against outstanding receivables that are considered doubtful were charged to income based on collectability and ageing analysis of receivables (see Note 7).

As at 31 December 2020 and 2019, receivables overdue for more than 30 days totaled CZK 1,638,169 thousand and CZK 1,665,161 thousand, respectively. As at 31 December 2020 and 2019, the receivables of CZK 182,233 thousand and CZK 208,411 thousand, respectively are subject to the claim process concerning the POZE legal dispute (see Note 15) and receivables of CZK 663,494 thousand and CZK 561,635 thousand, respectively are subject to claim procedures for system services.

As at 31 December 2020 and 2019, receivables overdue for more than 5 years totaled CZK 481,332 thousand and CZK 482,341 thousand, respectively.

The Company wrote off irrecoverable receivables of CZK 54,893 thousand and CZK 40,547 thousand in 2020 and 2019, respectively due to unsatisfying the claims in bankruptcy proceedings. The receivables remain off-balance sheet.

The Company is part of the cash-pool system administered by Komerční banka, a.s. on behalf of the ČEZ Group.

Cash in CZK transferred to the parent company ČEZ, a. s., within the cash pooling bears an interest rate of PRIBOR O/N – 0.5% p.a., 0.03% p.a. at minimum (receivables). Cash in CZK provided by the parent company within the cash pooling bears an interest rate of PRIBOR O/N + 0.30% p.a., 0.30% p.a. at minimum (payables).

Cash in EUR transferred to the parent company ČEZ, a. s. within the cash-pooling bears an interest rate as per the respective KB Notification on interest rates in a foreign currency, currently 0.00% p.a. (receivables). Cash in EUR provided by the parent company within the cash pooling bears an interest rate of EUR LIBOR O/N + 0.35% p.a., 0.35% p.a. at minimum (payables).

The balance of cash transferred to the parent company ČEZ, a. s., within the cash pooling was CZK 10,148,809 thousand and CZK 4,160,733 thousand as at 31 December 2020 and 2019, respectively.

As at 31 December 2020 and 2019, the Company had CZK 12,399 thousand and CZK 12,243 thousand, respectively of long-term receivables, net.

Receivables from related parties (see Note 19).

Short-term advances granted include operating advances paid.

Unbilled revenue represents, in particular, unbilled distribution services.

Changes in unbilled distribution services were as follows in 2020 and 2019 (in CZK thousands):

Unbilled distribution services	Total	Retail business customers	Retail household customers
Balance as at 31/12/2018	10,210,435	2,179,500	8,030,935
Changes in 2019	914,959	338,412	576,547
Balance as at 31/12/2019	11,125,394	2,517,912	8,607,482
Changes in 2020	885,971	338,273	547,698
Balance as at 31/12/2020	12,011,365	2,856,185	9,155,180

## 7. Allowances

Allowances reflect a temporary diminution in the value of assets.

### Changes in the allowance accounts (in CZK thousands):

Allowances against:	Balance as at 31/12/2018	Additions	Deductions	Balance as at 31/12/2019	Additions	Deductions	Balance as at 31/12/2020
Inventory	71	–	–	71	–	–	71
Receivables	952,111	159,601	(171,703)	940,009	383,044	483,022	840,031
of which: Legal	861,821	47,199	(60,993)	848,027	170,745	279,045	739,727
Accounting	90,290	112,402	(110,710)	91,982	212,299	203,977	100,304

Legal allowances are created in compliance with the Act on Provisions and are tax deductible.

## 8. Prepaid Expenses and Accrued Income

As at 31 December 2020 and 2019, prepaid expenses include in particular accrued fees of CZK 31,640 thousand and CZK 4,200 thousand, respectively for arranging the loans.

Expenses are charged to income for the year in which they were incurred.

## 9. Equity

The basic capital of the Company consists of 600 registered shares in a certificate form with a nominal value of CZK 100,000,000 per share. The shares are transferrable only with the consent of the Board of Directors which is based on a prior approval by the Supervisory Board. All shares are fully subscribed and paid.

Subject to the decision of the sole shareholder executing the powers of the general meetings of the Company held on 17 June 2020 and 18 June 2019, the following profit distribution for 2019 and 2018 was approved (in CZK thousands) and also, in 2019, it was decided to pay out a portion of dividend of CZK 5,675,489 thousand out of the Differences arising on corporate transformation account:

Profit for 2018	7,668,621	Profit for 2019	7,296,271
Transfer to retained earnings	7,668,621	Transfer to retained earnings	2,951,271
Dividends paid out of 2018 profit	–	Dividends paid out of 2019 profit	4,345,000
Retained earnings as at 01/01/2019	101,137	Retained earnings as at 01/01/2020	7,668,621
Dividends paid from retained earnings	(101,137)	Dividends paid from retained earnings	–
Retained earnings as at 31/12/2019	7,668,621	Retained earnings as at 31/12/2020	10,619,892

Distribution of profit for 2020 was not decided by the financial statements date.

## 10. Provisions

The movements in the provision accounts were as follows (in CZK thousands):

Provisions	Balance as at 31/12/2018	Additions	Deductions	Balance as at 31/12/2019	Additions	Deductions	Balance as at 31/12/2020
Provision for income tax	15,891	–	(15,891)	–	–	–	–
Other provisions	734,213	195,050	(81,141)	1,401,427	283,867	(92,744)	1,592,550

As at 31 December 2020 and 2019, the provision for corporate income tax was offset against paid prepayments totaling CZK 1,564,893 thousand and CZK 1,639,192 thousand, respectively. As at 31 December 2020 and 2019, the Company recognized a receivable of CZK 24,859 thousand and CZK 16,443 thousand after offsetting with the advance payments. The receivable was recognized in the caption Due from government – tax receivables.

Other provisions were created, in particular, for retirement benefits and 50 years jubilee bonuses paid under collective agreement.

As at 31 December 2020, the Company released a provision for severance package in the amount of CZK 27,524 thousand, which had been created as at 31 December 2019.

As at 31 December 2020 and 2019, the Company had a provision for pending litigation in the amount of CZK 42,779 thousand and CZK 42,779 thousand, respectively.

## 11. Long-Term Liabilities

As at 31 December 2020 and 2019, the Company had the following long-term liabilities (in CZK thousands):

	Due by	31/12/2020	31/12/2019
4th credit line	31/12/2025	2,660,000	3,220,000
5th credit line	25/09/2028	17,000,000	17,000,000
6th credit line	31/05/2030	8,251,320	–
<b>Total</b>		<b>27,911,320</b>	<b>20,220,000</b>
Current portion		1,428,560	560,000
Long-term portion		26,482,760	19,660,000

A contract for 4th credit line was signed by and between ČEZ Distribuce, a. s., (debtor) and ČEZ, a. s., (creditor) on 2 March 2015. The first half of the loan was withdrawn on 11 March 2015, the other one on 21 August 2015. The loan is repayable by 31 December 2025. The interest rate has been set at 2.4% p.a.

The loan under the 4th credit line was provided to finance the implementation of the Project of reconstruction and development of the power grid in the Czech Republic (the "Project").

The loan agreement for credit line with ČEZ, a. s., includes the following terms and conditions to be fulfilled by the Company:

1. Maintenance	To maintain, repair and refurbish real estate that is part of the Project
2. Assets	To maintain legal title to and possession of the assets that are part of the Project
3. Insurance	To insure all work and real estate that is part of the Project
4. Servitude and beneficial use	To maintain use and enjoyment rights necessary for the Project operation
5. Environment	To implement the Project in compliance with the environment protection legislation

A contract for 5th credit line was signed by and between ČEZ Distribuce, a. s. (debtor) and ČEZ, a. s. (creditor) on 25 September 2018. The credit line as per the contract is CZK 30,000,000 thousand. The first withdrawal in the amount of CZK 17,000,000 thousand was made on 29 November 2018.

A contract for 6th credit line was signed by and between ČEZ Distribuce, a. s. (debtor) and ČEZ, a. s. (creditor) on 10 August 2020.

In 2020 and 2019, the Company repaid a loan of CZK 100,000 thousand and CZK 230,500 thousand, respectively assumed within the transfer of a carved out part of assets mentioned in the Project from ČEZ Korporátní služby, s.r.o. to ČEZ Distribuce, a. s. as at 1 January 2020 and 2019, respectively.

The interest expense relating to the loans for 2020 and 2019 was CZK 675,295 thousand and CZK 606,500 thousand, respectively.

The aggregate maturities of loans as at 31 December 2020 are as follows (in CZK thousands):

	Borrowings
2021	1,428,560
2022	1,428,560
2023	1,428,560
2024	1,428,560
2025	1,288,560
2026 and thereafter	20,908,520
<b>Total</b>	<b>27,911,320</b>

In addition, the Company undertook to pay interest and principal according to the payment schedule, inform the creditor of significant overdue payables and not to change the Company's ownership structure.

The Company was in compliance with these terms and conditions as at 31 December 2020 and 2019.

## 12. Current Liabilities

As at 31 December 2020 and 2019, the Company had current liabilities overdue for more than 30 days totaling CZK 6,933 thousand and CZK 19,519 thousand, respectively. As at 31 December 2020 and 2019, liabilities overdue for more than 5 years totaled CZK 6,187 thousand and CZK 16,192 thousand, respectively.

As at 31 December 2020 and 2019, the Company had liabilities of CZK 106,903 thousand and CZK 99,322 thousand owing to social security and health insurance premiums which are due in January 2021 and 2020, respectively.

As at 31 December 2020 and 2019, short-term advance payments received of CZK 12,452,505 thousand and CZK 12,018,562 thousand, respectively cover, in particular, unbilled distribution services.

Unbilled deliveries represent, in particular, unbilled services related to electricity distribution, unbilled deliveries of electricity purchased to cover power grid losses and unpaid vacation claims for 2020 and 2019.

Payables to related parties (see Note 19).

## 13. Accruals and Deferred Income

Deferred income includes, in particular, contributions for reasonable costs incurred for connection and assuring the required power input and in case of switching installations diversion to separate constructions related to them. It is recognized into income for the year in which it was earned. These are in particular connection fees within the meaning of Act No. 458/2000 Coll. (the Energy Act) and Decree No. 16/2016 Coll. of Energy Regulatory Office (Energetický regulační úřad). These fees are credited to income by the Company in compliance with its internal regulations in the amount of 1/20 of collected fees per annum.

In 2020 and 2019, the movements in deferred income balance (in CZK thousands) comprising, in particular, contributions for reasonable costs incurred for connection and assuring the required power input and in case of switching installations diversion to separate constructions related to them were as follows:

Balance as at 31/12/2018	7,863,646
Additions in 2019	1,123,995
Released to revenues in 2019	(788,612)
<b>Balance as at 31/12/2019</b>	<b>8,199,029</b>
Additions in 2020	1,257,836
Released to revenues in 2020	(807,139)
<b>Balance as at 31/12/2020</b>	<b>8,649,726</b>

## 14. Income Taxes

On the basis of preliminary calculation the Company calculated tax expense as follows (in CZK thousands):

	2020	2019
Profit before taxes	8,589,809	9,038,085
Difference between book and tax depreciation	(810,564)	(753,150)
Difference between net book value of fixed assets for accounting and tax purposes	75,862	99,077
Non-deductible expenses		
Creation of provisions	191,124	113,908
Creation/release of allowances	8,342	1,693
Other	184,776	130,761
Taxable income	8,239,349	8,630,374
Current income tax rate	19%	19%
Tax	1,565,476	1,639,771
Tax allowance	(583)	(579)
Provision for income tax	1,564,893	1,639,192
Adjustment of the tax paid in previous years	2,153	2,053
Current tax expense	1,567,046	1,641,245

The Company submits regular tax return prior to 30 June 2021.

The Company quantified deferred taxes as follows (in CZK thousands):

Deferred tax items	31/12/2020		31/12/2019	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Difference between net book value of fixed assets for accounting and tax purposes	–	(12,017,516)	–	(11,873,866)
Other temporary differences:				
Allowance against receivables	18,889	–	17,016	–
Provisions	294,457	–	258,143	–
Other	48,436	(1,715)	44,615	(3,136)
<b>Total</b>	<b>361,782</b>	<b>(12,019,231)</b>	<b>319,774</b>	<b>(11,877,002)</b>
<b>Net</b>		<b>(11,657,449)</b>		<b>(11,557,228)</b>

The deferred tax liability increased by CZK 4,035 thousand to CZK 11,561,263 thousand and by CZK 35,331 thousand to CZK 11,456,660 thousand within the transformation process as at 1 January 2020 and 1 January 2019, respectively. Change in deferred tax recognized in the income statement for 2020 and 2019 was CZK 96,186 thousand and CZK 100,569 thousand, respectively.

## 15. Commitments and Contingencies

The Company has effected the following types of insurance:

- Insurance of buildings, constructions and selected movable items (transformer stations, administrative buildings);
- Insurance of civil engineering structures (very high voltage and high voltage overhead power grids).

Other types of insurance include general liability insurance, insurance for damage caused by defective products and liability insurance of management and board members.

As at 31 December 2020 and 2019, the Company entered into contracts for future supplies of fixed assets in the amount of approx. CZK 8,654,904 thousand and CZK 6,091,615 thousand, respectively. As at 31 December 2020 and 2019, an amount of contractual liabilities for next years comprises a contractual fee totaling CZK 8,367,994 thousand and CZK 5,878,138 thousand, respectively for investments, CZK 276,338 thousand and CZK 193,651 thousand, respectively for repairs and CZK 10,572 thousand and CZK 19,826 thousand, respectively for relaying.

The Company is a party to a number of legal disputes relating to collection of a price component pertaining to costs incurred in supporting the electricity generation from renewable energy sources and combined heat and power generation (fees for “POZE – supported energy sources”) in 2013. The Company’s management believes that if an adverse judgment against ČEZ Distribuce, a. s. is delivered in these cases and any potential similar disputes, the Company will be entitled to claim back the fees from OTE, a.s. Therefore, the Company takes all measures necessary to prevent the Company from an unfavorable impact in the case of failure, if any.

Regarding legal disputes for POZE 1 – 3 Q 2013, there is a Supreme Court judgment from the second half of 2019 and some other judgments from 2020, in which the Court approves, in its judgment regarding similar case with different participants, the procedure applied by the Company in the respective period, i.e. that the fees should be collected also for the so-called own consumption. Also, in legal disputes for POZE 4 Q 2013 there is a final decision of the Energy Regulator regarding one of the Company disputes from the beginning of 2020 that confirms that the fees for POZE should have been collected at an amount collected by the Company.

In addition, the Company is a party to several disputes related to connection of photovoltaic power plants to the power grid. Based on the analysis performed, the Company’s management believes that the risk of losing these disputes is very small and it is unlikely the Company would be imposed any significant obligations in the future arising from these disputes.

Eight companies claim against ČEZ Distribuce, a. s. billing of a part of system services since 2016, which the Company repays to ČEPS, a.s. The receivables subject to claim procedures are listed in Note 6. Again, Company’s management believes that if the receivables are not collected in these cases and any potential similar claims or disputes, the Company will be entitled to claim back the fees from ČEPS, a.s. Therefore, the Company takes all measures necessary to prevent the Company from an unfavorable impact of the claim process in the case of failure, if any.

## 16. Leases

The Company leases certain assets from categories such as Buildings, halls and constructions and also Separate movable items and Land. As at 31 December 2020 and 2019, assets which are being used by the Company under lease arrangements consist of the following (in CZK thousands):

Leased item	Lease term in months	Expense in 2020	Expense in 2019
Buildings, halls and constructions	18–240	228,213	222,936
Machinery and equipment	18–240	35,482	46,077
Hardware	48–72	34,831	41,001
Vehicles	48–72	14,286	51,322
Land	18–240	3,681	4,385
<b>Total</b>		<b>316,493</b>	<b>365,721</b>

## 17. Revenues and Expenses

The breakdown of revenues on ordinary activities is as follows (in CZK thousands):

	2020	2019
Use of grids, incl. reserved capacity at low voltage level	23,034,028	22,218,998
Support of electricity from renewable sources	12,487,327	12,485,633
Provided reserved capacity at very high voltage and very low voltage levels	9,525,665	9,988,167
Provision of system services	2,923,461	3,015,896
OTE charges	227,233	307,752
Other energy services	168,245	182,616
Other non-energy services	207,533	202,022
<b>Total revenues</b>	<b>48,573,492</b>	<b>48,401,084</b>

A vast majority of the Company's revenues comprises primarily revenues from the provision of distribution network services to customers and electricity producers and traders. The prices for services related to providing of distribution network are subject to price regulations of the Energy Regulatory Office and were determined by the Energy Regulatory Office's price decision.

As at 31 December 2020 and 2019, of the total revenues foreign revenues were CZK 14 million and CZK 34 million from Axpo Solutions AG, having its registered office in Switzerland (business reg. no.: 24683515, VAT ID CHE105779348MWST, Parkstrasse 23, Baden 5401), which has a license for electricity trading. The revenues were generated from services related to provision of distribution network.

In 2020 and 2019, the Company recorded in revenues a settlement of subsidy for operating needs totaling CZK 2,830 thousand and CZK 7,966 thousand, respectively.

The costs incurred by the Company in 2020 and 2019, respectively include, in particular, costs of purchase of transmission and distribution services, including electricity purchased to cover power grid losses (CZK 24,429,718 thousand and CZK 24,048,236 thousand), which are subject to price regulation of the Energy Regulatory Office, costs of purchase of other energies, materials and services related to the operation and maintenance of the power grid (CZK 4,276,111 thousand and CZK 4,539,300 thousand), personnel expenses (CZK 4,441,638 thousand and CZK 4,177,705 thousand) and capitalization of accumulated cost [CZK (1,102,861) thousand and CZK (921,751) thousand].

The negative impact of COVID-19 on the Company's operations in 2020 is estimated in the order of percent at the EBITDA level. It is mainly due to a decrease in the contracted reserved capacity of customers in connection with the adjustment of the ERO's Price Decisions during the first wave of the pandemic, together with a reduction in the volume of distributed electricity at all voltage levels.

Fees paid to statutory auditors are disclosed in the consolidated financial statements of ČEZ, a. s.

## 18. Personnel and Related Expenses

The breakdown of personnel expenses is as follows (in CZK thousands):

	2020		2019	
	Total	Members of management, supervisory and administrative bodies	Total	Members of management, supervisory and administrative bodies
Average number of employees*	4,603	10	4,563	11
Wages and salaries	3,071,586	19,098	2,879,688	21,525
Social security and health insurance	1,048,871	4,171	984,819	4,643
Social cost	321,181	3,116	313,198	1,024
<b>Total personnel expenses</b>	<b>4,441,638</b>	<b>26,385</b>	<b>4,177,705</b>	<b>27,192</b>

\* Average recorded number of employees recalculated in physical persons as per the length of their working time to full working time set by the employer.

Members of supervisory bodies received total bonuses of CZK 792 thousand and CZK 792 thousand in 2020 and 2019, respectively.

Members of statutory bodies have benefits consisting of using the automobiles for private purposes, contributions to life insurance and bonuses. Members of management have benefits consisting of using the automobiles for private purposes.

## 19. Related Party Information

The members of management, supervisory and administrative bodies were granted no advances, earnest money, loans, borrowings, guarantees or other benefits (except using the automobiles and telephones for private purposes) in 2020 and 2019 and they do not hold any shares of the Company.

Related parties specified in the tables below are companies of ČEZ Group.

As at 31 December 2020 and 2019, receivables from group companies with majority control in the amount of CZK 10,148,809 thousand and CZK 4,160,733 thousand, respectively represent the balance of cash in the cash pooling system (see Note 6).

The Company has loans granted by the parent company (see Note 11).

The Company provides services to related parties in the ordinary course of business.

In 2020 and 2019, sales were as follows (in CZK thousands):

Related party	2020	2019
ČEZ Prodej, a.s.	15,692,356	15,173,822
ČEZ ESCO, a.s.	4,676,550	5,454,115
ČEZ Energetické služby, s.r.o.	143,006	184,876
Telco Pro Services, a. s.	112,349	107,137
ČEZ, a. s.	57,241	77,305
ČEZ LDS s.r.o.	41,194	26,264
Elektrárna Dětmarovice, a.s.	22,122	13,386
Elektrárna Počeradý, a.s.	21,863	–
Severočeské doly a.s.	11,462	61,335
ÚJV Řež, a. s.	8,751	7,585
MARTIA a.s.	3,518	3,824
Energotrans, a.s.	3,056	3,197
ČEZ Energo, s.r.o.	2,473	2,251
ČEZ Korporátní služby, s.r.o.	1,465	1,661
ČEZ Obnovitelné zdroje, s.r.o.	1,413	1,433
ČEZ ICT Services, a. s.	829	8,857
ČEZ OZ uzavřený investiční fond a.s.	280	255
Tepelné hospodářství města Ústí nad Labem s.r.o.	–	9
Energocentrum Vítkovice, a. s.	–	2
<b>Total</b>	<b>20,799,928</b>	<b>21,127,314</b>

Short-term receivables from related parties as at 31 December, including unbilled revenue, except for advance payments made were as follows (in CZK thousands):

Related party	2020	2019
ČEZ Prodej, a.s.	7,121,251	6,720,379
ČEZ ESCO, a.s.	572,028	556,749
Telco Pro Services, a. s.	20,029	10,627
ČEZ, a. s.	9,607	19,466
ČEZ Energetické služby, s.r.o.	7,937	16,891
ČEZ Korporátní služby, s.r.o.	4,822	4,237
Energotrans, a.s.	3,083	311
ČEZ LDS s.r.o.	2,737	2,726
Elektrárna Dětmarovice, a.s.	1,667	2,326
MARTIA a.s.	1,328	1,939
ÚJV Řež, a. s.	515	108
ČEZ ICT Services, a. s.	217	15,166
ČEZ Obnovitelné zdroje, s.r.o.	28	35
ČEZ Energo, s.r.o.	14	14
<b>Total</b>	<b>7,745,263</b>	<b>7,350,974</b>

Short-term payables to related parties as at 31 December, including unbilled deliveries, except for advance payments received were as follows (in CZK thousands):

Related party	2020	2019
ČEZ Prodej, a.s.	504,470	500,169
ČEZ ICT Services, a. s.	132,687	158,472
ČEZ Korporátní služby, s.r.o.	63,668	74,261
ČEZ, a. s.	63,126	57,014
Telco Pro Services, a. s.	49,986	50,799
MARTIA a.s.	12,202	9,327
ČEZ Obnovitelné zdroje, s.r.o.	7,972	512
ČEZ ESCO, a.s.	2,626	4,879
ČEZ Energetické služby, s.r.o.	887	6,554
Energotrans, a.s.	327	370
ČEZ OZ uzavřený investiční fond a.s.	213	207
Elektrárna Dětmarovice, a.s.	141	103
ČEZ Teplárenská, a.s.	2	4
Severočeské doly a.s.	2	2
ČEZ LDS s.r.o.	–	789
Tepelné hospodářství města Ústí nad Labem s.r.o.	–	2
<b>Total</b>	<b>838,309</b>	<b>863,464</b>

The Company purchases products and receives services from related parties in the ordinary course of business. Purchases (including interest on loans) from related parties in 2020 and 2019 were as follows (in CZK thousands):

Related party	2020	2019
ČEZ Prodej, a.s.	3,019,986	2,603,769
ČEZ, a. s.	1,087,586	921,850
ČEZ ICT Services, a. s.	546,356	609,865
ČEZ Korporátní služby, s.r.o.	539,557	673,949
Telco Pro Services, a. s.	271,618	256,707
MARTIA a.s.	40,193	37,697
ČEZ Energetické služby, s.r.o.	16,875	12,023
Energotrans, a.s.	2,524	1,874
ČEZ OZ uzavřený investiční fond a.s.	2,113	2,056
Tepelné hospodářství města Ústí nad Labem s.r.o.	1,535	1,493
AZ KLIMA a.s.	820	–
Elektrárna Dětmarovice, a.s.	491	740
ČEZ Obnovitelné zdroje, s.r.o.	449	423
ČEZ ESCO, a.s.	137	(535)
ČEZ LDS s.r.o.	53	653
ČEZ Teplárenská, a.s.	26	23
Severočeské doly a.s.	16	11
ENESA a.s.	2	–
Výzkumný ústav pro hnědé uhlí a.s.	–	61
Teplo Kláštec s.r.o.	–	3
<b>Total</b>	<b>5,530,337</b>	<b>5,122,662</b>

The interest payable relating to the loans received from ČEZ, a. s. for 2020 and 2019 was CZK 675,295 thousand and CZK 606,500 thousand, respectively.

As at 31 December 2020 and 2019, advances received from related parties were CZK 7,333,391 thousand and CZK 7,193,902 thousand, respectively. The advances mostly comprised advances for distribution services received from ČEZ Prodej, a.s. and ČEZ ESCO, a.s.

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## 20. Miscellaneous Operating Income

Miscellaneous operating income includes in particular the released part of connection fees (see Note 13) and re-invoiced costs of relaying.

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## 21. Subsequent Events

As of 1 January 2021 in accordance with the project of demerger through spin-off by acquisition between the companies involved, namely ČEZ Korporátní služby, s.r.o., with its registered address at 28. října 3123/152, Moravská Ostrava, 702 00 Ostrava, business registration no.: 26206803 as one party as the Demerging Company and ČEZ Distribuce, a. s., as the other party as the Successor Company, an intended transformation in the form of demerger through spin-off by acquisition took place under Act No. 125/2008 Coll., on Transformation of Corporations and Cooperatives; accordingly, real estate, including its appurtenances and fixtures and fittings, was subject to the transfer. As a result of the transformation, the Demerging Company will not cease to exist and the Successor Company's basic capital will not change.

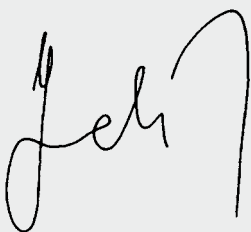
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## 22. Cash Flow Statement

The cash flow statement was prepared under the indirect method.

Prepared on: 14 April 2021

Signature of entity's statutory body:



Martin Zmelik



Martin Molinger

## Identification of ČEZ Distribuce, a. s.

### ČEZ Distribuce, a. s.

Teplická 874/8  
405 02 Děčín IV-Podmokly  
Czechia

Registered in the Commercial Register kept by the  
Regional Court in Ústí nad Labem, Section B, File 2145

Established:	2010
Legal form:	Joint-stock company
Company reg. No.:	24729035
VAT ID No.:	CZ24729035
Banking details:	Komerční banka, a.s., account No. 35-4544580267/0100
Phone:	+420411121111
Fax:	+420411122997
Internet:	<a href="http://www.cezdistribuce.cz">www.cezdistribuce.cz</a>
E-mail:	<a href="mailto:info@cezdistribuce.cz">info@cezdistribuce.cz</a>

License number:	121015583
OTE registration number:	715

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**Annex 1 Relation Structure Diagram  
for the Period of January 1, 2020,  
to December 31, 2020**



**Annex 1 Relation Structure Diagram for the Period of January 1, 2020, to December 31, 2020**

Name/Share	ID No.	Country	Registered Office Address	
<b>69.78%</b> <b>CEZ a.s.</b>				
100% <b>CEZ Distribuce, a.s.</b>	4527649	Czechia	Praha 4, Duhořská 2/1444, postcode 140 03	
100% <b>CEZ Energetické profidy, s.r.o.</b>	2472820	Czechia	Dělná, Topička 874/8, Dělná II-Předměstí, postcode 405 02	
100% <b>in PROJEKT LOUNY ENGINEERING s.r.o.</b>	28255933	Czechia	Hostivice, Komenského 534, postcode 253 01	
100% <b>L. Opravárenská společnost, s.r.o.</b>	47306891	Czechia	Louny, Na Valích 899, postcode 440 01	
Company acquisition, June 15, 2020; change of company name, July 13, 2020 (previous name VÍTKOVICE - IOS s.r.o.)				
100% <b>CEZ ENERGOSEVIS sp. s.r.o.</b>	60698101	Czechia	Třebíč, Bratřova tř. 1371/16, Horka-Domky, postcode 674 01	
100% <b>CEZ Energetické služby, s.r.o.</b>	27804721	Czechia	Praha 4, Duhořská 1444/2, Michle, postcode 140 00	
100% <b>HA EM OSTRAVA, s.r.o.</b>	47972033	Czechia	Ostrava, Vystaví 114/103, Vítkovice, postcode 703 00	
100% <b>CEZ Energo, s.r.o.</b>	29060109	Czechia	Ostrava, Na Jezdkm 2767/21a, Moravská Ostrava, postcode 702 00	
Change of registered seat, April 22, 2020 (previously Praha 8, Karolinská 661/4, Karlín, postcode 186 00); increase in share by 49.90%, June 30, 2020; CEZ ESCO, a.s. is 100% shareholder				
100% <b>CEZ LDS s.r.o.</b>	01873237	Czechia	Praha 4, Duhořská 1444/2, Michle, postcode 140 00	
100% <b>ESLámi servis, s.r.o.</b>	27262074	Czechia	Praha 4, K Vernéřské 1193/4, Kurnatice, postcode 148 00	
Change of registered seat, January 6, 2020 (previously Liberec X, Mydlářská 105/10, Františkov, postcode 460 10); change of company name, November 16, 2020 (previous name CEZ Sotím s.r.o.)				
100% <b>ENESA a.s.</b>	27382052	Czechia	Praha 9, U Voborníků 852/10, Vysočany, postcode 190 00	
100% <b>Energo-centrum Vitkovice, a.s.</b>	03936040	Czechia	Praha 4, Duhořská 1444/2, Michle, postcode 140 00	
Dissolution of company by merger with CEZ Energetické služby, s.r.o., January 1, 2020				
100% <b>AZ KLIMA a.s.</b>	24772631	Czechia	Brno, Tuřanská 1519/115a, Slatina, postcode 627 00	
100% <b>AZ VENI s.r.o.</b>	04019261	Czechia	Brno, Tuřanská 1519/115a, Slatina, postcode 627 00	
5% <b>SKO-ENERGO FIN, s.r.o.</b>	61675954	Czechia	Mladá Boleslav, tř. Václava Klementa 869, Mladá Boleslav II, postcode 293 01	
12% <b>SKO-ENERGO, s.r.o.</b>	61675938	Czechia	Mladá Boleslav, tř. Václava Klementa 869, postcode 293 00	
100% <b>AirPlus, spol. s r.o.</b>	25414931	Czechia	Modlary, č.čev. 22, postcode 417 13	
51% <b>HORMEN CE a.s.</b>	17154742	Czechia	Praha 4, Na dolních 168/6, Pídi, postcode 147 00	
100% <b>HORMEN SK s.r.o.</b>	44021470	Slovakia	Bratislava, Hattalova 12, postcode 831 03	
100% <b>CEZ Slovensko, s.r.o.</b>	36797332	Slovakia	Bratislava, Mlynský nív 45, postcode 821 09	
100% <b>Domat Control System s. r. o.</b>	27189465	Slovakia	Pardubice, U Panaroncu 376, Staré Ččivo, postcode 530 06	
100% <b>Domat Control System s. r. o.</b>	44570473	Slovakia	Bratislava, Udemnická 11, postcode 851 01	
100% <b>KART, spol. s r.o.</b>	45791023	Czechia	Praha 4, Duhořská 1444/2, Michle, postcode 140 00	
100% <b>KART TZB, spol. s r.o.</b>	43002781	Czechia	Praha 10, V korytech 3234/18a, Strašnice, postcode 100 00	
100% <b>CEZ ESCO Slovensko, a.s.</b>	52963659	Slovakia	Bratislava, Mlynský nív 48, Ružinov, postcode 821 09	
Establishment of company, February 25, 2020				
51% <b>o-Dama a. s.</b>	47256265	Slovakia	Bratislava, Plynárska 7/C, postcode 821 09	
Change of company owner, November 30, 2020 (previously CEZ ESCO, a.s.)				
100% <b>CEZ Distribučné systavy a.s.</b>	47474238	Slovakia	Trnava, Františkánska 4, postcode 917 01	
Change of company owner from CEZ LDS s.r.o. to CEZ ESCO, a.s., October 20, 2020; change of company owner from CEZ ESCO, a.s. to CEZ ESCO Slovensko, a.s., November 30, 2020				
100% <b>AZ KLIMA SK, s.r.o.</b>	35798644	Slovakia	Bratislava, Nová Rožňavská 3018/134/A, Nové Mesto, postcode 831 04	
Change of company owner from AZ KLIMA a.s. to CEZ ESCO, a.s., November 10, 2020; change of company owner from CEZ ESCO, a.s. to CEZ ESCO Slovensko, a.s., December 5, 2020				
55% <b>SPRAVYTIKOMFORY, a.s. Prešov</b>	31716523	Slovakia	Prešov, Volgogradská 88, postcode 080 00	
Change of company owner, December 17, 2020 (previously CEZ ESCO, a.s.)				
100% <b>CEZ SERVIS, s.r.o.</b>	31706053	Slovakia	Prešov, Volgogradská 88, postcode 080 01	
Change of company owner, December 11, 2020 (previously CEZ ESCO, a.s.)				
100% <b>CEZ Asset Holding, a. s.</b>	07334214	Czechia	Praha 4, Duhořská 1444/2, Michle, postcode 140 00	
Change of company owner, June 22, 2020 (previously CEZ, a. s.)				
<b>52.46%</b> <b>UVJ Rež. a. s.</b>	46350688	Czechia	Husinec, Hlavní 130, Rež, postcode 250 68	
100% <b>SKODA PRAHA a.s.</b>	00128201	Czechia	Praha 4, Duhořská 1444/2, Michle, postcode 140 00	
Change of company owner, July 1, 2020 (previously CEZ, a. s.)				
100% <b>Výzkumný a zkušební ústav Plzeň s.r.o.</b>	47718684	Czechia	Plzeň, Týlova 1581/46, Jižní Předměstí, postcode 301 00	
100% <b>Centrum výzkumu Rež s.r.o.</b>	26722445	Czechia	Husinec, Hlavní 130, Rež, postcode 250 68	
100% <b>EDP INVESTI spol. s r.o. v likvidaci</b>	16361679	Czechia	Praha 8, Na Žerzích 2247/29, Libeň, postcode 180 00	
Dissolution of company, May 20, 2020				
100% <b>Ústav aplikované mechaniky Brno, s.r.o.</b>	60715871	Czechia	Brno, Reslska 972/3, Veverí, postcode 602 00	
Change of company owner, July 1, 2020 (previously UVJ Rež. a. s.)				
100% <b>CEZ Bohunice a.s.</b>	28861736	Czechia	Praha 4, Duhořská 2/1444, postcode 140 03	
49% <b>Jadrová energetická spoločnosť Slovenska, a. s.</b>	45337241	Slovakia	Bratislava, Tomáškova 22, postcode 821 02	
100% <b>CEZ ICT Services, a. s.</b>	26470411	Czechia	Praha 4, Duhořská 1531/3, postcode 140 03	
100% <b>Telec Pro Services, a. s.</b>	29329278	Czechia	Praha 4, Duhořská 1531/3, Michle, postcode 140 00	
100% <b>Telco Infrastructure, s.r.o.</b>	08425817	Czechia	Praha 4, Duhořská 1531/3, Michle, postcode 140 00	
77.82% <b>TANET West s.r.o.</b>	26378191	Czechia	Tachov, Vlámská 1602, postcode 347 01	22.18%
Acquisition of share, December 31, 2020				
60% <b>TANET Borsko s.r.o.</b>	04589513	Czechia	Tachov, Vlámská 1602, postcode 347 01	40%
Acquisition of 40% share in TANET Borsko s.r.o. by Telco Pro Services, a. s., December 31, 2020				
77.82% <b>ISP West a.s.</b>	03310159	Czechia	Tachov, Vlámská 1602, postcode 347 01	22.18%
Acquisition of share, December 31, 2020				
100% <b>KTN Servis s.r.o.</b>	03194043	Czechia	Tachov, Vlámská 1602, postcode 347 01	
Company acquisition, December 31, 2020				
100% <b>FDlnet.CZ, s.r.o.</b>	27310631	Czechia	Frydlant, Březová 1306, postcode 464 01	
Company acquisition, December 31, 2020				
100% <b>CEZ Koperlné služby, s.r.o.</b>	26206803	Czechia	Ostrava, 28. října 3123/152, Moravská Ostrava, postcode 702 00	
100% <b>CEZ Obnovitelné zdroje, s.r.o.</b>	25939824	Czechia	Hradec Králové, Křížkova 768/2, postcode 500 03	
99% <b>CEZ Recyklače, s.r.o.</b>	03479919	Czechia	Praha 4, Duhořská 1444/2, Michle, postcode 140 00	
100% <b>CEZ OZ uzavrený investiční fond a.s.</b>	24135780	Czechia	Praha 4, Duhořská 1444/2, postcode 140 03	0.02%
100% <b>CEZ Prodej, a.s.</b>	27232433	Czechia	Praha 4, Duhořská 1/425, postcode 140 03	0.39%
100% <b>TECMUR, s.r.o.</b>	26349451	Czechia	Náměstí č.p. 63, postcode 345 02	
100% <b>CEZ Tepelná a.s.</b>	27309941	Czechia	Říčany, Bezručova 2212/30, postcode 251 01	
100% <b>MARTIA a.s.</b>	25006754	Czechia	Ústí nad Labem, Mezni 2854/4, Severní Terasa, postcode 400 11	
55.83% <b>Tepelné hospodářství města Ústí nad Labem s.r.o.</b>	49101684	Czechia	Ústí nad Labem, Malátova 2437/11, Ústí nad Labem-centrum, postcode 400 11	
100% <b>Toplo Klášterec s.r.o.</b>	22801600	Czechia	Klásterec nad Ohří, Jana Amosa Komenského 450, Miletice u Klášterce nad Ohří, postcode 431 51	
100% <b>Elektrárna Dětmarovice, a.s.</b>	29452279	Czechia	Dětmarovice, č.p. 1202, postcode 735 71	
100% <b>Elektrárna Dvůrny II, B. s.</b>	04668207	Czechia	Praha 4, Duhořská 1444/2, Michle, postcode 140 00	
100% <b>Elektrárna Mladá II, a. s.</b>	24263297	Czechia	Praha 4, Duhořská 1444/2, Michle, postcode 140 00	
100% <b>Elektrárna Počerady, a.s.</b>	24228810	Czechia	Praha 4, Duhořská 1444/2, postcode 140 00	
Sale of 100% share, December 31, 2020				
100% <b>Elektrárna Tamelín II, a. s.</b>	04669134	Czechia	Praha 4, Duhořská 1444/2, Michle, postcode 140 00	
100% <b>Energetické centrum s.r.o.</b>	26051818	Czechia	Jindřichův Hradec, Otín 3, postcode 377 01	
100% <b>Energo Capital, s.r.o.</b>	47115726	Czechia	Praha 4, Duhořská 1444/2, Michle, postcode 140 00	
100% <b>Acet Trebořovice, a.s.</b>	29122282	Czechia	Praha 4, Duhořská 1444/2, Michle, postcode 140 00	
100% <b>Inven Capital, SICAV, a.s.</b>	02059533	Czechia	Praha 4, Pod křížkem 1773/2, Braník, postcode 147 00	
These are founders' shares as defined in Section 158 et seq. of Act No. 240/2013 Sb., on investment companies and investment funds, as amended				
51.05% <b>LOMY MORINA spol. s r.o.</b>	61465569	Czechia	Mořina, č.p. 73, postcode 267 17	
66.67% <b>OSK, a.s.</b>	60714794	Czechia	Brno, Staňkova 557/18a, Ponava, postcode 602 00	
100% <b>Severnícké doly a.s.</b>	49901962	Czechia	Komutov, Boženy Němcové 5359, postcode 430 01	
100% <b>PRODECO, a.s.</b>	25023790	Czechia	Blina, Důlní č.p. 437, Mostecké Předměstí, postcode 418 01	
100% <b>Revitrams, a.s.</b>	25028197	Czechia	Blina, Důlní č.p. 429, postcode 418 01	
100% <b>SD - Kolejová doprava, a.s.</b>	25438107	Czechia	Kadaň, Tušimice 7, postcode 432 01	
51% <b>GEOMET s.r.o.</b>	27752976	Czechia	Dubí, Ruská 287, Bystřice, postcode 417 01	
Acquisition of share, April 27, 2020; change of registered seat, June 8, 2020 (previously Brno, Jaseňská 193/10, Veverí, postcode 602 00)				
100% <b>CEZ Bulgarian Investments B.V.</b>	51681969	Netherlands	Amsterdam, Herikerbergweg 157, postcode 1101 CN	
100% <b>Free Energy Project Oreshets EAD</b>	20126227	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
100% <b>Bara Group EOOD</b>	120545968	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
100% <b>CEZ ESCO Bulgaria EOOD</b>	204516571	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
87% <b>CEZ Razpredelenie Bulgaria AD</b>	130277958	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
100% <b>CEZ ICT Bulgaria EAD</b>	203571599	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
100% <b>CEZ Trade Bulgaria EAD</b>	113570147	Bulgaria	Sofia, 2 Pozitano Sq., Office 7, floor 7, postcode 1000	
100% <b>CEZ Bulgaria EAD</b>	131434768	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
87% <b>CEZ Elektro Bulgaria AD</b>	115133827	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
100% <b>CEZ MH B.V.</b>	24426242	Netherlands	Amsterdam, Herikerbergweg 157, postcode 1101 CN	
50% <b>Akcez Enerji Yatirimleri Sanayi ve Ticaret A.Ş.</b>	28317	Turkey	Izmit, Kocaeli, Yahyıkaptan Mahallesi, Şevval Sokak, No. 4/4, postcode 41050	
Change of registered seat, May 12, 2020 (previously Izmit, Kocaeli, Körfez Mah. Şehit Rahif Karacan Bulvarı Yüce Rıfat Sok. No. 10, postcode 41040)				
100% <b>Sakarya Elektrik Şirketi A.Ş.</b>	1094118673	Turkey	Adapazarı, Sakarya, Maltepe Mahallesi, Örneğaz Cad. No. 258, TEK Trafo İstasyonu PK. 160, postcode 54100	
100% <b>Dağınca Elektrik Parkından Satış A.Ş.</b>	26349451	Turkey	Izmit, Kocaeli, Yahyıkaptan Mahallesi, Şevval Sokak, No. 4/1, postcode 41050	
Change of registered seat, February 21, 2020 (previously Izmit, Kocaeli, Karabağ Mahallesi, Hatıf Salim Sokak D-100, Karayolu Üstü No. 14 Ofis, No. 25-26-27, postcode 35430)				
<b>37.36%</b> <b>Akenerji Elektrik Üretim A.Ş.</b>	255005	Turkey	Istanbul, Miralay Şefik Bey Sokak, Akhan No. 15, Gumussuyu Beyoğlu, postcode 34437	
100% <b>AK-EL Kemah Elektrik Üretim A.Ş.</b>	736921	Turkey	Istanbul, Miralay Şefik Bey Sokak, Akhan No. 15, Kat: 1, Oda: 1, Gumussuyu Beyoğlu, postcode 34437	
100% <b>Akenerji Doğalgaz İhtalat İhracat ve Toptan Ticaret A.Ş.</b>	745367	Turkey	Istanbul, Miralay Şefik Bey Sokak, Akhan No. 15, Kat: 3, Oda: 3, Gumussuyu Beyoğlu, postcode 34437	
100% <b>Akenerji Elektrik Enerjisi İhtalat İhracat ve Toptan Ticaret A.Ş.</b>	512971	Turkey	Istanbul, Miralay Şefik Bey Sokak, Akhan No. 15, Kat: 3-4, Oda: 2, Gumussuyu Beyoğlu, postcode 34437	
99.80% <b>Distribúcie Energia Otelenia S.A.</b>	14481102	Romania	Oradea, Jd. Doj. 97, Calea Severinului, postcode 200731	0.01%
100% <b>CEZ Energia S.A.</b>	18195291	Romania	Bucuresti, 2B Ion Ionescu de la Brad, Sector 1, postcode 013813	1 share
100% <b>TMK Hydroenergy Power S.R.L.</b>	21789093	Romania	Reşta, Jd. Carag-Severin, 4B Primaverii, postcode 320012	
100% <b>Tomis Team S.A.</b>	18874690	Romania	Bucuresti, 2B Ion Ionescu de la Brad, Sector 1, postcode 013813	1 share
100% <b>M.W. Team Invest S.R.L.</b>	18926986	Romania	Bucuresti, 2B Ion Ionescu de la Brad, Sector 1, postcode 013813	
99.99% <b>CEZ Trade Romania S.R.L.</b>	21447690	Romania	Bucuresti, 2B Ion Ionescu de la Brad, Sector 1, postcode 013813	0.01%
99.98% <b>Ovidiu Development S.A.</b>	18874682	Romania	Bucuresti, 2B Ion Ionescu de la Brad, Sector 1, postcode 013813	0.02%
Change of legal form of company from October 1, 2020 (previously S.R.L.)				
100% <b>CEZ Zanvars S.A.</b>	21349608	Romania	Oradea, Jd. Doj. 97, Calea Severinului, postcode 200731	1 share
100% <b>CEZ Hungary Ltd.</b>	13520670-4013-113-01	Hungary	Budapest, Rétköz u. 5, postcode 1118	
100% <b>CEZ Srbija d.o.o.</b>	20180650	Serbia	Beograd, Bulevar Zorana Đinđića 65, postcode 110 70	
100% <b>CEZ Ukraine LLC</b>	34728482	Ukraine	Kyiv, Velyka Vasylkvska 5, postcode 01004	
100% <b>CEZ Deutschland GmbH</b>	HRB 143377	Germany	Hamburg, Am Sandtorik 74, postcode 20457	
100% <b>CEZ Produkty Energetyczne Polska sp. z o.o.</b>	0000321793	Poland	Chorzów, ul. Marii Skłodowskiej-Curie 30, postcode 41-503	
100% <b>CEZ Towarowy Dom Maklerski sp. z o.o.</b>	0000287855	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697	
100% <b>CEZ Holdings B.V.</b>	24301380	Netherlands	Amsterdam, Herikerbergweg 157, postcode 1101 CN	
100% <b>Baltic Green Construction sp. z o.o.</b>	0000568025	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697	
Change of registered seat, May 1, 2020 (previously Warszawa, Aleje Jerozolimskie 61, postcode 00-697)				
100% <b>Baltic Green I sp. z o.o.</b>	0000441069	Poland	Warszawa, Aleje Jerozolimskie 61, postcode 00-697	
Sale of 100% share, May 4, 2020				
100% <b>Baltic Green II sp. z o.o.</b>	0000441363	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697	
Change of registered seat, May 1, 2020 (previously Warszawa, Aleje Jerozolimskie 61, postcode 00-697)				
100% <b>Baltic Green III sp. z o.o.</b>	0000440952	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697	
Change of registered seat, May 1, 2020 (previously Warszawa, Aleje Jerozolimskie 61, postcode 00-697)				
100% <b>A.E. Wind S.A.</b>	0000010284	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697	

**Annex 1 Relation Structure Diagram for the Period of January 1, 2020, to December 31, 2020**

Name/Share	ID No.	Country	Registered Office Address	
Czech Republic—Ministry of Finance	00006947	Czechia	Praha 1, Letenská 525/15, Malá Strana, postcode 118 10	
100% CEPRO, a.s.	60193531	Czechia	Praha 7, Dělnická 213/12, Holešovice, postcode 170 00	
84% Česká exportní banka, a.s.	63073333	Czechia	Praha 1, Vodickova 34 č.p. 701, postcode 111 21	
100% Letišť Praha, a.s.	28244532	Czechia	Praha 6, K letišti 1019/6, Ruzyně, postcode 161 00	16%
100% B. aircraft, a.s.	24253006	Czechia	Praha 6, Jana Kašpara 1069/1, Ruzyně, postcode 161 00	
100% Czech Airlines Handling, a.s.	25674285	Czechia	Praha 6, Aviatická 1017/2, postcode 160 08	
100% Czech Airlines Technics, a.s.	27145573	Czechia	Praha 6, Jana Kašpara 1069/1, Ruzyně, postcode 160 08	
100% Exportní garanční a pojišťovací společnost, a.s.	45279314	Czechia	Praha 1, Vodickova 34/701, postcode 111 21	
100% CALLEO REAL, s.s. v likvidaci General partner is IMOB a.s. v likvidaci; went into liquidation on December 1, 2020	26175291	Czechia	Praha 8, Thámova 181/20, postcode 186 00	
96.85% HOLDING KLADNO a.s. "v likvidaci" Went into liquidation on December 1, 2020	45144419	Czechia	Kladno, Cyrilka Boudy 1444, Kročehlav, postcode 272 01	
100% IMOB a.s. v likvidaci	60197901	Czechia	Praha 8, Thámova 181/20, Karlín, postcode 186 00	
100% SLOVIM s.r.o.	08207763	Czechia	Praha 2, Anglická 140/20, Vinohrady, postcode 120 00	
54.35% Kongresové centrum Praha, a.s.	63065249	Czechia	Praha 4, 5. května 1640/65, Nusle, postcode 140 00	
100% MERO a.s.	60193468	Czechia	Kralupy nad Vltavou, Větruská 748, postcode 278 01	
100% MERO Germany GmbH	152122768	Germany	Vohburg an der Donau, MERO - Weg 1, postcode 850 88	
49% MUFIS a.s.	60196696	Czechia	Praha 1, Jeruzalémská 964/4, postcode 110 00	
100% PRISKO a.s.	46355901	Czechia	Praha 8, Thámova 181/20, Karlín, postcode 186 00	
100% OKD, a.s.	05979277	Czechia	Karviná, Stonavská 2179, Dolý, postcode 735 06	
100% OKD, HBZS, a.s.	47676019	Czechia	Ostrava, Lihovarská 1199/10, Radvanice, postcode 716 00	
40.78% Severočeské mlékárny, a.s. Teplice	49291749	Czechia	Teplice, Lhůdky 2154, postcode 415 03	
100% THERMAL-F, a.s.	25401726	Czechia	Karlovy Vary, L.P. Pavlova 2001/11, postcode 360 01	
100% Výzkumný a zkušební letecký ústav, a.s.	00010669	Czechia	Praha, Beranových 130, Letňany, postcode 199 05	
100% SERENUM, a.s.	01438875	Czechia	Praha 9, Beranových 130, Letňany, postcode 199 00	
100% VZLU TECHNOLOGIES, a.s.	29146241	Czechia	Praha 9, Beranových 130, Letňany, postcode 199 00	
100% VZLU TEST, a.s.	04521820	Czechia	Praha 9, Beranových 130, Letňany, postcode 199 00	