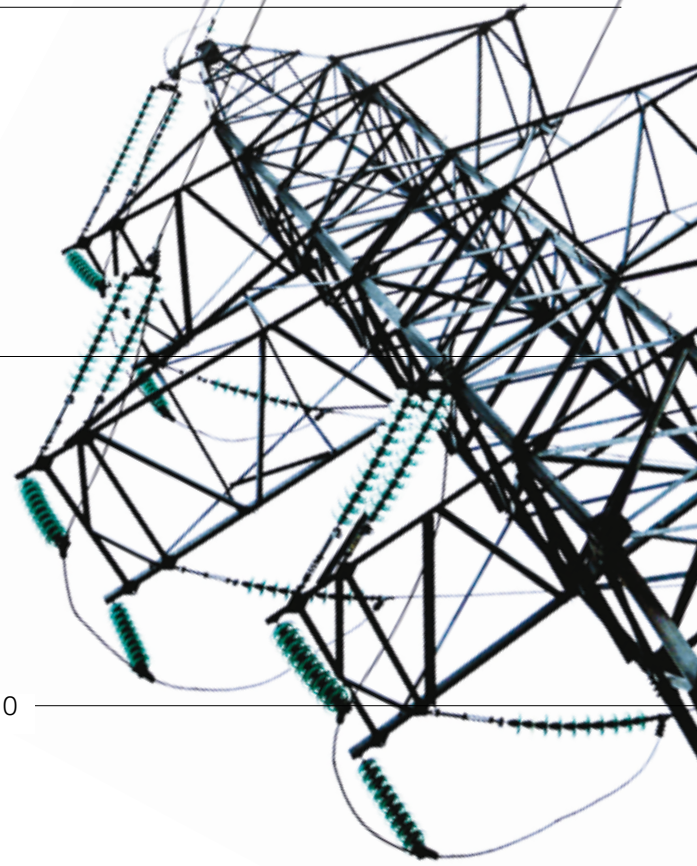


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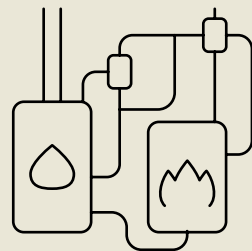
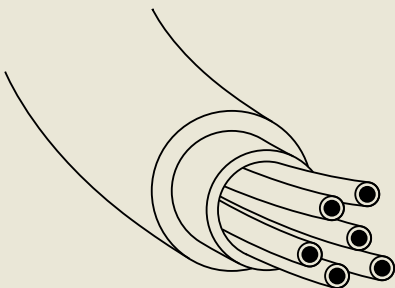
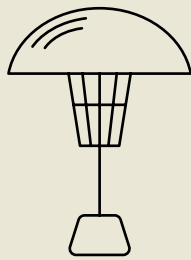
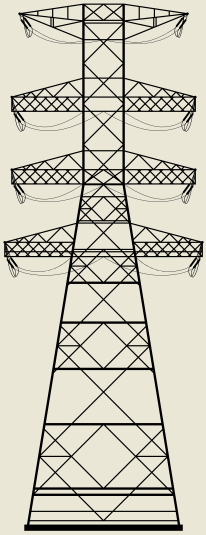
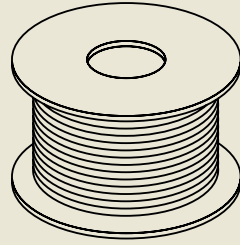
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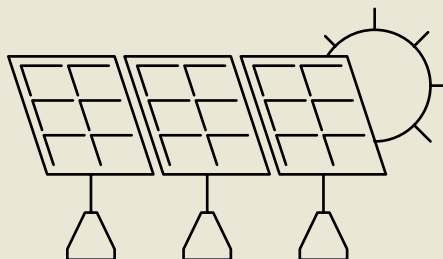
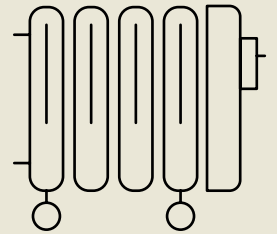
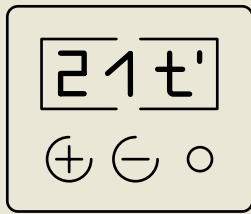
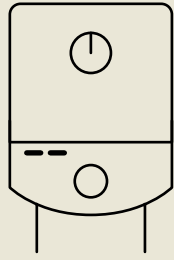
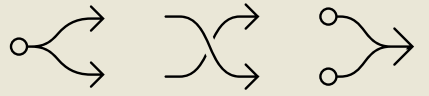
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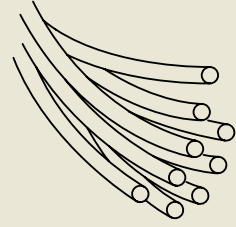
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DISTRIBUCE

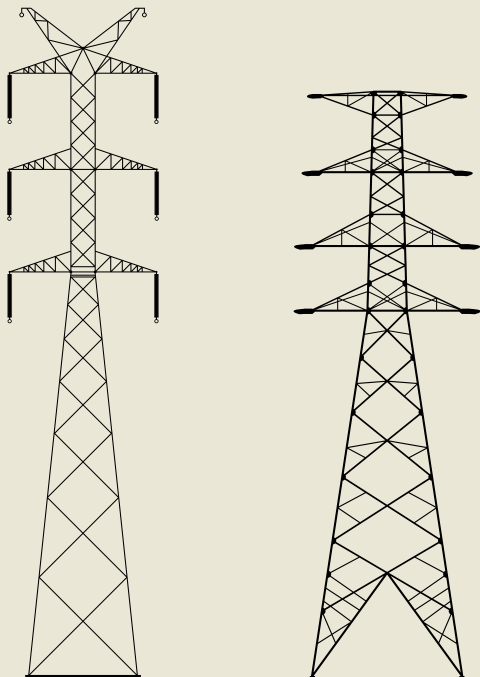




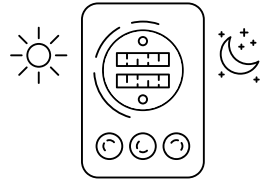


NETWORKS

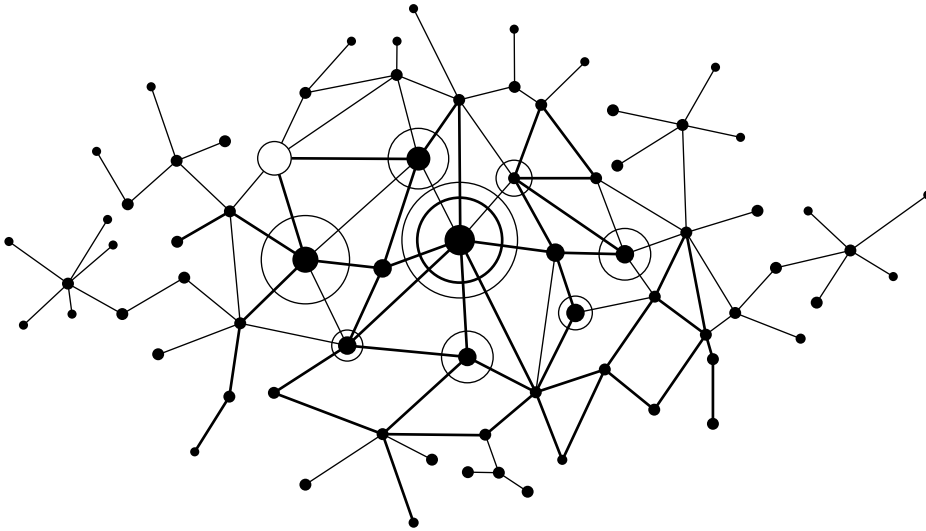
ENERGY HISTORY



TOWERS



METERS



UNIQUE IDEAS, NEW APPROACHES, AND CUSTOMER NEEDS HAVE LED US ALONG A PATH TOWARD THE MOST EFFICIENT POSSIBLE DISTRIBUTION OF ENVIRONMENTALLY FRIENDLY ELECTRICITY. ČEZ DISTRIBUCE'S PRESENCE REPRESENTS A SMALL BUT DISTINCT CHAPTER IN THIS HISTORY.

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INFORMATION ABOUT PERSONS RESPONSIBLE FOR THE ANNUAL REPORT

Responsibility for the Annual Report

Statutory Declaration

The information presented in the 2018 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 10, 2019



Ing. Martin Zmelík, MBA

Chairman of the Board of Directors



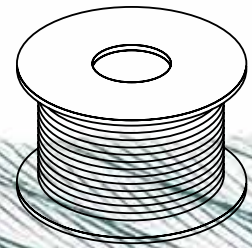
Ing. Tomáš Murtinger

Member of the Board of Directors

1844

THE FIRST BEGINNINGS OF ELECTRICITY DISTRIBUTION OCCURRED IN ENGLAND—BLOCKS OF HOUSES WERE SUPPLIED FROM A MAGNETO GENERATOR.

NETWORKS



19

IN THE SECOND HALF OF THE 19TH CENTURY, NIKOLA TESLA ADVOCATED THE USE OF ALTERNATING CURRENT, WHICH WAS MORE SUITABLE FOR ELECTRICITY DISTRIBUTION ACROSS LONG DISTANCES. HIS MOST IMPORTANT DISCOVERIES INCLUDE POLYPHASE CURRENT, ROTATING MAGNETIC FIELD, AND THE ALTERNATING-CURRENT MOTOR.

1889

ELECTRICITY BEGAN TO BE SUPPLIED BY THE FIRST PUBLIC POWER PLANT WITH A DIRECT-CURRENT DISTRIBUTION SYSTEM IN THE CZECH LANDS—THE ŽIŽKOV POWER PLANT IN PRAGUE.

SPIDERS CAN SPIN FIRM
WEBS; POWER ENGINEERS
USE WEB-LIKE NETWORKS
TO DISTRIBUTE ELECTRICITY.

A HIGH-POWER, LONG-DISTANCE,
ALTERNATING-CURRENT TRANSMISSION
FOR INDUSTRIAL PURPOSES TOOK
PLACE. THE TRANSMISSION COVERED
175 KM (3,200 TOWERS) BETWEEN
A HYDROPOWER PLANT AT LAUFFEN
AND FRANKFURT AM MAIN, GERMANY.

1891

THE FIRST 110 KV LINE IN BOHEMIA
WAS INSTALLED IN THE LANDSCAPE
BETWEEN ERVĚNICE IN NORTHERN
BOHEMIA AND PRAGUE.

1927

DISTRIBUTION OVER DISTRIBUTION NETWORKS
SUPPLIES ELECTRICITY TO BUSINESSES, PUBLIC
AUTHORITIES AND ORGANIZATIONS, LOCAL
AUTHORITIES, AND HOUSEHOLDS AS NEEDED,
24 HOURS A DAY.

INTRODUCTION BY THE CHAIRMAN OF THE BOARD OF DIRECTORS

Ladies and Gentlemen,

ČEZ Distribuce started the year 2018 with a merger with ČEZ Distribuční služby. The consolidation of key distributor activities allowed us to fulfill our strategy for building a modern, prestigious, European-level company that would be considered a top-class business in terms of economic performance and long-term stability. The changes we made enabled us not only to further enhance our role as a manager of distribution system assets, improve our customer service, and optimally manage our distribution system but also to be adequately prepared for further decentralization and digitization in the energy sector.

The Company achieved all its financial targets and defined performance indicators. The 2018 EBITDA was CZK 17 billion, and the net income of CZK 7.7 billion was driven by revenue from electricity distribution and improved expense efficiency.

Investments in distribution system construction were almost CZK 10.7 billion. The most important construction projects that can be mentioned here include the completed construction of a double 110 kV line from Jindřichov to Drmoul and the 110/22 kV Jirny and 110/22 kV Mníšek Downtown transformer substations. We added another 25,000 service points in 2018, achieving a total of 3.674 million. We connected a total of 1,456 photovoltaic installations and 34 other renewable energy sources with a total capacity of 25 MW.

The Company continuously improves the availability and quality of services provided to customers. Support provided by the Company's call center and a distribution portal is complemented by a growing network of technical consulting centers where customers can get their requests concerning electricity distribution handled by professionally trained staff. The services provided by the technical consulting centers were used by more than 30,000 customers in 2018. We also launched an Emergency Information System for municipalities. Our latest addition is an Internet portal at www.bezstav.cz for easier and faster communication with electricity customers in case of failures and outages.

The Company was successfully recertified as a “Safe Enterprise” for another three years in 2018. With the certification, it reaffirmed its high level of integrated management in occupational safety and health, fire protection, and environmental protection. Compliance with the requirements is a clear message that safety is one of our priorities and an integral part of our corporate culture.

ČEZ Distribuce also pays much attention to the recruitment of new employees. Students of electrical programs at selected secondary schools are the focus of our Prokop Diviš Incentive Program, which aims to make such programs more attractive for future power engineers. The Prokop Diviš Incentive Program involved 10 schools from various regions in Czechia and a total of more than 1,000 students participated in the program in the school year of 2018. Another successful recruitment project is three-day internships at ČEZ Distribuce plants—Distribution Finals—in which 98 secondary school students took part in three locations in 2018.

There were eight states of emergency in the distribution system caused by severe weather conditions in 2018. The three most serious, named Friederike, Fabienne, and Vaia by meteorologists, caused a total of 3,096 fault events and the total damage to distribution system equipment exceeded CZK 40 million.

ČEZ Distribuce is currently facing a major challenge concerning its changing external environment. The role of electricity distributors no longer consists just in electricity distribution from large generating facilities to the point of end consumption but also in how to ensure that electricity is distributed among all participants mutually. To be able to fulfill this scenario, ČEZ Distribuce has to significantly change selected corporate processes. A number of pilot projects were launched in this context, such as the AMM smart metering project under which smart meters will be installed in six new locations. A number of standard and routine distributor activities will be fully digitized. In late 2018, the Company presented its new corporate strategy named “digid28” that supports its vision of being a top-class European distributor, efficiently introducing innovative technologies, and cocreating a digital decentralized power system.

Please, allow me to thank all those who contributed to the Company’s excellent results in 2018: the Company’s business partners, customers, and, last but not least, employees, without whom those results would have been impossible to achieve.



Ing. Martin Zmelík, MBA

Chairman of the Board of Directors
and Chief Executive Officer, ČEZ Distribuce, a. s.

SELECTED INDICATORS

Selected Financial Indicators

	Unit	2015	2016	2017	2018
Workforce headcount as at December 31	Number	1,470	2,640	2,807	4,561
Revenue from sales of own products and services	CZK millions	52,008	48,226	45,817	47,224
Of which: Revenue from sales of electricity distribution	CZK millions	51,788	48,022	45,627	47,025
EBITDA	CZK millions	15,227	16,011	15,105	17,005
EBIT	CZK millions	8,421	9,164	8,100	9,671
Net income	CZK millions	6,613	7,259	6,396	7,669
Total assets	CZK millions	139,132	141,280	140,223	143,664
Equity	CZK millions	92,766	95,473	97,601	85,447
Net debt	CZK millions	13,197	11,250	13,001	26,634
Total debt to total capital	%	20.27	18.71	17.51	30.31
Capital expenditures	CZK millions	7,697	7,946	9,593	10,694
Operating cash flows	CZK millions	12,777	13,940	12,000	16,624

Selected Sector-Specific Indicators

	Unit	2015	2016	2017	2018
Service area	km ²	52,001	52,001	52,001	52,001
Number of service points	Number	3,608,324	3,625,976	3,649,489	3,673,908
Of which: HV, MV – large end-use customers	Number	14,829	14,860	14,892	14,861
LV – commercial retail	Number	437,762	436,797	435,844	437,262
LV – residential retail	Number	3,155,733	3,174,319	3,198,753	3,221,785
Peak load	MW	5,393	5,884	6,178	5,970
Installed line length	km	163,211	163,680	164,264	165,133
Of which: HV	km	9,834	9,853	9,845	9,945
MV	km	50,651	50,658	50,698	50,881
LV	km	102,726	103,169	103,721	104,307
MV/LV transformer substations	Number	58,259	58,574	58,865	59,175
Of which: Owned by the Company	Number	45,412	45,724	46,025	46,319
Owned by a third party	Number	12,847	12,850	12,840	12,856
HV/HV, HV/MV transformer substations	Number	292	283	283	289

KEY EVENTS OF 2018 AND 2019 UNTIL THE ANNUAL REPORT CLOSING DATE

Key Events of 2018

January

- On January 1, 2018, a merger by acquisition came into effect between ČEZ Distribuce, a. s., company reg. No. 24729035, and ČEZ Distribuční služby, s.r.o., company reg. No. 26871823; all assets of the acquired company ČEZ Distribuční služby, s.r.o., were transferred in the merger to the acquiring company ČEZ Distribuce, a. s., having its registered office at Děčín, Děčín IV-Podmokly, Teplická 874/8, postcode 405 02.
- On January 11, 2018, agreement between the parties was reached on Amendment No. 13 to the Collective Agreement of ČEZ Distribuce, a. s.
- On January 18 and 19, 2018, strong winds caused dozens of faults in medium- and low-voltage lines. The biggest problems occurred in the Karlovy Vary and Plzeň Regions (in the areas of Sokolov, Tachov, and Karlovy Vary) but also in northern Moravia (in the area of Karviná and in Frýdek-Místek) and in the Hradec Králové Region (in the areas of Trutnov and Hradec Králové).

February

- Construction of a new medium-voltage line from Šumperk to Dolní Studénka, complete with a new substation, was finished in connection with a planned extension to the Šumperk industrial park.
- Construction work started at the Mošnov transformer substation—110kV switchgear extension and 22kV switchgear modification—in order to allow further development of the adjacent industrial park.

March

- On March 17 and 18, 2018, the service area of ČEZ Distribuce, a. s., was hit by heavy wind gusts, causing dozens of faults in medium- and low-voltage lines and cutting the power to more than 12,000 service points. The windstorm caused the most damage in Moravia (in the areas of Olomouc and Přerov) and eastern Bohemia (in the area of Náchod and in Rychnov nad Kněžnou).

April

- A project of the Technology Agency of the Czech Republic named “Smart System for Safe and Reliable Electricity Supply to Areas” was successfully completed. Its objective was to find as reliable a solution as possible to ensure electricity supply for powering critical infrastructure (medical centers, emergency services, etc.) in Prague in case of a large-scale outage of the transmission system. The key task of ČEZ Distribuce, a. s., which participated in the project, was to propose a suitable architectural and engineering solution for the management of a delimited part of the distribution system that would supply the critical infrastructure in such a situation.
- On April 18 and 19, 2018, ČEZ Distribuce, a. s., organized the 13th annual conference named Electricity Sector Trends in the European Context; its topics included Czechia’s Energy Policy, New Energy and Smart Grids, as well as practical matters concerning DS operation, management, and development in Czechia.
- On April 24, 2018, the Company’s Board of Directors called elections of employee members of the Supervisory Board in order to meet legal requirements.

May

- On May 25 to June 8, 2018, employees of ČEZ Distribuce, a. s., were electing employee members of the Supervisory Board.
- Construction work started at the 110/22 kV Hněvotín transformer substation, which will allow further growth of this development area in the Olomouc Region.
- Comprehensive reconstruction finished at the 110 kV substation in Frýdlant nad Ostravicí, which will ensure further improvement in the quality of electricity supply to towns under the Beskid Mountains as well as businesses in the Frýdlant industrial park.

June

- In June, the Prokop Diviš Program was evaluated and awards were handed out to students of electrical programs at the Secondary Technical School of Power and Civil Engineering in Chomutov and the Secondary Industrial School and Further Education College in Kladno. The Prokop Diviš Incentive Program helps make studying at electrical engineering schools more attractive and open up future job opportunities for students of electrical programs. A total of 10 secondary schools and almost a thousand students throughout Czechia participated in the program this year.
- On June 26, 2018, the Energy Industry Museum was opened in Havlíčkův Brod. The museum is located on the premises of ČEZ Distribuce, a. s., and offers an interesting exhibition devoted to the history and development of the energy industry.

July

- A five-day emergency exercise named “Flood 2018” took place to verify damage prevention measures adopted at the Litoměřice South transformer substation after the floods of 2013. Exercise results confirmed that sufficient ČEZ Distribuce staff are available to dismantle and stow away the crucial parts of equipment in safe locations. The five-hour exercise was conducted without restricting electricity supply for customers.
- On July 31, 2018, the Board of Directors of ČEZ Distribuce, a. s., debated a letter of resignation received from Richard Vidlička and, at his request, approved the termination of his service as member of the Board of Directors with effect from July 31, 2018; Martin Zmelik was elected Chairman of the Board of Directors with effect from August 1, 2018.

August

- Construction of the new Triangle 110 kV transformer substation was completed; the transformer substation provides 50 MW capacity for an industrial park.
- Construction of the new Liberec-Pavlovice 110/35/22 kV transformer substation was completed; the transformer substation will increase the reliability of supply for a substantial part of Liberec and the surrounding area.

September

- On September 3 to 5, 2018, representatives of ČEZ Distribuce, a. s., participated in “Blackout 2018,” an exercise taking place in the Central Bohemia Region with the aim of practicing the restoration of power supply to priority service points for emergency management as well as testing the preparedness and responsiveness of Integrated Rescue System services, emergency management authorities, and other selected authorities and organizations in the Central Bohemia Region for acting on the impacts of an emergency.
- The strategic construction project for a double 110 kV line from Jindřichov to Drmoul was completed; the line will ensure increased 110 kV supply reliability in the Vítkov node area.
- Stage 2 of the construction of the Plzeň transformer substation was commenced, consisting in the construction of new 110 kV switchgear and the addition of 2 bays to existing metal-enclosed 22 kV switchgear.
- The “Outage 2018” exercise, taking place on September 11 to 13, 2018, was organized by the emergency management authorities of the Ústí Region to simulate a long-term power outage in the Most District. Following the “Outage 2018” exercise (organized by the Karlovy Vary Region) and the “Blackout 2018” exercise (organized by the Central Bohemia Region), this was the third exercise testing the preparedness of and cooperation between ČEZ Distribuce, a. s., public authorities, and Integrated Rescue System services in case of emergency.
- Clients of the Jedlička Institute in Liberec accepted ČEZ Distribuce’s invitation to a traditional meeting with Company employees once again this year. The meeting took place on September 19, 2018; clients of the Jedlička Institute in Liberec and ČEZ Distribuce employees have been meeting since 2009.
- On September 23, 2018, Czechia was hit by cyclone Fabienne, causing over 120 faults in medium-voltage lines and hundreds of faults in low-voltage lines, which affected around 140,000 service points.

October

- To stimulate students' interest in engineering programs, "Distribution Finals" were organized in Ostrava and Hradec Králové in early October; during the three days, students enhanced their knowledge and skills that will help them not only in their study but also at the beginning of their professional career.
- Plzeň became another city, after Děčín, Ostrava, and Kladno, where customers can visit the Company's technical consulting center to make their technical requests in person.
- ČEZ Distribuce, a. s., was recertified as a "Safe Enterprise" under the program run by the Czech Ministry of Labor and Social Affairs. About seventy inspections were carried out by RLI, FRS, and RSA inspectors together with Company employees under the "Safe Enterprise" certification program in the first half of the year. The successful outcome was aided by a number of checks carried out at selected facilities before the recertification process actually started.
- On October 23–24, 2018, Czechia was hit by windstorm Sieglinde; over 100 faults in medium-voltage lines and hundreds of faults in low-voltage lines were registered, affecting almost 13,000 service points.
- On October 29–30, 2018, a portion of the Company's service area was hit by windstorm Vaia, resulting in 8 faults in medium-voltage lines and over 8,000 service points left with no electricity, mostly in Central Bohemia (areas of Kolín, Benešov, and Kutná Hora). The faults were repaired and electricity supply was restored overnight.

November

- On November 1, 2018, a technical consulting center of ČEZ Distribuce, a. s., was opened in Olomouc; people and businesses can use it to handle their technical requests.
- The construction of a new double 110 kV line running through the cadastral districts of Tři Sekery, Krásné, Stará Voda, Dolní Žandov, Okrouhlá, and Lipoltov was completed after 12 months. The line is almost 30 km long and interconnects the Jindřichov and Drmoul transformer substations.

December

- Starting from December 10, 2018, 13 specialists from ČEZ Distribuce, a. s., in charge of cybersecurity for technology systems attended a weekly training course where they not only learned about current trends in the cybersecurity of information technology and operating technology but also tested their capability to respond adequately to an actual cyberattack by hackers targeting the technology systems of ČEZ Distribuce, a. s.
- Snowstorm Nadia on December 11–12, 2018, and the wet, heavy snow it brought, braking branches and trees, caused dozens of faults in medium-voltage lines, cutting the power to around 14,000 households; the most difficult conditions were in the areas of Děčín, Česká Lípa, and Havlíčkův Brod.
- Collective bargaining for 2019 was completed at the Company on December 13, 2018.
- The eleventh traditional Christmas meeting was organized for clients of the Jedlička Institute in Liberec and employees of ČEZ Distribuce, a. s.; more than fifty Company employees helped grant Institute clients' Christmas wishes.
- Complete reconstruction of the Beroun transformer substation was started in order to increase the short-circuit withstand capability of 110 kV switchgear and renovate the structural part of HV switchgear, especially transformer and reactor sites.
- At the end of the year, a call was made for tenders for the delivery of technology for a pilot smart metering project under which smart meters will be installed in six new locations, based on PLC and BPL technologies with complementary CT communications. Obsolescent smart electricity meters in locations covered by previous pilot projects will be replaced at the same time. This will involve a total of almost 55,000 meters and appropriate data concentrators.

Key Events of 2019 until the Annual Report Closing Date

January

- Starting from January 1, 2019, ČEZ Distribuce, a. s., is presiding over the Czech Association of Regulated Power Supply Companies.
- Another technical consulting center was opened in Hradec Králové on January 9, 2019.
- Snowstorm Benjamin, accompanied by heavy winds, especially from January 9 to January 10, 2019, caused faults in medium- and low-voltage lines and a state of disaster was declared in three districts (Jablonec nad Nisou, Semily, and Děčín).
- Michaela Kociánová was elected as member of the Board of Directors of ČEZ Distribuce, a. s., by a decision of the sole shareholder of January 10, 2019, with effect from February 1, 2019.
- On January 12 to January 15, 2019, the distribution system of ČEZ Distribuce, a. s., experienced an increased number of faults caused by the passage of cold front Florenz, which hit especially the Karlovy Vary Region.
- On January 23, 2019, the Company presented its new corporate strategy named "digid28"; the strategy supports its vision of being a top-class European distributor, efficiently introducing innovative technologies, and cocreating a digital decentralized power system.
- Reconstruction of the Odry 110/22 kV transformer substation was commenced in order to enhance operational reliability in the region of northern Moravia.
- On January 31, 2019, an interactive web interface was launched at www.bezstav.cz for announcements of outages and planned work on electrical equipment.

February

- On February 3 and 4, 2019, Czechia was passed over by a cold front associated with cyclone Pirmin, hitting mostly the Plzeň and Central Bohemia Regions, with winds speeds locally exceeding 125 kmph, that is, hurricane force; consequences of the cold front were remedied by the evening of February 4, 2019.
- The seventh technical consulting center of ČEZ Distribuce, a. s., was opened in Pardubice.
- The Company's Board of Directors elected Radim Černý as Vice-Chairman of the Board of Directors of ČEZ Distribuce, a. s., with effect from February 8, 2019.

March

- In the evening of March 10, 2019, storm Eberhard hit Czechia from the west; approximately 356,000 service points were affected and a state of disaster was declared on March 11, 2019. After 22 hours, power supply had been restored for almost 343,000 services points throughout most of the service area and the state of disaster was terminated in most of the area.
- On March 15, 2019, the Ministry of the Environment issued a favorable binding opinion in Liberec on the project for a 110 kV interconnector from Česká Lípa to Varnsdorf pursuant to the Environmental Impact Assessment Act. The assessment and opinion indicate environmentally acceptable line routes.
- On March 20 and 21, 2019, the 14th annual expert conference named Electricity Sector Trends in the European Context took place, focusing on the future of electricity distribution.

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 Date of Issue of the Annual Report

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 Vice-Chairman of the Board of Directors and Chief Executive Officer's Deputy for Development at ČEZ, a. s., Vice-Chairman of the Board of Directors of Akcez Enerji A.S. (Turkey), and Vice-Chairman of the Board of Directors of Akenerji Elektrik Üretim A.S. (Turkey).

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. She is a member of the Board of Trustees of the ČEZ Foundation, member of the Board of Trustees of the Revenium Endowment Fund, and member of the Board of Trustees of Odyssey, z.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 is currently in charge of Financing at ČEZ, a. s. He is a member of the Supervisory Board of ČEZ Bohunice a.s. and Managing Director at CEZ MH B.V., CEZ Erneuerbare Energien Beteiligungs GmbH, and CEZ Erneuerbare Energien Beteiligungs II GmbH.

Vladimír Říha (born 1962)

Member of the Supervisory Board since March 1, 2016

A graduate of the College of Electrical Engineering in Wiesbaden, Germany.

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

He is the Vice-Chairman of the Supervisory Board of Elektrárna Dukovany II, a. s.; Vice-Chairman of the Supervisory Board of Elektrárna Temelín II, a. s.; member of the Supervisory Board of ČEZ Asset Holding, a. s.; Chairman of the Supervisory Board of CEZ Bulgaria EAD (Bulgaria); Chairman of the Supervisory Board of CEZ Romania S.A. (Romania); member of the Supervisory Board of Distribuție Energie Oltenia S.A. (Romania); member of the Supervisory Board of CEZ ESCO Romania S.A. (Romania); Vice-Chairman of the Supervisory Board of Eco-Wind Construction S.A. (Poland); as well as Managing Director at CEZ Windparks Luv GmbH, CEZ Windparks Lee GmbH, CEZ Windparks Nordwind GmbH (Germany); member of the Advisory Board of Elevion GmbH (Germany); and member of the Supervisory Board of CEZ ESCO I GmbH (Germany).

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 in the Grid Renovation unit 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 Grid Renovation unit of ČEZ Distribuce, a. s.

Supervisory Board Members Whose Membership Terminated in 2018 or before the Annual Report Closing Date

Martin Zmelík (born 1975)

Member of the Supervisory Board from November 1, 2016, to May 31, 2018

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 seven members; 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 Date of Issue of the Annual Report

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).

Tomáš Murtinger (born 1978)

Member of the Board of Directors since April 1, 2015

A graduate of a bachelor's program at the Faculty of Informatics and Statistics, University of Economics, Prague, and the Business Management master's program at the University of Finance and Administration.

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.

Karel Kohout (born 1953)

Member of the Board of Directors since March 1, 2017

A graduate of a master's program and the Electricity Transmission and Distribution postgraduate program at the College of Mechanical and Electrical Engineering in Plzeň (today University of West Bohemia in Plzeň).

Jiří Kudrnáč (born 1965)

Member of the Board of Directors since April 1, 2015

A graduate of the Faculty of Electrical Engineering, Czech Technical University, Prague.

Pavel Šolc (born 1962)

Member of the Board of Directors since April 1, 2016

A graduate of the Faculty of Electrical Engineering, Czech Technical University, Prague.

Board of Directors Members Whose Membership Terminated in 2018 or before the Annual Report Closing Date

Richard Vidlička (born 1966)

Chairman of the Board of Directors from October 2, 2015, to July 31, 2018

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 2018.

Board of Directors Members



Martin Zmelik
Chairman of the Board of Directors



Radim Černý
Vice-Chairman of the Board of Directors

Tomáš Murtinger
Member of the Board of Directors



Jiří Kudrnáč
Member of the Board of Directors



Pavel Šolc
Member of the Board of Directors



Michaela Kociánová
Member of the Board of Directors



Karel Kohout
Member of the Board of Directors



TOWERS

THE BEGINNINGS OF ELECTRICITY USE AND THE DETERMINATION TO DISTRIBUTE ELECTRICITY TO EAGER CUSTOMERS GAVE RISE TO THE EARLIEST TOWERS BEARING CONDUCTORS IN THE 19TH CENTURY, FIRST MADE OF WOOD AND LATER OF METAL AND CONCRETE. THE SHAPE AND HEIGHT OF TOWERS CHANGED AND DEVELOPED OVER TIME UNTIL THEY ASSUMED THEIR CURRENT FORMS.

19

ALTHOUGH THEY ARE SEEMINGLY DIFFERENT, THEIR PURPOSE IS THE SAME – ENSURING HIGH-QUALITY, RELIABLE ELECTRICITY SUPPLY FOR EVERYBODY.



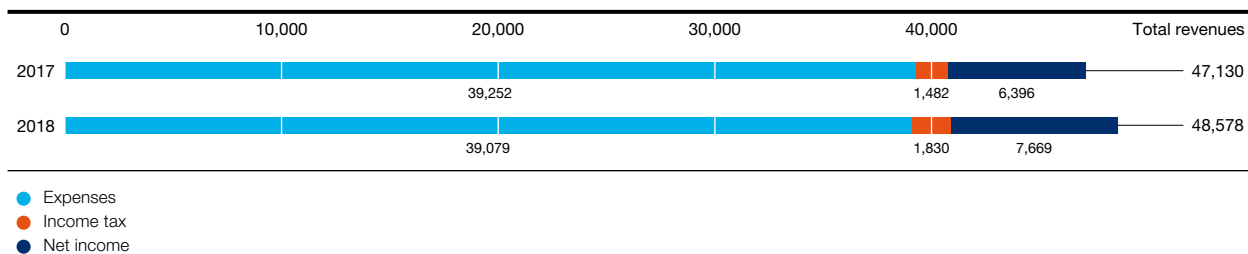
TOWERS HAVE NAMES DERIVED FROM THEIR SHAPE. EXPERTS WILL EASILY RECOGNIZE SUCH TERMS AS FIR, BARREL, PORTAL, DELTA, CAT, OR DONAU. THERE ARE ALSO MULTIPURPOSE, SPECIFICALLY DESIGNED AND SHAPED TOWERS.

REPORT ON OPERATIONS 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 2018 income before taxes was CZK 9,498 million. Its net income of CZK 7,669 million represents an increase of CZK 1,273 million as compared to 2017.

Operating income was CZK 9,671 million, which is CZK 1,571 million more than in 2017, primarily due to an increase of CZK 1,476 million in gross margin on electricity distribution.

Financing activities generated a loss of CZK 172 million due to interest on borrowings; the loss decreased by CZK 50 million as compared to 2017.

Total expenses without income tax were CZK 39,079 million in 2018. 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 23,534 million, followed by expenses on other production-related consumption of CZK 4,179 million, depreciation and amortization of fixed assets amounting to CZK 7,334 million, personnel expenses of CZK 3,829 million, other expenses arising from operating activities of CZK -164 million, and financial expenses of CZK 367 million.

Total 2018 revenues amounted to CZK 48,578 million and consisted of revenue from distribution system services amounting to CZK 47,025 million, other revenues of an operating nature amounting to CZK 1,358 million, and financial revenue amounting to CZK 195 million.

Asset and Capital Structure

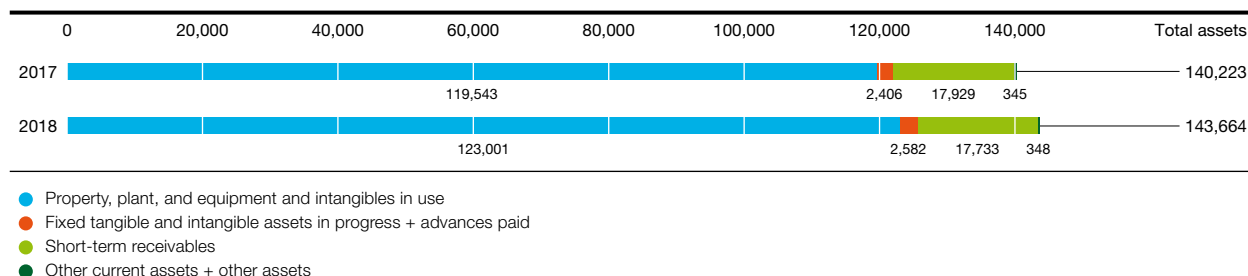
Total Assets

Total assets amounted to CZK 143,664 million, increasing by CZK 3,441 million against 2017.

Fixed assets amounted to CZK 125,583 million, increasing by CZK 3,634 million as compared to 2017. The most significant item was structures amounting to CZK 94,249 million, followed by tangible movable assets and sets thereof amounting to CZK 27,267 million, tangible fixed assets in progress amounting to CZK 2,419 million, land amounting to CZK 924 million, and intangible fixed assets amounting to CZK 570 million.

Current assets decreased by CZK 186 million year-on-year in 2018, amounting to CZK 18,062 million. The highest amounts were contingencies amounting to CZK 10,512 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 5,568 million, short-term trade receivables amounting to CZK 1,098 million, short-term advances paid amounting to CZK 544 million, and materials amounting to CZK 243 million. Accruals amounted to CZK 19 million, decreasing by CZK 7 million against 2017.

Structure of Assets (CZK Millions)



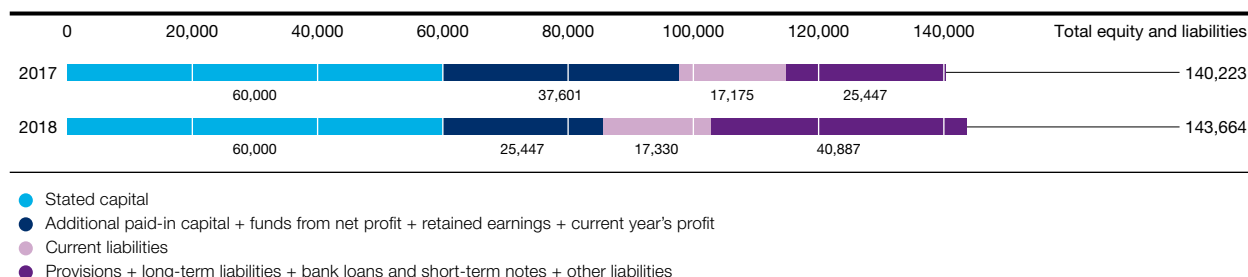
Equity and Liabilities

Equity amounted to CZK 85,447 million, decreasing by CZK 12,154 million as compared to 2017. The largest 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, the current period's profit of CZK 7,669 million, and additional paid-in capital of CZK 5,677 million.

Provisions and liabilities amounted to CZK 50,274 million, increasing by CZK 15,400 million year-on-year. The largest amounts were long-term liabilities to Group companies of CZK 20,220 million, deferred tax liability of CZK 11,421 million, short-term received advances of CZK 10,956 million, contingent liabilities of CZK 2,608 million, short-term trade payables of CZK 2,534 million, and other provisions of CZK 1,288 million.

Other liabilities, consisting primarily of deferred revenue from connection applicants' contributions, amounted to CZK 7,943 million, increasing by CZK 194 million over the previous period.

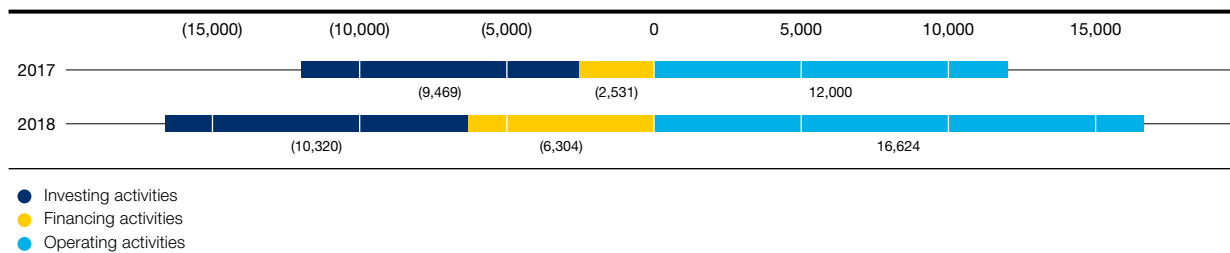
Structure of Equity and Liabilities (CZK Millions)



Company Financing

Cash Flows

Cash Flow Summary (CZK Millions)



Cash from operating activities, amounting to CZK 16,624 million, was generated by the following:

Profit on ordinary activities before taxes	CZK 9,498 million
Corporate income tax paid	(CZK 1,490 million)
Depreciation and amortization of fixed assets, write-offs	CZK 7,361 million
Changes in working capital	CZK 713 million
Other operating activities	CZK 2,914 million

Cash used in investing activities totaled CZK 10,320 million, with expenditures on purchases of fixed assets of CZK 10,343 million accounting for the greatest part thereof.

Cash used in financing activities totaled CZK 6,304 million; the amount included the payment of dividends amounting to CZK 25,599 million, change in cash under Group cash pooling of CZK -5,428 million, and change in the balance of loans of CZK -13,687 million.

Borrowings and Their Maturity

As at December 31, 2018, the Company had loans amounting to CZK 20,780 million (maturing at December 31, 2025, and September 25, 2028). Of that amount, the long-term portion of loans amounted to CZK 20,220 million and the current portion amounted to CZK 560 million.

Key Financial Indicators

	Unit	2017	2018
Return on equity, net (ROE Net)	%	6.63	8.12
Return on assets, net (ROA Net)	%	4.54	5.29
EBIT margin	%	17.21	20.15
Financial debt to equity	%	7.16	22.7
Net debt to EBITDA	%	86.08	155.90
Current ratio	%	73.32	71.54
Operating cash flow to debt	%	70.74	52.54
Asset turnover	1	0.33	0.34
Fixed asset coverage	%	93.95	93.24
Depreciation-to-fixed assets ratio	%	54.98	55.33

ECONOMIC AND FINANCIAL OUTLOOK FOR 2019

The year 2019 is the fourth year of the fourth regulatory period. The plan for purchases and sales of services relating to electricity distribution is based on the estimated consumption of electricity in the region served by ČEZ Distribuce, a. s., in 2019 and on prices stipulated by the Energy Regulatory Office for 2019, which reflect the principles of regulated prices for both purchases and sales. The principles should ensure coverage of a distribution company's legitimate costs, including the generation of resources for distribution system renovation and development and revenue for shareholders.

The Company's plan for 2019 estimates revenue from sales of own products and services at CZK 48,228 million, income before taxes at CZK 8,422 million, and capital expenditures at CZK 10,934 million.

CAPITAL EXPENDITURES

Principal Goals of Capital Construction

The Company expended CZK 10,694 million on distribution system renovation and development in 2018. 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 area 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. The project for the development of optical infrastructure on medium-voltage lines entered a new stage. Other new technology projects will also be implemented in consecutive stages in 2019.

Capital Expenditures in 2017 and 2018, Plan for 2019

Capital Expenditures (CZK Millions)

	2017	2018	Plan for 2019
HV structures	771	866	1,056
MV structures	3,325	3,503	3,734
LV structures	4,527	4,959	4,597
Electricity meters	440	530	529
Ancillary investments	530	836	1,018
Total	9,593	10,694	10,934

Capital Expenditures in 2018

	%
● HV structures	8
● MV structures	33
● LV structures	46
● Electricity meters	5
● Ancillary investments	8
Total	100



Investments in the Distribution System

Investing activities in 2018 were principally focused on MV and LV structures. CZK 8,462 million was invested in such assets in 2018. 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. Investments in HV structures amounted to CZK 866 million. Most of the projects concerned reconstructing and constructing new HV/MV transformer substations and HV overhead lines.

CZK 1,366 million was invested in activities supporting main distribution processes, in particular the enhancement of operating and control systems and purchases of electricity meters. Investments in projects initiated at customers' requests totaled CZK 2,669 million.

Major Projects

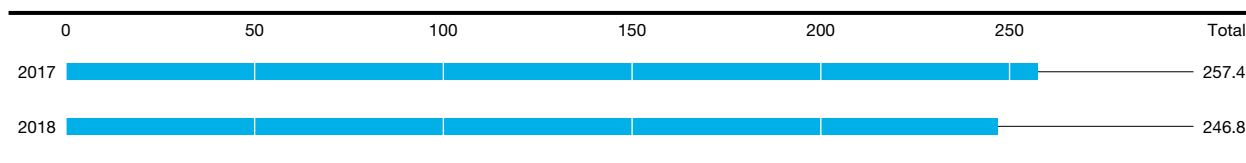
- Jindřichov–Drmoul, double 110 kV line
- Hlinsko–Polička, 110 kV overhead line
- Polička—new 110/35 kV transformer substation
- Lišany, Tuchlovice transformer substation—110 kV reconnection
- Jirny—new 110/22 kV transformer substation
- Mníšek Downtown—new 110/22 kV transformer substation
- Třebovice—new 110/22 kV transformer substation
- Mošnov—110 kV switchgear addition and 22 kV switchgear modification
- Triangle transformer substation—new 110 kV switchgear
- Hněvotín industrial park—new 110 kV line

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 2018, the distribution system was operated and maintained in line with quality standards and requirements defined in the Preventive Maintenance Regulations. The continuous operation of the distribution system during the year was negatively affected by eight massive failures caused by severe weather, during which there were 4,428 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: 33 interruptions at the HV level, 6,080 interruptions at the MV level, and 22,544 interruptions at the LV level. In addition, 7,403 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.

System Average Interruption Duration Index (Minutes)



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

Distribution System Infrastructure

	Unit	2017	2018
Installed line length	km	164,264	165,133
Of which: HV	km	9,845	9,945
MV	km	50,698	50,881
LV	km	103,721	104,307
MV/LV transformer substations	Number	58,865	59,175
Of which: Owned by the Company	Number	46,025	46,319
Owned by a third party	Number	12,840	12,856
HV/HV, HV/MV transformer substations	Number	283	289

The Company's distribution system distributed 46,000 GWh of electricity in 2018.

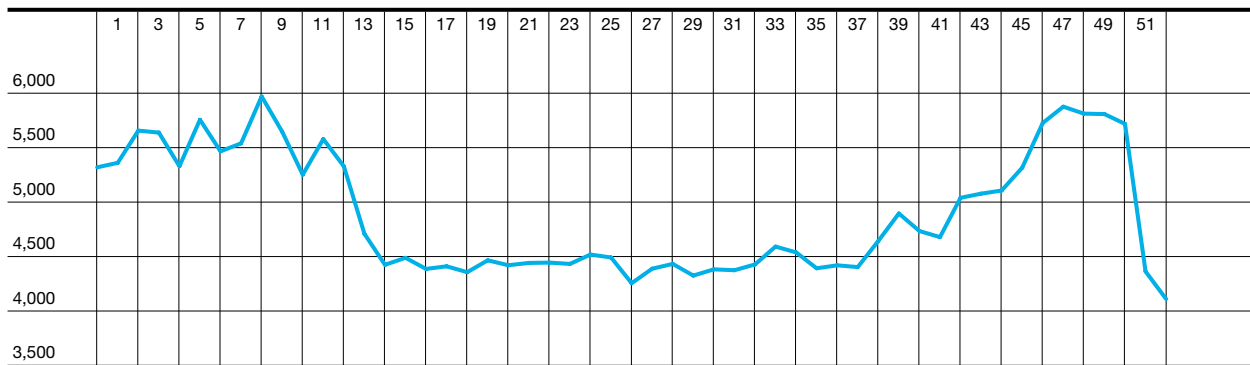
Annual Figures on Electricity Distribution (GWh)

	2017	2018
System inflow		
Supplied from transmission service provider's grid	25,827	27,738
Supplied from facilities owned by ČEZ, a. s.	3,634	3,675
Supplied from neighboring distribution service providers	1,132	1,064
Supplied from facilities owned by other producers, including autoproducers	11,583	10,408
Supplied from other facilities	118	49
Imports (from abroad) at distribution service level	184	13
Distribution license holders (local distribution system)	3,095	3,053
Total system inflow	45,573	46,000
System outflow		
HV/MV customers	13,532	13,914
LV customers	14,499	14,382
Consumed by producers in distribution service provider's grid	1,782	1,860
Consumed by other facilities	118	49
Supplied to neighboring distribution service providers	6,168	6,740
Supplied to transmission service provider's grid	1,058	619
Exports (to abroad) at distribution service level	220	413
Distribution license holders (local distribution system)	5,992	5,824
Other consumption by distribution service provider	53	52
Losses	2,151	2,147
Total system outflow	45,573	46,000

Electricity inflow into the Company's distribution system was 46,000 GWh in 2018. This was an increase of 0.94%, that is, 427 GWh, over 2017. The greatest percentage, 60.30%, was electricity inflow from the transmission service provider's grid, which was 27,738 GWh. This was an increase of 1,911 GWh compared to 2017. The amount of electricity procured directly from the facilities of ČEZ, a. s., was 3,675 GWh, which was 41 GWh more than in 2017. Supplies from neighboring distribution service providers decreased by 68 GWh year-on-year; supplies from facilities owned by other producers, including autoproducers, decreased by 1,175 GWh. The amount of electricity from other facilities decreased by 69 GWh. Imports from abroad decreased by 171 GWh; supplies from local distribution systems decreased by 42 GWh.

The amount of electricity distributed to HV and MV customers increased by 382 GWh year-on-year; electricity distributed to customers at those voltage levels accounted for 30.25% of total supplies. The amount of electricity distributed at LV level decreased by 117 GWh and accounted for 31.27% of total supplies. Producers' consumption increased by 78 GWh compared to 2017; other facilities' consumption decreased by 69 GWh. Supplies to neighboring distribution service providers increased by 572 GWh year-on-year; their share in the total amount of electricity distributed was 14.65%. The amount supplied back to the transmission service provider's grid decreased by 439 GWh. Exports to abroad amounted to 413 GWh, increasing by 193 GWh year-on-year. Supplies to local distribution systems decreased by 168 GWh in a year-on-year comparison. Other consumption and losses decreased by 1 GWh and 4 GWh, respectively. The highest hourly peak was 5,970 MW, achieved on February 28, 2018, at 10 a.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 123 active traders in 2018.

Number of Service Points

	Unit	2017	2018
HV, MV—large end-use customers	Number	14,892	14,861
LV—commercial retail	Number	435,844	437,262
LV—residential retail	Number	3,198,753	3,221,785
Total		3,649,489	3,673,908

Approximately 25,000 new service points were connected in 2018. Additionally, 1,490 new generating facilities with a total installed capacity of 25 MW were connected in 2018. CZK 755 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 2,349 million was expended on fulfilling their requests in 2018.

New Connections, Increased Capacity

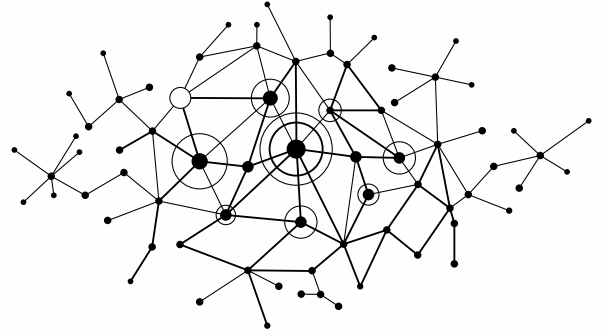
Voltage Level	Expenditures on the distribution system (CZK millions)	Contributions collected (CZK millions)	Connected or increased (MW)
HV	87	14	33
MV	289	186	237
LV	1,973	555	614
Total	2,349	755	884



1919

AN ACT ON STATE AID FOR THE COMMENCEMENT OF SYSTEMATIC ELECTRIFICATION WAS PASSED. IT INTRODUCED ELECTRIC UTILITY COMPANIES ENTITLED TO BUILD POWER LINES AND SUBSTATIONS AND USE LAND FOR POWER LINES FOR FREE. A TOTAL OF 19 ELECTRIC UTILITIES WERE ESTABLISHED BETWEEN 1920 AND 1926. THESE ELECTRIC UTILITIES WERE GRADUALLY INTERCONNECTED DURING THE FIRST HALF OF THE 20TH CENTURY TO BE ABLE TO COVER MOST CUSTOMER REQUESTS.

BEHIND EVERY LAMP LIT
THERE IS A LONG JOURNEY
OF ELECTRICITY THROUGH
THE DISTRIBUTION GRID.



DISTRIBUTION



1946

ČESKOSLOVENSKÉ ENERGETICKÉ ZÁVODY (CZECHOSLOVAK ENERGY ENTERPRISES) WAS ESTABLISHED TO SERVE AS AN INTERMEDIARY BETWEEN THE MINISTRY OF INDUSTRY AND INDIVIDUAL ELECTRIC AND GAS UTILITIES. IN 1969, THE COMPANY WAS TRANSFORMED INTO ČESKÉ ENERGETICKÉ ZÁVODY (CZECH ENERGY ENTERPRISES) AND SLOVENSKÝ ENERGETICKÝ PODNIK (SLOVAK ENERGY ENTERPRISE). ČEZ, A JOINT-STOCK COMPANY SPUN OFF FROM ČESKÉ ENERGETICKÉ ZÁVODY, WAS REGISTERED IN 1992. REGIONAL DISTRIBUTION JOINT-STOCK COMPANIES WERE ESTABLISHED TWO YEARS LATER.

2005

THE FOUNDATIONS FOR THE CURRENT CEZ GROUP WERE LAID IN 2003. IN 2005, A MERGER OF FIVE REGIONAL DISTRIBUTION COMPANIES GAVE RISE TO JOINT-STOCK COMPANY ČEZ DISTRIBUCE.

SAFETY AND QUALITY MANAGEMENT, ENVIRONMENTAL PROTECTION

Occupational Safety and Health

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. The Company was successfully recertified for another three years in 2018. During the recertification, the OSH management system in place was reviewed for compliance with the "Safe Enterprise" program established by the State Labor Inspection Office. Nineteen time-loss injuries with a total of 1,591 days off work occurred at ČEZ Distribuce, a. s., in 2018. All of the injuries were duly investigated and compensated for. The amount of time-loss injuries decreased by 24% in comparison with 2017.

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. 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 (applying OHSAS 18001 requirements), and also to ČSN EN ISO 9001 for certain processes, is regularly audited by a certification company.

Fire Prevention

Fire protection focused on the continuous creation of conditions for safe distribution system operation, the protection of employees and assets, continuous fire prevention, and preparations for recertification under the "Safe Enterprise" program in 2018.

The system of fire protection management and performance was supported by inspection and audit activities according to approved annual plans. Activities ensuring fire prevention included updates to fire protection documents, staff training, and special training. No fire causing damage in excess of CZK 1 million occurred at the Company in the period concerned. Since fire protection requires systematic management, work on the creation of new control and record-keeping software was underway.

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, especially waste and water management, the prevention of environmental disasters, and avian protection.

A total of 78 sites with old environmental burdens were identified within the service area of ČEZ Distribuce. Some of the burdens were already removed in the past years and preparations for the remediation process are underway for others. By the end of 2018, environmental burdens had been removed in compliance with legal requirements and the Czech Environmental Inspectorate's opinions at 48 sites. Monitoring to complement original surveys or burden documentation updates are carried out at the remaining 30 sites.

Protecting birds against electrical accidents is a very pressing matter in nature conservation. It is ČEZ Distribuce's statutory obligation to secure all MV overhead lines against bird injuries by 2024. To meet the obligation, the Company launched a strategic project named "Perch Guard Installation on MV Line Support Structures" and is actively involved in the creation of the Ministry of the Environment's guidance document aiming to introduce a uniform system to address this issue. No increase in bird injuries caused by electrocution or collision with overhead lines was registered during 2018.

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), 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.

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 2018.

HUMAN RESOURCES

Employment Changes

In the field of labor relations and welfare policy, the Company 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 2018

	Number of employees
New hires	350
Exits	221

The workforce headcount as at December 31, 2018, was 4,561 employees.

Education and Training

Expertise and other qualification requirements rank among key employee competences at ČEZ Distribuce, a. s. In the past year, attention was paid, for example, to the field of digitization, which employees could learn about at reputable conferences they attended. In addition to expertise development, the Company focuses on developing a broad range of soft skills. Accordingly, employees were able to take part in custom-tailored development activities concerning managerial, communication, and presentational skills and pro-client approach in 2018. Both external and internal coaching and an internal mentoring program proved to be useful for employees' individual development. The Company expended a total of CZK 22 million on employee development in 2018.

Welfare Policy

Under its welfare policy, the Company provides its employees with monetary and nonmonetary benefits. As for nonmonetary benefits, employees take advantage of shortened working time and an additional week of vacation beyond the statutory minimum. The Company pays for vaccination against tick-borne encephalitis for employees in selected positions. ČEZ Distribuce, a. s., expended CZK 251.9 million on monetary benefits in 2018. The key items that the Company made contributions to in the past year include, most importantly, personal accounts, contributions to retirement plans and life insurance, meal plans, health care, and milestone birthday rewards.

Relations with Labor Unions

There were a total of 31 local labor unions operating at ČEZ Distribuce, a. s., in 2018. Almost 2,400 employees were local union members. Collective bargaining on an amendment to the effective collective agreement took place in 2018, concerning mainly wages, salaries, and benefits. The collective bargaining culminated in the signing of Amendment 14 to the collective agreement. There were a total of 23 regular meetings held between the employer and labor union representatives in 2018, at which information was presented to the labor organizations and topics set down by the Labor Code and the collective agreement were discussed.

RESEARCH AND DEVELOPMENT

ČEZ Distribuce, a. s., took part in opposition procedures for grants awarded to colleges and universities by the Czech Science Foundation and in final state examinations. It put up 36 topics for master's and bachelor's theses for students from schools with electrical engineering programs in 2018, focusing on a range of topics connected with electricity generation and distribution. In research and development, the Company collaborated on the preparation of studies and analyses and provided consultation for putting prepared proposals into practice together with experts from EGÚ Brno, a.s.; EGC - EnerGoConsult ČB s.r.o.; EGE, spol. s r.o., České Budějovice; as well as with VŠB – Technical University of Ostrava; Czech Technical University in Prague; and Brno University of Technology.

Another activity that ČEZ Distribuce, a. s., was actively engaged in was the preparation and implementation of applied research, experimental development, and innovation programs, including programs launched by the Technology Agency of the Czech Republic. The SecureFlex project was started under its Theta program, focusing on safe utilization of capacity flexibility for system management and business purposes. Under the National Competence Center program, aiming to support long-term collaboration between research and application communities and reinforce the institutional basis of applied research, the Company will undertake projects named "New Energy Network Elements and Technologies" and "Research into Safe Communications Technologies for Smart Communications Networks in the Energy Sector."

A significant activity of ČEZ Distribuce, a. s., is participation in a project named "Resilient Critical Information Infrastructure in the Energy Sector," on which it collaborates with Masaryk University in Brno. The project concerns the resilience of critical information infrastructures in the energy sector (primarily in distribution systems), which globally face a marked increase in cyber risks resulting from transition to smart grids. The research project is divided into two interconnected subprograms, with one aiming to advance research on the architectures and models of critical information infrastructures in order to enhance reliability and resilience, and the other focusing specifically on security, processes, and compliance.

In addition to these activities, the Company focused on the practical application of proposals made in studies in the past years. This concerned, in particular, the following studies and analyses and implementation of pilot projects for new technologies in medium- and low-voltage grids:

- Pilot projects for new technologies:
 - InterFlex, cofinanced by Horizon 2020, the EU Framework Program for Research and Innovation; activities carried out in 2018 included testing at PV installations with or without energy storage, implementation work on charging points to test the effect of rapid charging of electric vehicles on the possible deterioration of some electricity quality parameters, and research on voltage stabilization in medium- and low-voltage distribution grids with a high proportion of renewables and dispersed generation
 - Implementation and practical testing of BPL communication on a 22kV cable line
 - Testing of Internet of Things application technologies that were identified as suitable for distribution purposes, such as icing and wind identification, broken seal detection, service point (A, B) metering possibility, and bidirectional AMM communication using IoT communication
- Gathering basic data and setting up a method for the calculation of the reliability of individual distribution system elements (element reliability)
- Testing generators with controllers for the management/utilization of excessive renewable generation, which, according to current experience, can cause deterioration in certain electricity quality parameters or affect metering

DONATIONS AND SPONSORSHIP PROGRAM

Donations

ČEZ Distribuce, a. s., contributed a total of CZK 100 million to projects undertaken by the ČEZ Foundation (www.nadacecez.cz) in 2018. 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 4.65 million in 2018. The amount was divided among 10 selected projects, which provided support to the health service and prevention sector, education, improvement in social care, and the revitalization of several urban parks and playgrounds. The Company contributed CZK 3.87 million to the CEZ GROUP SENIORS Endowment Fund in 2018.

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)
- 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. 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
- Decree No. 9/2016 Sb., on procedures for the registration of support with the market operator and the implementation of some other provisions of the Supported Energy Sources Act (Registration Decree)

Relating to Act No. 183/2006 Sb., on land use planning and the building code (Building Act):

Following a change in legislation concerning land use planning and the building code, changes were also made to the related and implementing regulations. Eagerly awaited legislation was an amendment to Decree No. 503/2006 Sb., on detailed rules for land use permit proceedings, land use measures, and the building code, which was published in April 2018, as it sets down detailed requirements for an application for a decision as well as the contents of individual types of decisions issued under the Building Act. This information is crucial both for applicants, so that they know what information they should submit to the building authority, and for the building authority in the formulation of a decision/permit.

Relating to Act No. 165/2012 Sb., on supported energy sources:

Decree No. 145/2016 Sb., on the reporting of electricity and heat from supported sources and the implementation of some other provisions of the Supported Energy Sources Act (Supported Source Energy Reporting Decree) was amended with effect from July 1, 2018. The amendment brought an unambiguous interpretation, namely that a failure to meet a deadline for the submission of electricity and heat generation data has no effect on the existence of a right to support and, consequently, does not result in loss of entitlement to support but only affects the date on which the support is provided.

The Distribution System Operation Rules were also updated in 2018.

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.

19

THE EARLIEST ELECTRICITY METERS, WHICH APPEARED IN THE 19TH CENTURY, WERE CALLED CLOCKS OR ELECTRIC CLOCKS BECAUSE THEY RESEMBLED CLOCKS IN APPEARANCE. THE FIRST GALVANIC-TYPE DIRECT-CURRENT AMPERE-HOUR METER WORKED ON THE PRINCIPLE OF CURRENT FLOW THROUGH AN ELECTROLYTE BETWEEN TWO PLATES, WITH METAL IONS TRANSFERRED FROM ONE PLATE TO THE OTHER DEPENDING ON THE STRENGTH OF THE CURRENT AND THE AMOUNT OF CONSUMED ENERGY COMPUTED FROM THE DIFFERENCE IN THE WEIGHT OF THE PLATES.

METERS

1904

THE STATE COMMENCED OFFICIAL VALIDATION OF ELECTRICITY METERS IN THE CZECH LANDS AT THE BEGINNING OF 1904. IT ISSUED A MINISTRY OF TRADE ORDINANCE CONCERNING THE TESTING AND VALIDATION OF ELECTRICITY CONSUMPTION METERS BY AN OFFICE OF WEIGHTS AND MEASURES. IN 1931, WHAT WAS THEN CZECHOSLOVAKIA HAD 54 WEIGHTS AND MEASURES OFFICES: 49 IN THE CZECH LANDS (8 IN PRAGUE AT THAT TIME), 4 IN SLOVAKIA, AND 1 IN SUBCARPATHIAN RUTHENIA.

1960

MECHANICAL METERS ARE BEING REPLACED BY ELECTROMECHANICAL VARIABLE-RATE METERS FOR SWITCHING BETWEEN PEAK AND OFF-PEAK TARIFFS AND SWITCHING ON APPLIANCES; FULLY ELECTRONIC RIPPLE-CONTROL (RC) RECEIVERS APPEAR IN 1978.

THERE IS NO MEASURING BY DIFFERENT YARDSTICKS IN THE ENERGY SECTOR.

IN THE LATE 19TH AND EARLY 20TH CENTURY, ORIGINAL ELECTROMECHANICAL METERS ARE REPLACED BY NON-ROTATING ELECTRONIC METERS; PRECISE CLOCK-LIKE MECHANISMS ARE REPLACED BY ELECTRONIC COMPUTING TECHNOLOGY.

19/20

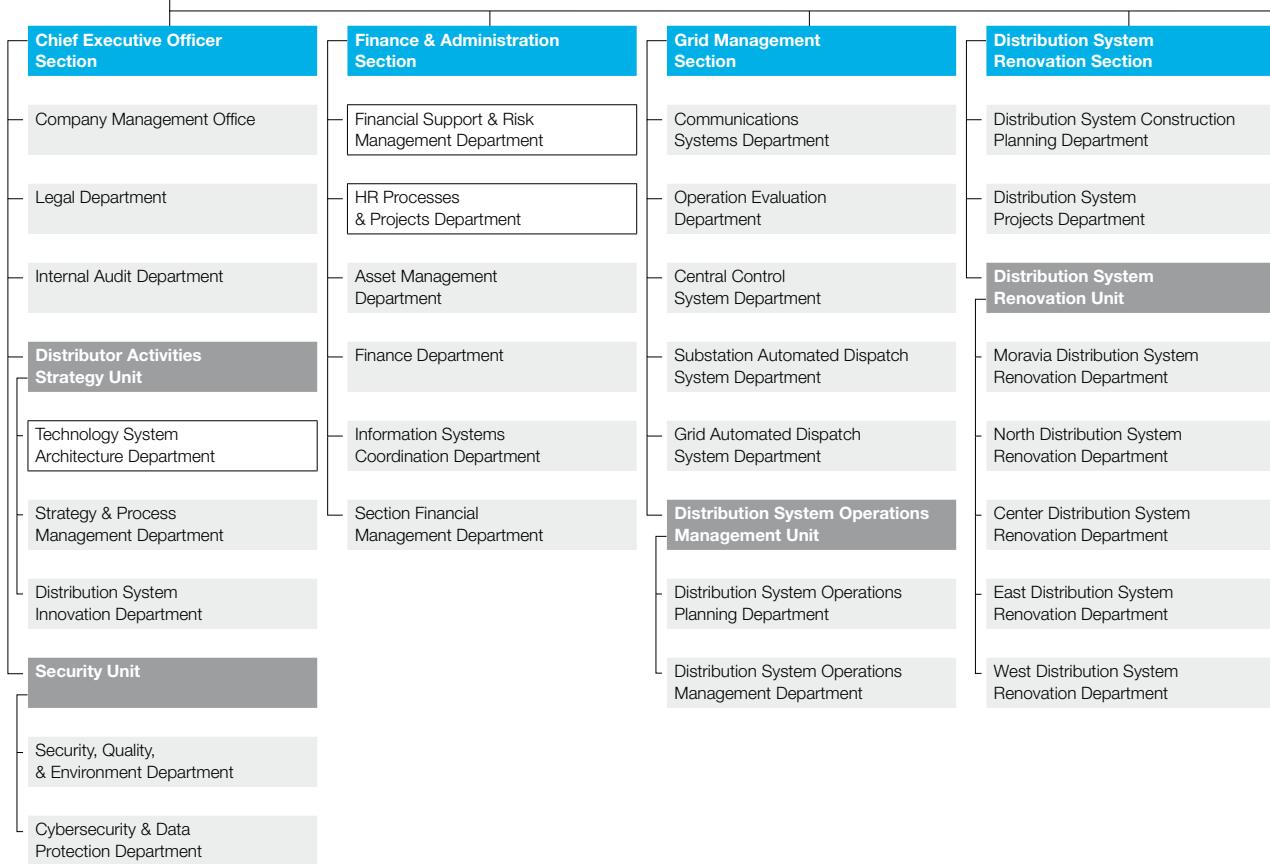


TAKING ADVANTAGE OF THE OPPORTUNITIES OFFERED BY NEW TECHNOLOGY AND DIGITIZATION, ČEZ DISTRIBUCE RUNS PILOT PROJECTS TO TEST BIDIRECTIONAL REMOTELY COMMUNICATING ELECTRONIC METERS (SMART METERS). SMART OR INTELLIGENT METERS ARE PART OF SMART GRIDS.

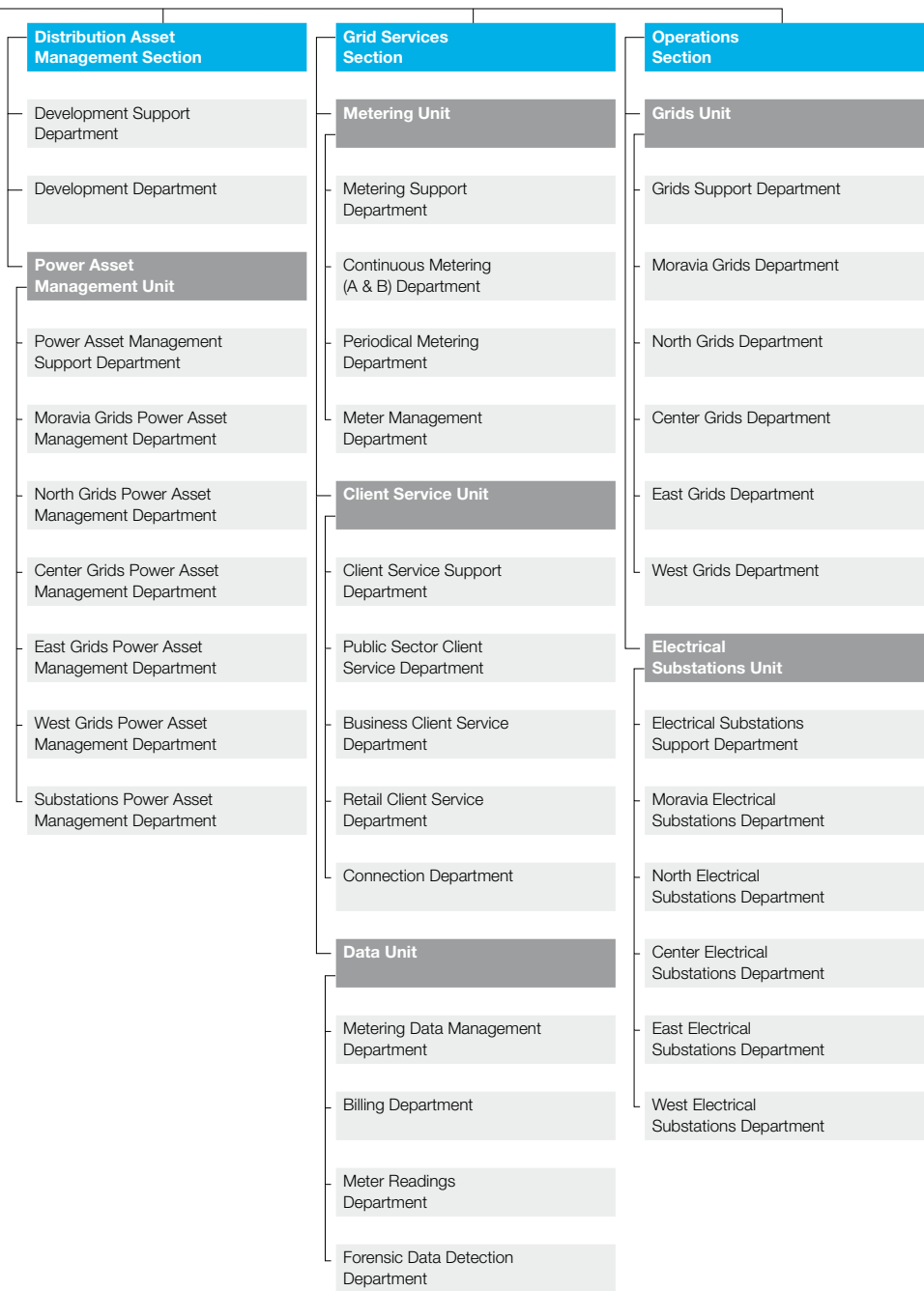
BASIC ORGANIZATION CHART OF ČEZ DISTRIBUCE, A. S., AS AT APRIL 1, 2019

Shareholders' Meeting

Board of Directors



Supervisory Board



GLOSSARY OF TERMS AND ABBREVIATIONS

Glossary of Terms and Abbreviations

Terms and Abbreviations	Commentary
AMM—Automatic Meter Management	Smart electricity meters
BPL—Broadband over Powerline	Communication over LV and MV power lines
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.
CT	Current transformer
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 supplies and consumption for market participants, ensure the settlement of differences between agreed and actual supplies, and organize the electricity spot market.
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
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.
IoT—Internet of Things	New technology interconnecting machines, devices, and buildings
Large customers	Customers receiving electricity from medium- and high-voltage networks
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
PLC—Power Line Communication	Communication over distribution (power) infrastructures
PV	Photovoltaic
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.
RLI	Regional Labor Inspectorate
ROA	Return on assets

Terms and Abbreviations	Commentary
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 GWh = 10 ⁹ Wh = 10 ⁶ kWh; Wh = unit of energy
Hz	Hertz; s ⁻¹ = unit of frequency
kA	Kiloampere; 1 kA = 10 ³ A; A = unit of electric current
km	Kilometer
kV	Kilovolt; 1 kV = 10 ³ V; V = unit of electric potential (voltage)
kW	Kilowatt; 1 kW = 10 ³ W; W = unit of power
m	Million
MVA	Megavolt-ampere; 1 MVA = 10 ⁶ VA; VA = unit of apparent (total) power
MW	Megawatt; 1 MW = 10 ⁶ W = 10 ³ kW; W = unit of power
MWh	Megawatt-hour; 1 MWh = 10 ⁶ Wh = 10 ³ kWh; Wh = unit of energy

Methods Used to Calculate Financial Indicators

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

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RELATED PARTIES REPORT FOR 2018

ČEZ Distribuce, a. s., having its registered office at Děčín—Děčín IV-Podmokly, Teplická 874/8, 405 02, company registration number: 247 29 035, 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 2018: Areál Třeboradice, a.s.; ČEZ Bohunice a.s.; ČEZ Distribuce, a. s.; ČEZ Distribuční služby, s.r.o. (ceased to exist as a result of its merger with ČEZ Distribuce, a. s., with effect from January 1, 2018); 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 Inženýring, s.r.o. (ceased to exist as a result of its merger with ČEZ, a. s., with effect from January 1, 2018); 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 Počerady, 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 2018 (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.: 452 74 649
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.: 247 29 035
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, 2018, to December 31, 2018, prepared by the Managing Entity, is included in Annex 1 to this Report and constitutes its integral part.

The following changes in the ownership structure occurred between January 1, 2019, and the preparation of this Report:

- EGP INVEST, spol. s r.o., was wound up with liquidation with effect from January 1, 2019 (consequently, the company's full name as of writing this is EGP INVEST, spol. s r.o., v likvidaci).
- ŠKODA PRAHA Invest s.r.o. ceased to exist as a result of its merger with ŠKODA PRAHA a.s. as the acquiring company—January 1, 2019.
- EVČ s.r.o. ceased to exist as a result of its merger with ENESA a.s. as the acquiring company—January 1, 2019.
- A 100% stake in ITX MEDIA a.s. was acquired by ČEZ Teplárenská, a.s.—January 1, 2019.
- A 100% stake in KART TZB, spol. s r.o., was acquired by KART, spol. s r.o.—January 2, 2019.
- A 100% stake in H & R Elektromontagen GmbH was acquired by Elektro Decker GmbH—January 7, 2019.
- Windpark FOHREN-LINDEN GmbH & Co. KG changed its registered office address from Hamburg, Am Sandtorkai 74, postcode 20457, to Bremen, Stephanitorsbollwerk 3, postcode 28217—January 1, 2019.
- A 100% stake in GBM Gesellschaft für Büromanagement mbH was acquired by Elevion GmbH—January 9, 2019.
- A 100% stake in each of FERME EOLIENNE DE FEUILLADE ET SOUFFRIGNAC SAS, FERME EOLIENNE DU BLESSONNIER SAS, FERME EOLIENNE DE SAUGON SAS, FERME EOLIENNE DE GENOUILLE SAS, FERME EOLIENNE D'ALLAS-NIEUL SAS, FERME EOLIENNE DE LA PETITE VALADE SAS, FERME EOLIENNE DES BESSES SAS, and FERME EOLIENNE DE NUEIL-SOUS-FAYE SAS was acquired by CEZ France SAS—January 15, 2019.
- Nuclear Safety & Technology Centre s.r.o., v likvidaci, ceased to exist upon being struck off the Commercial Register—January 23, 2019.

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, 2018. The companies and contracts are arranged without regard to the value of performance.

1. ČEZ, a. s.

- Framework Contract on Emergency Assistance to the Poříčí Island of December 19, 2017
- Service Agreement for Post-Warranty Servicing and Periodical Activities on TPSs and FDASs No. KNTR 4400040639
- Agreement on the Mutual Rights and Obligations of Joint Controllers No. P3A18000014490 of May 24, 2018
- 2 Credit Facility Agreements Nos. 2018/3, 2018/5
- 2 Credit Facility Agreements Nos. 2012/9, 2015/1
- Mutual Credit Facility Agreement based on the Multi-Level Flexible Online Real Bilateral CZK Cash Pooling Agreement for the economically linked group of January 28, 2016
- Mutual Credit Facility Agreement based on the Flexible Online Real Bilateral EUR Cash Pooling Agreement for the economically linked group of January 28, 2016
- 34 agreements for the transfer of title to a transformer substation
- Consensual declaration of the ancillary service provider and the distribution system operator to whose distribution system the equipment of the provider of ancillary services to ČEPS, a.s., is connected—Mělník II Power Plant, March 16, 2018
- Consensual declaration of the ancillary service provider and the distribution system operator to whose distribution system the equipment 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 the ancillary service provider and the distribution system operator to whose distribution system the equipment of the provider of ancillary services to ČEPS, a.s., is connected—Prunéřov I Power Plant (EPRU I), March 16, 2018
- Consensual declaration of the ancillary service provider and the distribution system operator to whose distribution system the equipment of the provider of ancillary services to ČEPS, a.s., is connected—Ledvice II & III Power Plant (ELE), March 16, 2018
- Consensual declaration of the ancillary service provider and the distribution system operator to whose distribution system the equipment of the provider of ancillary services to ČEPS, a.s., is connected—Trmice Heating Plant (ETR), March 16, 2018
- 37 electricity supply contracts for electric mobility
- Framework Contract for Services at Hydroelectric Power Plant Substations of October 30, 2017, No. 5600008722
- 2 contracts for electricity and heat supplies, water rates, and sewage charges, No. 279281 and No. 4101492251
- Agreement for the Transfer of Title to Transformer Substation Parcel No. 3316, Cadastral District of Kladno, signed in 2018 (with effect from April 9, 2018)
- Trademark License Agreement No. 5600007540
- Agreement for Facility Connection to the Distribution System No. 30034054
- Service Agreement No. 4400037593
- 4 nonresidential lease agreements No. 410216_2011 (effective from November 1, 2009)
- Lease Agreement No. 000100_2018, signed February 22, 2018 (effective from January 1, 2018)
- Framework Contract for Services at Hydroelectric Power Plant Substations No. 5600008722
- Contract for Work—Performing Diagnostic Cable Measurements, No. 4400040672
- Agreement on Concerted Action in the Award and in the Performance of a Public Contract for “Deliveries of Midsize and Large Utility Vehicles, Heavy Off-Road Vehicles, Cars, and Trucks” of April 10, 2018 (parties are ČEZ, a. s.; ČEZ Distribuce, a. s.; and ČEZ Korporátní služby, s.r.o.)
- Agreement on Concerted Action in the Award and in the Performance of a Public Contract for “Deliveries of Cars, Utility Vehicles, and Trucks” of August 6, 2018 (parties are ČEZ, a. s.; ČEZ Distribuce, a. s.; and ČEZ Korporátní služby, s.r.o.)
- Agreement on Concerted Action in the Award and in the Performance of a Public Contract for “Tire Delivery for CEZ Group” of November 29, 2018, No. 110942_2018 (parties are ČEZ, a. s.; ČEZ Distribuce, a. s.; and ČEZ Korporátní služby, s.r.o.)
- Agreement on Contracting Entities’ Concerted Action in the Award and in the Performance of Public Contracts (Association Agreement) of September 22, 2018, No. 110452_2016
- Agreement concerning Public Contract No. 110942_2018 (parties are ČEZ, a. s.; ČEZ Distribuce, a. s.; and ČEZ Korporátní služby, s.r.o.)
- Agreement for the Transfer of Title to Transformer Substation Parcel No. 3316, Cadastral District of Kladno
- Contract for Work—Performing Diagnostic Cable Measurements, No. 4400040672
- Agreement for the Settlement of Costs of the Provision of Consultancy Services No. 5600002270
- Agreement for the Settlement of Costs of the Provision of Consultancy Services No. 5600002271
- Distribution System Repair and Maintenance Contract No. 4400040761
- Agreement for Professional Psychological Testing No. 4400041484
- 3 nonresidential lease agreements No. 4400022032, No. 4400029943, No. 4400022264
- Land Lease Agreement No. 4400022272
- Service Agreement No. 4400019020

- Personal Data Processing Agreement No. 4400037612
- Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of March 2, 2017
- Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of April 28, 2017
- Personal Data Processing Agreement No. P3A18000014131 (4400040639) of May 24, 2018
- Personal Data Processing Agreement No. P3A18000014308 of May 23, 2018 (ombudsman services)
- Personal Data Processing Agreement No. P3A18000014309 (4400037593) of May 25, 2018
- Personal Data Processing Agreement No. P3A18000014311 (33_2012_016) of May 24, 2018
- Ancillary Service Agreement for Voltage and Reactive Power Control of December 15, 2014
- Agreement on Concerted Action in the Performance of a Public Contract for "Deliveries of Utility Vehicles" No. 110672_2016 of November 8, 2016 (parties are ČEZ, a. s.; ČEZ Distribuce, a. s.; and ČEZ Korporátní služby, s.r.o.)
- Agreement on Contracting Entities' Concerted Action in the Award and in the Performance of a Public Contract for "Fuel Delivery for CEZ Group" of June 20, 2017 (parties are ČEZ, a. s.; ČEZ Distribuce, a. s.; ČEZ Korporátní služby, s.r.o.; ČEZ Teplárenská, a.s.; ČEZ ESCO, a.s.; and ČEZ Prodej, a.s.)

2. ČEZ Energetické služby, s.r.o.

- Agreement for Local Distribution System Connection to the HV Distribution System—Horní Suchá, number 4101502065/16_VN_1008020698
- Agreement for Distribution System Services at 22 kV Voltage Level—Horní Suchá, number 16_VN_5_08020701
- Agreement for Local Distribution System Connection to the Medium-Voltage (MV)/High-Voltage (HV) Distribution System—Výstavní, number 16_VN_1007787412, as amended by Amendment 1
- Framework Agreement for Lease of Distribution Transformers 4101533547/17_VN_5_08121498
- Agreement for Distribution System Services at 110 kV (HV) Voltage Level, 4101533547/17_VN_5_08121498 (4101427441/16_VN_5_07787416)
- Ostrava-Výškovice Lease Agreement, number 51_20090301_02/09520123, incl. Amendments 1-8
- Service Agreement number 17410268
- Framework Service Agreement No. 4400040826 of June 26, 2013
- Service Agreement for conducting initial emergency investigation at RES facilities at ČEZ ES No. 4400032751 (4400039906) of January 11, 2016
- Contract for the manufacture of 4 drain valves No. 18410298
- Contract for the delivery of outer fencing of Výškovice 110/10 kV TR, No. 18410284
- Výškovice 110/10 kV TR control room agreement No. 18410384,
- New Jičín AVA 13 Varroc contract No. 18410169,
- General Terms and Conditions of Implementation Services, VOP REAL v08 of February 10, 2014
- Personal Data Processing Agreement, number P3A18000001046 of June 20, 2018

3. ČEZ Energo, s.r.o.

- 150 agreements for facility connection to the distribution system
- 60 contracts for distribution system services
- 18 preliminary agreements for generation facility connection to the distribution system
- Preliminary Easement Agreement for Vrchlabí
- Agreement on Structure Siting and Operation of January 21, 2013
- Access Provision Agreement of September 5, 2013
- Lease Agreement No. NSV/2001/2014 of May 1, 2014

4. ČEZ ESCO, a.s.

- Contract for the provision of OSH, FP, and EP Services number 32_2012_001
- Lease Agreement, as amended (most recently in September 2016)
- Personal Data Processing Agreement No. P3A18000014314 (for Master Agreement 32_2016_001) of May 24, 2018
- Personal Data Processing Agreement No. P3A18000014207 of May 11, 2018
- Framework Contract for Distribution System Services No. 1550040066 including Distribution Portal (DIP) Operation Rules

5. ČEZ ICT Services, a. s.

- Framework Contract for ICT Services No. 34_20160101_R of December 31, 2015
- 4 service agreements (MSD, EIS/GIS)
- 2 nonresidential lease agreements (as amended)
- 13 agreements on concerted action in the award of a public contract
- Framework Contract for Work and Services No. 4400031265
- Personal Data Processing Agreement No. P3A18000014307 (No. 4400040281, No. 4400040255) of May 25, 2018
- Personal Data Processing Agreement No. P3A18000014144 (No. 4400033256) of June 30, 2018
- 11× Contract Assignment Agreement (No. 4101908478, No. 4101908515, No. 4101910469, No. 4101912224, No. 4101912244, No. 4101912466, No. 4101912878, No. 4101914037, No. 4101914100, No. 4101914547, No. 4101755140)
- 17× Sales Contract (No. 4101910464, No. 4101911164, No. 4101912928, No. 4101912942, No. 4101912948, No. 4101912950, No. 4101916854, No. 4101916855, No. 4101920645, No. 4101800293, No. 4101812297, No. 4101870051, No. 4101900158, No. 4101910423, 52/2018, 55/2018, 54/2018)
- 5× Preliminary Contract (No. 4101756780, No. 4101756791, No. 4101756792, No. 4101756795, No. 4101910219)
- 7× Installation and Implementation (No. 4101853736, No. 4101840074, No. 4101793832, No. 4101838836, No. 4101864930, No. 4101853735, No. 4101800719)
- 26× Contract for Work (No. 4101411257, No. 4101753688, No. 4101754921, No. 4101861977, No. 4101364359, No. 4101504142, No. 4101693308, No. 4101758634, No. 4101506129, No. 4101879826, No. 4101912229, No. 4101754116, No. 4101750780, No. 4100465464, No. 4101916731, No. 4101913985, No. 4101819601, No. 4100465454, No. 4101409563, No. 4101406707, No. 4101298246, No. 4101592095, No. 4101637663, No. 4101866851, No. 4101866853, No. 4101881689)

6. ČEZ Korporátní služby, s.r.o.

- Framework Contract for the Provision and Procurement of Services and Leases No. 51_20060701_02 of July 1, 2006, as amended
- Separate Contract for the Provision of Accounting Services made under FC No. 110745_2017 of March 28, 2018, as amended (contract of December 19, 2012, applicable until March 28, 2018)
- Separate Contract for the Provision of Human Resources Services No. 110093_2013 made under the FC of December 13, 2012, as amended
- Separate Contract for the Provision of Printing and Reprographic Services made under FC No. 110849_2017 of June 1, 2018, as amended
- Separate Contract for the Provision of Document Filing and Destruction Services made under FC No. 001251_2009 of December 31, 2009, as amended
- Separate Contract for Correspondence Processing made under FC No. 110785_2010 of December 31, 2010, as amended
- Separate Contract No. 110612_2017 for PD1 Vehicle Lease and Services of March 2, 2018, as amended
- Separate Contract No. 001358_2009 for PD3 Vehicle Lease (Car Rental) of November 23, 2009, as amended
- Separate Contract No. 110086_2018 for PD4 Vehicle Services of March 2, 2018, as amended by amendments No. 110086_2018
- Separate Contract for Property Management and the Provision of Other Services made under FC No. 110769_2010 of December 31, 2010, as amended
- Contract for the Procurement of Work and Services for Electrical Inspections No. 110193_2012 of May 31, 2012, as amended
- Contract for the Provision of OSH, FP, and EP Services No. 33_2012_012 (110664_2011) of December 21, 2011, as amended
- 159 agreements for facility connection to the distribution system
- 162 preliminary easement/servitude agreements
- 4 sales contracts for land and other assets
- Site Use and Operation Agreement No. 110347_2016 of September 2, 2016
- 2 agreements on storm water discharge, agreement No. 000833_2009 of January 5, 2009, and agreement No. 000194_2008 of January 30, 2008
- Separate Contract for the Framework Contract for the Provision and Procurement of Services and Leases—Lease Agreement No. 110002_2018 of June 1, 2018 (PN2)
- Lease Agreement for Use of Premises No. 000566_2007 of June 30, 2006
- Contract No. 000591_2009 for Sewage Drainage to a Wastewater Treatment Plant of May 29, 2009
- Agreement No. 001052_2009 for Sublease of Office Premises of July 30, 2009 (Alpha)
- Sublease Agreement No. 110641_2011 (Karlovy Vary garage premises) of December 30, 2011
- Agreement for Sublease of Business Premises and for Business Lease of Movables No. 110014_2018 (Jablonec) of February 8, 2018
- Agreement No. 000617_2009 for Back Charge of Actual Costs of Consumed and Discharged Water of June 19, 2009
- Agreement No. 000871_2009 for Back Charge of Actual Costs of Consumed and Discharged Water of August 18, 2009
- Contracting Entities Association Agreement No. 001021_2009 of July 24, 2009

- Agreement for District Heating Substation on Dvůr Králové nad Labem Site No. 001108_2009 of September 30, 2009
- Water Service Agreement—Pardubice No. 000246_2010 of March 22, 2010
- Water Service Agreement—Špindlerův Mlýn No. 000414_2010 of June 30, 2010
- Water Service Agreement—Dobruška No. 000526_2010 of June 25, 2010
- Water Service Agreement—Hořice No. 110004_2011 of January 13, 2011
- Agreement for Back Charge of Actual Costs of Discharged Rainwater No. 110613_2011 of January 4, 2012
- Drinking Water Treatment and Wastewater Discharge Contract No. 110123_2012 of December 30, 2011
- Framework Agreement on the Assignment of Claims within CEZ Group for Set-Off Purposes No. 110778_2017 of June 1, 2017
- Parking Space Sublease Agreement No. 110569_2017 of October 11, 2017 (Teplice)
- Office Space Sublease Agreement No. 110221_2015 (Frydek-Místek) of January 20, 2016
- Sublease Agreement for Leased Premises No. 110885_2018 (Hudlice) of January 11, 2019
- Sublease Agreement for Leased Premises No. 110896_2018 (Jilemnice) of February 1, 2019
- Sublease Agreement No. 110088_2018 (Olomouc) of May 18, 2018
- Lease Agreement No. 110103_2015 (lease of movables)
- Separate Contract for TOC Services No. 110703_2017 of October 12, 2017
- Sales contract for purchase of land in Všestary—KSK/5002/2018 of February 27, 2018
- Short-Term Lease Agreement No. 110111_2017 of April 1, 2017
- Vehicle Transfer Agreement No. 110162_2018 of January 17, 2018
- Personal Data Processing Agreement No. P3A18000014312 (110196_2018) of May 25, 2018
- Personal Data Processing Agreement No. P3A18000014079 (110396_2018) of May 25, 2018

7. ČEZ Obnovitelné zdroje, s.r.o.

- Agreements for facility connection to the distribution system
- Electricity distribution agreements
- Agreement for Back-Charge of Costs Associated with Waste Water Treatment No. DSO_34_2012_015
- Service Agreement for Černé Jezero SHP and Vydra SHP

8. ČEZ OZ uzavřený investiční fond a.s.

- Lease Agreement—Nekoř, Pastviny SHP Operation
- Lease Agreement—Hradec Králové, Křížkova (house No. 788, building lot No. 622/2)
- Preliminary Easement Agreement—Vydra, Č. Pila of May 16, 2013
- Agreement on Structure Siting and Operation—Nekoř, Pastviny SHP, of August 1, 2013
- Agreement on Equipment Siting and Operation at the Pastviny SOE Site of August 1, 2013
- Easement Agreement—Spálov SHP of May 16, 2013
- Preliminary Easement Agreement—Kladno-Dříň MV of December 30, 2013
- Easement Agreement—Srní of September 18, 2012

9. ČEZ Prodej, a.s.

- Framework Contract for Distribution System Services of March 31, 2016
- Contract for OSH, Fire Protection, and Environmental Protection Services No. 33_2012_015 of December 21, 2011
- Agreement for Generation Connection to the Medium-Voltage Distribution System No. 940017_2017 of May 19, 2017
- Supply Contract for Electricity for In-House Consumption of December 28, 2006, 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 No. P3A18000014313 (33_2012_015) of May 25, 2018
- Personal Data Processing Agreement No. P3A18000014208 of May 24, 2018
- Lease Agreement (nonresidential premises in Česká Třebová)

10. ČEZ Teplárenská, a.s.

- Nonresidential Lease Agreement No. 4400018982 of November 12, 1997
- Electricity service point connection agreements with ČEZ Teplárenská, a.s.
- Easement Agreement of August 15, 2018

11. Elektrárna Dětmorovice, a.s.

- Ancillary Service Agreement for Voltage and Reactive Power Control of December 29, 2014
- Electricity Distribution Agreement of March 30, 2009
- Agreement for Electricity Generation Facility Equipment Connection to the Distribution System of March 5, 2010, as amended by Amendment 2
- Agreement for Electricity Consumer Connection to the MV/HV Distribution System of May 23, 2013

12. Elektrárna Počerady, a.s.

- Agreement for Generation Connection to the Medium-Voltage Distribution System No. 940017_2017 of May 19, 2017

13. Elektrárna Tisová, a.s.

- Contract for Electricity Generation Facility Connection to the MV and HV Distribution System (of September 24, 2015)
- Voltage Distribution Agreement for Medium-Voltage (MV) or High-Voltage (HV) Level of March 25, 2009
- Agreement for Electricity Generation Facility Connection to the Distribution System of October 24, 2010

14. ČEZ Energetické produkty, s.r.o.

- Agreement for Connection to the Distribution System No. 8_NN_2_01416347

15. Energotrans, a.s.

- Ancillary Service Agreement for Voltage and Reactive Power Control
- MV/LV Electricity Distribution Agreement (Horní Počaply) No. 14_VVN_2_06355413, signed on November 3, 2014
- Agreement for Generating Facility Connection to the MV/HV Distribution System No. 171008164681
- 110 kV Substation Services Agreement
- Lease Agreement for Residential and Nonresidential Premises at MPP No. 790003_2016, Amendment 1, signed November 1, 2017, effective from January 1, 2018, including amendment
- Consensual declaration for ČEPS, a.s.

16. EVČ s.r.o.

- Service Point Connection Agreement—Rychnov office, of February 18, 2014
- Service Point Connection Agreement—Zavadilka, of March 21, 2016
- Connection Agreement—Ropkova boiler plant, Litomyšl, of January 17, 2017
- Connection Agreement—Mnichovo Hradiště, of July 31, 2017

17. PRODECO, a.s.

- Easement Agreement No. IV-12-4010781/VB/P0033

18. Severočeské doly a.s.

- Nonresidential Lease Agreement—transformer substation, of May 15, 2006
- Servitude Agreement of March 2, 2017
- Electricity Distribution and System Services Agreement No. DB-03306_3_3_903008 of January 2, 2007
- Electricity Distribution Agreement No. DNT-03306_3_903008 of January 8, 2007

19. Telco Pro Services, a. s.

- Contract for the Provision of OSH, FP, and EP Services No. 13_2014_001 of May 27, 2014
- Contract for the Procurement of Repair Services for selected ARCS equipment in the Moravia region, including preventive maintenance and equipment repairs
- 21 building contracts
- Lease Agreement (as amended)
- 2 agreements on concerted action in the award of a public contract
- General Terms and Conditions of Design Services (VOP PD v08) of June 25, 2015
- General Terms and Conditions of Implementation Services (VOP REAL v08) of June 25, 2015
- Agreement for Fault Remedy Services and Collaboration in Inspection Activities, Repairs and Servicing, and RC Diagnostics in the Moravia and East Regions of March 7, 2017
- Framework Contract for Telco Services No. 34_20170101_R of March 7, 2017, as subsequently amended
- Separate Contract for Telco Services No. 34_20170101_D of March 31, 2017, as subsequently amended
- Separate Contract for Operation, Regular Maintenance, and Repair of Optical Parts of Optical Ground Wires on MV and HV Lines and Fiber-Optic Office Cables No. 34_20170101_D2 of May 15, 2017
- Optic Fiber Lease Agreement No. 34_20170101_ROV of April 12, 2017
- Framework Lease Agreement for Supports No. 34_20170101_RPB of April 12, 2017
- Personal Data Processing Agreement No. P3A18000014306 (4400036336, 4400036335) of May 24, 2018
- Personal Data Processing Agreement No. P3A18000014315 (13_2014_001) of April 27, 2018
- Personal Data Processing Agreement No. P3A18000014310 (4400036950) of May 31, 2018
- Personal Data Processing Agreement No. P3A18000001264 of May 24, 2018

20. Tepelné hospodářství města Ústí nad Labem s.r.o.

- Nonresidential (Transformer Substation) Lease Agreement No. 70012513 of November 20, 2009
- Utility Tunnel and Corridor Sublease Agreement No. 720010427 of January 12, 2001

21. Teplo Klášterec s.r.o.

- Agreement on Sharing Provable Costs of Storm Water Discharge of March 26, 2015
- Agreement for Electricity Consumer Connection to the Low-Voltage Distribution System of April 4, 2013
- Easement/Servitude Agreement of August 17, 2015

22. ÚJV Řež, a.s.

- Distribution System Service Agreement No. 16 VN 208066879
- Local Distribution System Connection Agreement No. 18 VN 1008644830 of July 26, 2018

23. Centrum výzkumu Řež s.r.o.

- Agreement for Facility Connection to the Distribution System—Plzeň, of July 31, 2013

24. OKD, a.s.

- Distribution System Easement Agreement No. IP-12-8000105 in the cadastral district of Trojanovice
- Easement Agreement No. IV 12-8005058/VB5—lot No. 1278/2, cadastral district of Staré Město u Karviné
- Land Lease Agreement—lot No. 1817 under 110 kV electrical substation in the cadastral district of Karviná-Doly
- Cable Bridge Joint Use Agreement at ČSA, Jan-Karel
- Easement Agreement for Land—lot No. 130/5 in the cadastral district of Stonava—LV electricity service line
- Easement Agreement No. IV 12-8005321/VB02—lot No. 1278/2, cadastral district of Staré Město u Karviné
- Easement Agreement No. IP-12-8008601/01 for Land—lot No. 130/3 in the cadastral district of Stonava
- Easement Agreement No. IZ-12-8000001/VB6—110 kV TR substation, cadastral district of Doubrava
- Supply Contract—drinking water, wastewater—110/22 kV substation at Paskov
- Supply Contract—wastewater—220 kV substation at Lískovec
- Easement Agreement No. IE-12-8002858/028—110 kV HV line
- Joint Use Agreement for 22/6 kV Substation in Trojanovice
- Easement Agreement No. IP-12-8014182/VB2—distribution system equipment operation
- Land Lease Agreement—lot No. 2734/34 in the cadastral district of Stonava
- Easement Agreement No. IP-12-8014038/VB1—underground cable line in the cadastral district of Dolní Těrlícko
- Purchase Order—Inspection of Power Switchgear at Frenštát Substation
- Easement Agreement No. EP-12-8000748/1a/VB/2014—distribution system equipment location
- Easement Agreement No. IP-12-8016204 in the cadastral district of Tichá na Moravě, Turková
- Easement Agreement No. IV-12-8008016/VB/05—Ostrava, Lihovarská, Ordoriko SE, DTS
- Easement Agreement No. EP-12-8002388—MV No. 39 relocation, Karviná, Louky
- Agreement for Compensation for Restricted Use of Land No. IE-12-8001550/DO7/2—Doubrava—provisional 110 kV interconnection
- Preliminary Easement Agreement No. IV-12-8011425-1 in the cadastral district of Staré Město u Karviné
- Easement Agreement No. IE-12-8003902/2—Trojanovice MV, cross-section expansion
- Preliminary Easement and Building Right Agreement No. IE-12-8004276/069 in the cadastral district of Frenštát pod Radhoštěm
- Preliminary Easement and Building Right Agreement No. EP-12-8003679/4 in the cadastral district of Karviná-město
- Preliminary Easement Agreement and Structure Siting Agreement No. IZ-12-8000686/02 in the cadastral district of Doubrava u Orlové
- Easement Agreement No. IE-12-8001550/SOVB/3/2018—Doubrava, new 110 kV line
- Wastewater Discharge Contract—Paskov

25. MARTIA a.s.

- General Terms and Conditions (VOP PD v08) of February 10, 2014
- General Terms and Conditions (VOP REAL v08) of February 10, 2014
- Minor Electrical Installation Work including Material Delivery No. 4400030730 of January 15, 2015
- Energy Sector Design Work No. 4400030716 of January 16, 2015
- JN Horní Maxov—VN7850_ÚS_JN_5005-5007 Renovation No. 721000596 of August 28, 2017
- Contract for Work under FC No. 4400030730, No. 4400031076 – 2016 of June 14, 2016
- TP Prosetice—LV Cable Laying, Phase I No. 721000437 of April 28, 2016
- TP Prosetice—LV Cable Laying, Phase II No. 721000438 of April 28, 2016
- Contract for Work under FC No. 4400030730 of September 21, 2015
- Contract for Work under FC No. 4400030716 (4400031056) of September 23, 2015
- PD Preparation, TP-V—Oldřichov Substation—Hospital TS, No. IE-12-4005726/PD of January 26, 2018
- PD Preparation, Teplice NAP. III—Novosedlice Paper Mill, No. IE-12-4005729/PD of January 26, 2018
- PD Preparation, Chotějovice Substation—PB24, No. IE-12-4005732/PD of January 26, 2018
- LB Chrastava, Vítkovská St., LV Reconstruction No. 4101769724 of April 13, 2018
- Energy Sector Design Work No. 721000673 of May 11, 2018
- Personal Data Processing Agreement No. P3A18000001192 of May 25, 2018
- Energy Sector Project Documentation No. 4400031056--2018 of September 11, 2018
- CL Houska—LV Overhead Line Reconstruction acc. to PD No. 4101884910 of October 30, 2018
- Agreement for Photovoltaic Installation Connection to the Distribution System No. 18_SOP_02_4121436518 of September 11, 2018
- H2B Svádov, Vítězná, Parcel Lot No. 270—LVc, No. 740002022 of October 5, 2016
- H2B Horní Libchava, Parcel Lot No. 652/34, LV Preparation of November 8, 2016
- H2B Těchlovice, Parcel Lot No. 1040/2, New LVc of November 28, 2016
- H2B Modrá, Parcel Lot No. 14/2, Service Line over 50m, LVc No. 4101523465 of January 23, 2017
- H2B Hvězda, US_CL_2255 Replacement No. 4101564703 of March 30, 2017
- H2B Děčín, Písecká St., Junák, LV Line Modification, LVc, No. 4101568693 of April 7, 2017
- H2B Modrá, Parcel Lot No. 481/10, LV Line Modification of April 18, 2017
- LT, Maškovice—LV, Parcel Lot No. 50/1, New SP of November 12, 2015
- H2B Labská Stráž, Parcel Lot No. 1251, Service Line up to 50m, LVc of January 7, 2016
- HZS Roudnice n./L., Čechova—LVc Renovation of August 21, 2015
- HPD0 Karlovy Vary-Doubí, Jarošíkova, LV Line/LVc No. 4101224961 of August 25, 2015
- HPD0 Spálené Poříčí, Nerudova, Čechova—LVc of July 8, 2015
- HZS Malá Veleň, House No. 29, LVc Modification of July 13, 2015
- H2B Šluknov, House No. 972, LV Line Modification, LVc of July 20, 2015
- HPD0 Hranice, Ruská—Krásné Údolí, TS, LVc of July 27, 2015
- HPD0 Chloumek u Kasejovic, Homestead—LV of October 6, 2015
- H2B Velký Šenov, Parcel Lot No. 790/3, New LVc No. 4101253018 of October 9, 2015
- H2B Dolní Žleb, Building Lot No. 54, LV Line Modification, New LVc No. 4101255501 of October 12, 2015
- H2A0 Karlovy Vary, Západní, Lot No. 142/2, LVc No. 4101184483 of June 9, 2015
- HPD0 Manětín, TS, Radějov, HV, MVc, TS, LVc No. 4101187177 of June 16, 2015
- HPD0 Karlovy Vary, Tržiště House No. 38437, FIBRO, LVc No. 4100892298 of January 31, 2014
- H2B Děčín-Chrochvice, Parcel Lot No. 403/4, LV Service Line No. 4101625531 of July 12, 2017
- H2B Děčín, Dělnická St., Parcel Lot No. 3472/1, Loop No. 4101623786 of July 12, 2017
- H2B Kamenická Stráž, Parcel Lot No. 218/1, LVc Loop No. IV-12-4015846 of July 25, 2017
- H2B Žandov, Heřmanice, Lot No. 292—LVc, SS100 No. 4101630826 of July 25, 2017

- H2B Slunečná, Parcel Lot No. 241/5, New LVc No. 4101597532 of May 30, 2017
- H2B Stará Oleška, Parcel Lot No. 7/1, LV Service Line No. 4101604669 of June 20, 2017
- H2B Jílové, Parcel Lot No. 580/5, LV Service Line No. 4101609256 of June 20, 2017
- H2B Jílové, Parcel Lot No. 808/40, LV Service Line No. 4101610527 of June 20, 2017
- H2B Drážďanská, Parcel Lot No. 1548/12—LVc of June 27, 2017
- HZS1 Březiny, 3x US Replacement No. 4101584520 of May 9, 2017
- CL Zbýny—LV Line Reconstruction No. 4101587295 of May 15, 2017
- H2B Děčín, Parcel Lot No. 990/69, LVc Service Line No. 4101591405 of May 15, 2017
- DC Šluknov, ec109946, LV Line Modification No. 4101594637 of May 23, 2017
- H2B Arnoltice, Parcel Lot No. 55/6, LVc Service Line No. 4101594454 of May 4, 2017
- H2B Děčín, Parcel Lot No. 204/1, LVc Loop No. 4101601139 of May 30, 2017
- H2B Horní Police, Parcel Lot No. 810, LVc Loop No. 4101660410 of September 14, 2017
- H2B Hlemýžď, Parcel Lot No. 81/8, LVc, SS No. 4101658697 of September 18, 2017
- H2B Česká Lípa, Liberecká, Lot No. 139/1—LVc, SS No. 410661039 of September 18, 2017
- H2B Loučky, Parcel Lot No. 1067/15, LV Service Line No. 4101658756 of September 11, 2017
- H2B Huntířov, Parcel Lot No. 847/14, LV Service Line No. 4101658775 of September 11, 2017
- H2B Arnoltice, Parcel Lot No. 1380, LV Service Line of September 11, 2017
- H2B Varnsdorf, Parcel Lot No. 918/3, Service Line up to 50m, LVc No. 4101651599 of September 5, 2017
- H2B Rumburk, Parcel Lot No. 1890, New LVc No. 411657466 of September 5, 2017
- H2B UL, Libouchec, Parcel Lot No. 401/1—LVc, No. 4101658134 of September 11, 2017
- H2B Radvanec, Parcel Lot No. 381/3, Service Line up to 50m, LVc No. 4101664762 of September 20, 2017
- H2B Ludvíkovice, Parcel Lot No. 997/10, New LVc of September 20, 2017
- H2B Děčín, Parcel Lot No. 204/1, LVc Loop No. 4101659337 of September 13, 2017
- H2B Arnoltice, Parcel Lot No. 55/6, LVc Service Line No. 4101667942 of September 21, 2017
- HZS Děčín, Duchcovská 305/1, MVc Loop No. 4101667858 of September 25, 2017
- H2B Chříbská, Parcel Lot No. 166/1, New LVc No. 4101669254 of September 25, 2017
- H2B Okna, Parcel Lot No. 301/42, LV Service Line No. 4101672502 of October 4, 2017
- H2B Zákupy, Lot No. 1597/1—LVc, SS100 No. 4101633898 of July 26, 2017
- H2B Děčín-Chrochvice, Parcel Lot No. 692/2, LV Service Line No. 4101633865 of August 14, 2017
- H2B Varnsdorf, Parcel Lot No. 1724/1, Service Line over 50m, LVc No. 4101640100 of August 14, 2017
- H2B Kuřívody, Parcel Lot No. 14/68, 14/69, 14/78, LVc No. 4101645966 of August 18, 2017
- H2B Horní Oldřichov, Building Lot No. 223, LV Service Line No. 4101646009 of August 21, 2017
- H2B Studený, Parcel Lot No. 633/6, New LVc No. 4101646454 of August 21, 2017
- H2B Malšovice, Building Lot No. 14/2, LVc Loop No. 4101648323 of August 21, 2017
- HZS1 Děčín, Ústecká 860/26, New MVc No. 4101643691 of August 22, 2017
- H2B Česká Lípa, Removal from TS CL_0269 No. 4101703706 of November 23, 2017
- H2B Jiřetín pod Jedlovou, Parcel Lot No. 206, New LVc No. 4101706733 of November 28, 2017
- H2B Česká Lípa, Lot No. 5716, Zoubek—LVc No. 4101706754 of November 28, 2017
- H2B Studený, Parcel Lot No. 633/6, New LVc No. 4101709032 of November 28, 2017
- H2A Horní Podluží, House No. 271, LV Line Modification No. 4101703270 of November 22, 2017
- H2B Mařeničky, Parcel Lot No. 138/2, Service Line up to 50m, LV Line of December 11, 2017
- H2B Folknáře, Parcel Lot No. 374/4, LV Service Line No. 4101710868 of December 11, 2017
- H2B Arnultovice, Parcel Lot No.1697/3, New LVc No. 4101709039 of December 13, 2017
- H2B Varnsdorf, Parcel Lot No. 5339/1, Service Line up to 50m, LVc No. 4101700240 of December 13, 2017
- H2B Děčín-Chrochvice, Parcel Lot No. 692/2, LV Service Line No. 4101713129 of December 13, 2017
- H2B Markvartice, Parcel Lot No. 3330/5, New LVc No. 4101708908 of December 6, 2017
- H2B Česká Kamenice, Parcel Lot No. 334, LV Line Modification No. 4101710896 of December 6, 2017
- H2B Stará Oleška, Parcel Lot No. 56/2, LV Service Line No. 4101684654 of October 26, 2017
- H2B Manušice, Lot No. 151/5, 6, 2yOM—LVc, SS200 No. 4101679294 of October 26, 2017
- H2B Česká Lípa-Dobranov, Lot No. 47/2, Škoda—LVc, SS100 No. 4101689791 of October 26, 2017
- H2B Arnultovice, Parcel Lot No. 605/1, New LVc, No. 4101687218 of October 26, 2017
- HZSI Sloup v Čechách, Building Lot No. 354/3, Service Line over 50m, No. 4101678013 of October 26, 2017
- H2B Rumburk, Bezručova, House No. 475/8, New LVc No. 4101692397 of November 1, 2017
- H2B Markvartice, Parcel Lot No. 343/1, Service Line up to 50m, LVc No. 4101690695 of November 1, 2017

- H2A Svor, Parcel Lot No. 15/2, Service Line up to 50m, LV Line, No. 4101690549 of November 1, 2017
- H2B Děčín-Březiny, Building Lot No. 145, LVc Loop No. 4101695810 of November 7, 2017
- H2B Staré Křečany, Parcel Lot No. 3090/3, New LVc No. 4101699569 of November 15, 2017
- H2B Kunratice, Parcel Lot No. 102/3, Service Line up to 50m, LV Line No. 4101699427 of November 15, 2017
- H2B Šídlov, TS MV Service Line Mod. CL_1004 No. 4101700946 of November 15, 2017
- H2B Žandov, Heřmanice, Lot No. 292—LVc, No. 4101716955 of December 15, 2017
- H2B Nový Bor, U Vodárny, Parcel Lot No. 630/50, LV Service Line, No. 4101716800 of December 15, 2017
- H2B Děčín, Dělnická St., Parcel Lot No. 3472/1, Loop, No. 4101716754 of December 15, 2017
- H2B Děčín, Parcel Lot No. 2786, LVc Loop, No. 4101718794 of December 15, 2017
- HZS1 Děčín, Parcel Lot No. 3671/18, New 22 kV MVc, No. 4101664659 of December 18, 2017
- H2B Děčín, Teplická, Parcel Lot No. 774/2, LVc Modification No. 4101714911 of December 18, 2017
- H2B Varnsdorf, Parcel Lot No. 7531/12, New LVc No. 4101715273 of December 19, 2017
- H2A Velenice, Lot No. 370, LV Line Feeder to SP100, No. 4101719028 of December 19, 2017
- H2B Jílové, Parcel Lot No. 580/5, LV Service Line, No. 4101720561 of December 19, 2017
- H2B Rumburk, Parcel Lot No. 1464/1, New LVc, No. 4101721890 of December 19, 2017
- H2B Brniště, Parcel Lot No. 1330/1, New TS Connection, No. 4101721303 of December 22, 2017
- H2B Staré Město, Parcel Lot No. 990/71, LVc Service Line, No. 4101722769 of December 28, 2017
- H2A Česká Lípa, Nám. T. G. Masaryka 3—LVc Repl. No. 4 with SS200, No. 4101722928 of December 28, 2017
- H2A Jablonné v Podještědí, Parcel Lot No. 205/1, LV Line, Feeder, No. 4101722520 of January 8, 2018
- H2B Drážďanská, Parcel Lot No. 1548/12—LVc, No. 4101725524 of January 8, 2018
- H2B Slunečná, Parcel Lot No. 241/5, New LVc, No. 101724871 of January 9, 2018
- H2B Hradčany, Parcel Lot No. 75, LVc, SS100, No. 4101724765 of January 9, 2018
- H2A Malá Bukovina, House No. 90, Main Panel Replacement, No. 4101725717 of January 10, 2018
- H2B Horní Jindřichov, New US for TS Dc_1492, No. 4101730794 of January 15, 2018
- H2B Malšovice, Building Lot No. 14/2, LVc Loop No. 4101729951 of January 17, 2018
- H2B Stará Oleška, Parcel Lot No. 7/1, LV Service Line No. 4101730018 of January 18, 2018
- H2B Teplice, Na Haldách, Lot No. 1029/21—New SP, No. 4101738602 of January 23, 2018
- H2B DC Velký Šenov, Parcel Lot No. 2178/1, Service Line over 50m, LVc, No. 4101737094 of January 23, 2018
- H2B Horní Chřibská, Parcel Lot No. 333/2, Service Line up to 50m, LVc, No. 4101737652 of January 23, 2018
- CL Boreček, Unif. MVc Repl., Ph. 1, Part 1–5, No. 4101740814 of January 26, 2018
- H2B Hvězda, US Replacement US_CL_2255, No. 4101741828 of January 26, 2018
- DC Děčín, SPŠS, Parcel Lot No. 1825, MVc Modification of February 5, 2018
- H2B Děčín, Písecká St., Junák, LV Line Modification, LVc of February 5, 2018
- H2B Falknov, Parcel Lot No. 277/1, Service Line over 50m, LVc, No. 4101742047 of February 5, 2018
- H2B Horní Oldřichov, Building Lot No. 223, LV Service Line of February 5, 2018
- H2B Radvanec, Parcel Lot No. 381/3, Service Line up to 50m, LVc, No. 4101742713 of February 5, 2018
- H2B Děčín-Chrochvice, Parcel Lot No. 403/4, LV Service Line, No. 4101743602 of February 6, 2018
- H2B Kuřívody, Parcel Lot No. 14/68, 14/69, 14/78, LVc, No. 4101744460 of February 6, 2018
- H2B Prostřední Žleb, Parcel Lot No. 180/2, LV Service Line, No. 4101741986 of February 6, 2018
- H2B Hlemýždí, Parcel Lot No. 81/8, LVc, SS, No. 4101743559 of February 8, 2018
- HZSI LT, Třebutíčky—LV Line Renovation, No. 4101744445 of February 8, 2018
- UL-Petrovice, LV Cable Laying, No. 4101749177 of February 12, 2018
- H2B Huntířov, Parcel Lot No. 847/14, LV Service Line, No. 4101750034 of February 12, 2018
- H2B Varnsdorf, Parcel Lot No. 7531/16, Service Line up to 50m, LVc, No. 4101747877 of February 13, 2018
- REAL Huntířov, Parcel Lot No. 847/15, LV Service Line, No. 4101879058 of October 17, 2018
- REAL Ledvice, Parcel Lot No. 330/16—New SP, No. 4101871201 of October 11, 2018
- REAL Česká Kamenice, Support No. 334, LV Line Modification, No. 4101874392 of October 11, 2018
- REAL Kryry, Hluboká cesta, 1x SP, No. 4101874063 of October 11, 2018
- REAL Domaslavice, Parcel Lot No. 337/13—New SP, No. 4101874096 of October 11, 2018
- REAL Chlumeč—Český Újezd—2x New SP, No. 4101870828 of October 12, 2018
- REAL Petrovice, Parcel Lot No. 499/43—LVc, No. 4101879720 of October 18, 2018
- DC_Horní Oldřichov, LV Line Modification, LVc, Phase 1, No. 4101887111 of November 6, 2018
- REAL Děčín, Tržní, House No. 1069/32, LVc Loop, No. 4101890941 of November 6, 2018
- REAL Radniční, House No. 252/10, HDSS Replacement, No. 4101889955 of November 9, 2018

- REAL Česká Lípa, Lot No. 5716, Zoubek—LVc, SS100, No. 4101892832 of November 16, 2018
- 100099758_REA_VR_IZ-12-4000203 Teplice, E. Dvořák, No. 4101853666 of November 26, 2018
- LN-TS LN_1284, LVc and LV Switchboard Reconstr., No. 4101903377 of November 30, 2018
- REAL Teplice, V Lipách, Parcel Lot No. 2769/2—New SP, No. 4101911476 of December 12, 2018
- REAL Háj u Duchcova, Parcel Lot No. 243—New SP, No. 4101911339 of December 12, 2018
- REAL Mezná, DTS DC_1900 Replacement, New MVc, No. 4101906691 of December 12, 2018
- UL Střekov, Kojetická, 337/27—HD, No. 4101904630 of December 10, 2018
- REAL Zabrušany, Straky—LV Cable Laying, No. 4101723074 of December 11, 2018
- REAL Petrovice, Parcel Lot No. 2062/3—LV Service Line, No. 4101838708 of August 8, 2018
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- REAL Moskevská, 1532/52—LVc, No. 4101838878 of August 8, 2018
- REAL Drážďanská, Parcel Lot No. 1549—LVc, No. 4101838874 of August 8, 2018
- REAL Háj u Duchcova, Mlýnská, Parcel Lot No. 511/1—New SP, No. 4101837143 of August 8, 2018
- REAL Skorotice, E43—LVc, No. 4101838831 of August 8, 2018
- UL Neštětice, Tři kříže, Parcel Lot No. 1007/109—SP, No. 4101837849 of August 8, 2018
- REAL Homole u Panny, Parcel Lot 92/2—LVc, No. 4101841151 of August 8, 2018
- REAL Povrly—Wiring Modification for P17, No. 4101841172 of August 8, 2018
- REAL Tisá, Parcel Lot No. 818/1—Service Line up to 50m, LVc, No. 4101839448 of August 8, 2018
- REAL Petrovice, 499/13—LVc Service Line, No. 4101839407 of August 8, 2018
- TP Krupka, Hálkova, Building Lot No. 99459—New SP, No. 4101835100 of August 8, 2018
- TP Proboštov, Dělnická, Mr. Gricišin—New SP, No. 4101835148 of August 8, 2018
- REAL Varnsdorf, Parcel Lot No. 7531/16, Service Line up to 50m, LVc, No. 4101842933 of August 8, 2018
- REAL Kmochova, Parcel Lot No. 176/97—LVc, No. 4101840609 of August 8, 2018
- TP Moldava, Building Parcel Lot No. 337/234—New SP, No. 4101840683 of August 8, 2018
- TP Osek, TS TP_0679—LV Switchboard Replacement, No. 4101840648 of August 8, 2018
- UL Na Kopečku, Parcel Lot No. 4680/3—LVc, No. 4101836553 of August 9, 2018
- UL Brná, Pod rezervací—Support Replacement, No. 4101836969 of August 9, 2018
- UL Trmice, Vančurova, 1396_12—LVc, No. 4101836994 of August 9, 2018
- UL Hradiště, House No. 86—LVc Service Line, No. 4101836439 of August 9, 2018
- UL Krásné Březno, V Háji 9470—LV Modification, No. 4101836593 of August 9, 2018
- No. 4101836515 of August 9, 2018
- REAL Markvartice, Parcel Lot No. 3330/5—New LVc, No. 4101847451 of August 16, 2018
- REA Hradčany, Parcel Lot No. 75, LVc, SS100, No. 4101847452 of August 16, 2018
- REAL Malá Veleň, Benar05, HDSS No. 61A Replacement, No. 4101846040 of August 16, 2018
- REAL Měrunice, Žichov, Parcel Lot No. 45—New SP, No. 41018466411 of August 6, 2018
- REALK Bžany-Lbín, House No. 39—New SP, No. 4101843577 of August 15, 2018
- REAL Libouchec, Parcel Lot No. 2754/6—LVc Service Line, No. 4101845528 of August 15, 2018
- REAL Srbice, Parcel Lot No. 161/58—New SP, No. 4101842879 of August 16, 2018
- IV-12-4016252_REAL H2B Charvátce, 59-10, Mr. Křištofík, 1x SP, No. 4101847361 of August 22, 2018
- IV-12-4016772_REAL Louny, Dalimilova, 3630-234, 1x SP, No. 4101847316 of August 22, 2018
- IV-12-4015893_REAL Bystřany, V Semaji—4 New SPs, No. 4101846537 of August 22, 2018
- IP-12-4008201_REAL Horní Chříbská, Parcel Lot No. 333/2, Service Line up to 50m, LVc, No. 4101847820 of August 20, 2018
- IP-12-4008187_REAL Dubí-Mstišov, Parcel Lot No. 364/7—New SP, No. 4101853213 of August 31, 2018
- IV-12-4016941_REAL Markvartice, Parcel Lot No. 1886/1—New LVc, No. 4101853185 of August 31, 2018
- IV-12-4016421_REAL Holedeč-Veletice, 1x SP, No. 4101854162 of August 31, 2018
- TP Dubí, Mírová, House No. 10114—New SP, No. 4101853331 of September 6, 2018
- UL Elišky Krásnohorské, P21—Main Panel of September 6, 2018
- REAL Jiřetín pod Jedlovou, Parcel Lot No. 206—New LVc, No. 4101855360 of September 6, 2018
- IP-12-4008920_REAL Malečov, Parcel Lot No. 574—SP, No. 4101858171 of September 6, 2018
- IP-12-4008871_REAL Kravaře, Sezímky 40, LV Service Line Modification, No. 4101854167 of September 6, 2018
- TP Bílina, Bílinská, Parcel Lot No. 1682_4—New SP, No. 4101857316 of September 11, 2018
- TP Teplice, Bystřanská, Parcel Lot No. 321_76—New SP, No. 4101857338 of September 11, 2018
- UL Elišky Krásnohorské, P21—Main Panel, No. 4101853899 of September 13, 2018
- REAL Slavětín, Parcel Lot No. 396_49, Vaněčková, FH Loc., LVc, No. 4101662762 of September 20, 2018

- REAL Petrohrad, LV Rec., LVc, LV Switchboard, Municipality 1, Phase I, No. 4101627090 of September 20, 2018
- IV-12-4016312_REAL Teplice, Dubská, Parcel Lot No. 139/1—New SP, No. 4101867335 of September 25, 2018
- IV-12-40-16638_REAL Valtřov, Parcel Lot No. 152/3—LVc, No. 4101864896 of September 25, 2018
- REAL Varnsdorf, Parcel Lot No. 1724/1, Service Line over 50m, LVc, No. 4101864539 of September 18, 2018
- REAL Kámen, Parcel Lot No. 2034/3—LVc Loop, No. 4101868146 of October 1, 2018
- REAL Neštěmice, Parcel Lot No. 6/81—LVc, No. 4101868105 of October 1, 2018
- REAL Rumburk, Bezručova, House No. 475/8, New LVc, No. 4101869978 of October 2, 2018
- REAL Krupka-Unčín, Parcel Lot No. 951/2—New SP, No. 4101870092 of October 2, 2018
- REAL Krupka, Prokopská, Parcel Lot No. 2040/65—New SP, No. 4101870835 of October 3, 2018
- REAL Krupka, Prokopská—LV Interconn., No. 4101871209 of October 4, 2018
- REAL Bžany-Hradiště, Parcel Lot No. 405/9—New SP, No. 4101871234 of October 4, 2018
- REAL Horní Libchava, Parcel Lot No. 652/34, LV Service Line, No. 4101871239 of October 4, 2018
- REAL Homole u Panny—Bláhov, Parcel Lot No. 76/1—SP, No. 4101872154 of October 4, 2018
- H2B Jílové, Parcel Lot No. 808/40, LV Service Line, No. 4101717668 of February 28, 2018
- H2B Děčín, Tržní, House No. 1069/32, LVc Loop, No. 4101770289 of March 19, 2018
- H2B Kravaře, Nádražní 196—LVc, SS100 Loop, No. 4101770289 of March 19, 2018
- H2B Folknáře, Parcel Lot No. 374/4, LV Service Line, No. 4101764414 of March 19, 2018
- DC Děčín, Thunská, House No. 1674, LVc Modification, No. 4101741090 of March 19, 2018
- DC Děčín, Thunská, House No. 1673, LVc Modification, No. 4101741071 of March 19, 2018
- HZSI Mimoň, Sídliště, TS CL_0390 Removal, No. 4101760677 of March 19, 2018
- H2A Cvikov, Parcel Lot No. 2743/11—LVc Modification, No. 4101769816 of March 19, 2018
- H2A Staré Splavy, Přístavní 8, Box Replacement, No. 4101764672 of March 19, 2018
- H2B Nový Bor, Parcel Lot No. 923/14, New LVc, No. 4101773156 of March 21, 2018
- H2B Stará Oleška, Parcel Lot No. 56/2, LV Service Line No. 4101772518 of April 10, 2018
- H2A Děčín 6, Parcel Lot No. 1837/3, HDSS 1934 Replacement, No. 4101769724 of April 10, 2018
- H2B Nový Bor, Parcel Lot No. 1102/56, New LVc, No. 4101782296 of April 13, 2018
- H2B Česká Lípa, Liberecká, Lot No. 139/1—LVc, SS, No. 4101782152 of April 13, 2018
- H2B Božíkov, Lot No. 149/4—LV Line, LVc, SS200 of April 13, 2018
- H2B Česká Lípa, Liberecká, Lot No. 139/1—LVc, SS, No. 4101782152 of April 13, 2018
- H2A Děčín 6, Parcel Lot No. 1837/3, HDSS 1934 Replacement, No. 4101783485 of April 9, 2018
- H2B Kruh, Building Lot 41—LVc Loop, No. 4101783630 of April 19, 2018
- H2B Jestřebí, Lot No. 490/1—TS, LV Switchboard, LVc, SS100, No. 4101784855 of April 19, 2018
- H2B Varnsdorf, Parcel Lot No. 7531/12, New LVc, No. 4101787798 of April 23, 2018
- PD_Horní Jindřichov, Parcel Lot No. 406, New LVc Line, No. 4101790677_4400031076 of May 2, 2018
- CL Zbyny 164/3, LV Service Line, No. 4101790494_4400031076 of May 2, 2018
- DC Děčín, Parcel Lot No. 990/69, LVc Service Line, No. 4101792708_4400031076 of May 2, 2018
- REAL Žatec, Dukelská 3174/2, 1x SP, No. 4101793671_4400031076 of May 2, 2018
- REAL Lenešice, Parcel Lot No. 3866/8, Budiač, LVc, FH, No. 4101793005_4400031076 of May 2, 2018
- REAL 12-40004087_Malá Veleň, No. 4101819848 of June 26, 2018
- REAL 12-4016107_Manušice, Lot No. 151/5, 6, 2x SP—LVc, SS200, No. 4101821971 of June 26, 2018
- REAL Kamenická Stráž, Parcel Lot No. 218/1, LVc Loop, No. 4101819553 of June 26, 2018
- REA 12-4016241 Trmice, Dělnická, Parcel Lot No. 516—LVc, No. 4101829115 of July 12, 2018
- REAL 12-4016313 Brniště, TSr, No. 4101829000 of July 12, 2018
- REAL 12-4005721 Šídlov, MVm, No. 101829477 of July 12, 2018
- REA 12-4007888 Okna, Parcel Lot No. 301/4, No. 4101829717 of July 12, 2018
- REA 12-4015945_Kozly, Lot No. 368/1, No. 4101827826 of July 12, 2018
- REAL 12-4007917_Kadaň, Parcel Lot No. 2823/3, Neufussová, LVc, 1x SP, No. 4101820932 of July 19, 2018
- LN Lenešice, Parcel Lot No. 1/7, Antropiosová, LVc, FH, No. 4101825784 of July 19, 2018
- CL Nový Bor, Wolkerova 588, MVc Loop, No. 4101830557 of July 23, 2018
- REAL Háj u Duchcova, Mlýnská, Parcel Lot No. 511/1—New SP, No. 4101835044 of July 24, 2018
- REAL Teplice, Josefská, Parcel Lot No. 720_2—New SP, No. 4101835742 of July 25, 2018
- UL Chabařovice, US_UL_2032 Replacement, No. 4101898159 of December 19, 2018
- REAL Čermná, Parcel Lot No. 705/3—LV Service Line, No. 4101909595 of December 21, 2018
- REAL Staré Křečany, House No. 107, LV Line Modification, No. 4101913331 of December 21, 2018

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

ARCS	Automatic remote control systems
DTS	Distribution transformer substation
EE	Electrical energy
EIS/GIS	Engineering information system/geographic information system
EP	Environmental protection
FC	Framework contract
FDAS	Fire detection and alarm system
FP	Fire protection
HV	High voltage
ICT	Information and communications technologies
LV	Low voltage
LVc	Low-voltage cable line
RC	Ripple control
MPP	Mělník Power Plant
MSD	Map service development
MV	Medium voltage
MVc	Medium-voltage cable line
MVm	Medium-voltage line modification
OSH	Occupational safety and health
PD	Project documentation
RES	Renewable energy sources
SHP	Small hydropower plant
SOE	State-owned enterprise
SP	Service point
TPS	Technical protection system
TR	Transformer
TS	Transformer substation
TSr	Transformer substation reconstruction

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 March 7, 2019.

The Report has been audited. The auditor's opinion on the Report is included in the auditor's report on the ČEZ Distribuce, a. s., 2018 Annual Report.

Děčín, March 7, 2019



Ing. Martin Zmelík, MBA

Chairman of the Board of Directors



Ing. Tomáš Murtinger

Member of the Board of Directors

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INDEPENDENT AUDITOR'S REPORT

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



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 2018, 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 2018, 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.

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 line extending to the right.

Luděk Jireček, statutární auditor

License No. 2164

10 April 2019

Prague, Czech Republic

A member firm of Ernst & Young Global Limited
Ernst & Young Audit, s.r.o. with its registered office at Na Florenci 2116/15, 110 00 Prague 1 – Nove Mesto,
has been incorporated in the Commercial Register administered by the Municipal Court in Prague,
Section C, entry No. 88504, under Identification No. 26704153.

ČEZ DISTRIBUCE, a. s.

BALANCE SHEET AS AT DECEMBER 31, 2018

(in thousands of CZK)

Ident.	ASSETS	Current year			Prior year
		Gross	Adjustments	Net	Net
	TOTAL ASSETS	296,032,789	(152,368,819)	143,663,970	140,223,158
A.	Stock subscription receivable				
B.	Fixed assets	276,999,965	(151,416,637)	125,583,328	121,949,155
B. I.	Intangible fixed assets	1,453,136	(882,722)	570,414	302,168
B. I. 1.	Research and development				
B. I. 2.	Valuable rights	1,229,797	(766,784)	463,013	202,188
B. I. 2. 1.	Software	1,188,387	(725,833)	462,554	200,239
B. I. 2. 2.	Other valuable rights	41,410	(40,951)	459	1,949
B. I. 3.	Goodwill				
B. I. 4.	Other intangible fixed assets	198,725	(115,938)	82,787	77,345
B. I. 5.	Advances granted for intangible fixed assets and intangible fixed assets in progress	24,614		24,614	22,635
B. I. 5. 1.	Advances granted for intangible fixed assets				
B. I. 5. 2.	Intangible fixed assets in progress	24,614		24,614	22,635
B. II.	Tangible fixed assets	275,546,829	(150,533,915)	125,012,914	121,646,987
B. II. 1.	Land and structures	204,646,607	(109,473,724)	95,172,883	92,884,294
B. II. 1. 1.	Land	924,079		924,079	904,636
B. II. 1. 2.	Structures	203,722,528	(109,473,724)	94,248,804	91,979,658
B. II. 2.	Movable assets and sets of movable assets	68,315,077	(41,048,435)	27,266,642	26,365,937
B. II. 3.	Gain or loss on revaluation of acquired property				
B. II. 4.	Other tangible fixed assets	27,689	(11,756)	15,933	13,363
B. II. 4. 1.	Perennial crops				
B. II. 4. 2.	Livestock				
B. II. 4. 3.	Miscellaneous tangible fixed assets	27,689	(11,756)	15,933	13,363
B. II. 5.	Advances granted for tangible fixed assets and tangible fixed assets in progress	2,557,456		2,557,456	2,383,393
B. II. 5. 1.	Advances granted for tangible fixed assets	138,216		138,216	135,766
B. II. 5. 2.	Tangible fixed assets in progress	2,419,240		2,419,240	2,247,627
B. III.	Long-term investments				
B. III. 1.	Interests – controlled or controlling entity				
B. III. 2.	Loans and borrowings – controlled or controlling entity				
B. III. 3.	Interests – associates				
B. III. 4.	Loans and borrowings to associates				
B. III. 5.	Other long-term securities and interests				
B. III. 6.	Loans and borrowings – other				
B. III. 7.	Other long-term investments				
B. III. 7. 1.	Miscellaneous long-term investments				
B. III. 7. 2.	Advances granted for long-term investments				

(in thousands of CZK)

Ident.	ASSETS	Current year			Prior year
		Gross	Adjustments	Net	Net
C.	Current assets	19,013,716	(952,182)	18,061,534	18,248,153
C. I.	Inventories	316,065	(71)	315,994	315,795
C. I. 1.	Materials	243,387	(71)	243,316	255,468
C. I. 2.	Work in progress and semi-finished production	72,678		72,678	60,327
C. I. 3.	Finished products and goods				
C. I. 3. 1.	Finished products				
C. I. 3. 2.	Goods				
C. I. 4.	Livestock				
C. I. 5.	Advances granted for inventories				
C. II.	Receivables	18,697,651	(952,111)	17,745,540	17,932,357
C. II. 1.	Long-term receivables	13,019	(271)	12,748	3,832
C. II. 1. 1.	Trade receivables	9,000	(9)	8,991	
C. II. 1. 2.	Receivables – controlled or controlling entity				
C. II. 1. 3.	Receivables – associates				
C. II. 1. 4.	Deferred tax asset				
C. II. 1. 5.	Other receivables	4,019	(262)	3,757	3,832
C. II. 1. 5. 1.	Receivables from partners				
C. II. 1. 5. 2.	Long-term advances granted				
C. II. 1. 5. 3.	Unbilled revenue				
C. II. 1. 5. 4.	Miscellaneous receivables	4,019	(262)	3,757	3,832
C. II. 2.	Short-term receivables	18,684,632	(951,840)	17,732,792	17,928,525
C. II. 2. 1.	Trade receivables	2,049,087	(950,641)	1,098,446	1,338,899
C. II. 2. 2.	Receivables – controlled or controlling entity	5,567,616		5,567,616	5,295,212
C. II. 2. 3.	Receivables – associates				
C. II. 2. 4.	Other receivables	11,067,929	(1,199)	11,066,730	11,294,414
C. II. 2. 4. 1.	Receivables from partners				
C. II. 2. 4. 2.	Social security and health insurance				
C. II. 2. 4. 3.	Due from government – tax receivables				155,927
C. II. 2. 4. 4.	Short-term advances granted	544,240	(658)	543,582	587,099
C. II. 2. 4. 5.	Unbilled revenue	10,511,949	(102)	10,511,847	10,542,597
C. II. 2. 4. 6.	Miscellaneous receivables	11,740	(439)	11,301	8,791
C. III.	Short-term financial assets				
C. III. 1.	Interests – controlled or controlling entity				
C. III. 2.	Other short-term financial assets				
C. IV.	Cash				1
C. IV. 1.	Cash in hand				1
C. IV. 2.	Cash at bank				
D.	Prepaid expenses and accrued income	19,108		19,108	25,850
D. 1.	Prepaid expenses	12,657		12,657	25,850
D. 2.	Prepaid expenses (specific-purpose expenses)				
D. 3.	Accrued income	6,451		6,451	

(in thousands of CZK)

Ident.				EQUITY & LIABILITIES	Current year	Prior year
				TOTAL EQUITY & LIABILITIES	143,663,970	140,223,158
A.				Equity	85,446,560	97,600,599
A.	I.			Stated capital	60,000,000	60,000,000
A.	I.	1.		Stated capital	60,000,000	60,000,000
A.	I.	2.		Own ownership interests (-)		
A.	I.	3.		Changes in stated capital		
A.	II.			Share premium and capital reserves	5,676,802	1,313
A.	II.	1.		Share premium		
A.	II.	2.		Capital reserves	5,676,802	1,313
A.	II.	2.	1.	Other capital reserves	1,313	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 (+/-)	5,675,489	
A.	II.	2.	5.	Differences arising between balance sheet date and transformation date (+/-)		
A.	III.			Reserves from profit	12,000,000	12,000,000
A.	III.	1.		Other reserves	12,000,000	12,000,000
A.	III.	2.		Statutory and other reserves		
A.	IV.			Profit (loss) for previous years (+/-)	101,137	19,203,104
A.	IV.	1.		Retained earnings	101,137	19,203,104
A.	IV.	2.		Other profit (loss) for previous years (+/-)		
A.	V.			Profit (loss) for the year (+/-)	7,668,621	6,396,182
A.	VI.			Approved decision on advances for profit distribution (-)		
B. + C.				Provisions and liabilities	50,274,464	34,873,647
B.				Provisions	1,303,409	734,213
B.	1.			Provision for pensions and similar obligations		
B.	2.			Provision for corporate income tax	15,891	
B.	3.			Provisions recognized under special legislation		
B.	4.			Other provisions	1,287,518	734,213

(in thousands of CZK)

Ident.	EQUITY & LIABILITIES			Current year	Prior year
C.			Liabilities	48,971,055	34,139,434
C. I.			Long-term liabilities	31,641,329	16,964,574
C. I.	1.		Bonds payable		
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	20,220,000	5,581,450
C. I.	7.		Liabilities – associates		
C. I.	8.		Deferred tax liability	11,421,329	11,383,124
C. I.	9.		Other liabilities		
C. I.	9.	1.	Liabilities to partners		
C. I.	9.	2.	Unbilled deliveries		
C. I.	9.	3.	Miscellaneous liabilities		
C. II.			Short-term liabilities	17,329,726	17,174,860
C. II.	1.		Bonds payable		
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	10,956,171	10,674,450
C. II.	4.		Trade payables	2,533,760	1,899,336
C. II.	5.		Short-term notes payable		
C. II.	6.		Liabilities – controlled or controlling entity	560,000	1,332,055
C. II.	7.		Liabilities – associates		
C. II.	8.		Other liabilities	3,279,795	3,269,019
C. II.	8.	1.	Liabilities to partners		
C. II.	8.	2.	Short-term borrowings		
C. II.	8.	3.	Liabilities to employees	160,879	95,628
C. II.	8.	4.	Liabilities arising from social security and health insurance	91,611	53,289
C. II.	8.	5.	Due to government – taxes and subsidies	400,474	459,661
C. II.	8.	6.	Unbilled deliveries	2,607,532	2,652,343
C. II.	8.	7.	Miscellaneous liabilities	19,299	8,098
D.			Accruals and deferred income	7,942,946	7,748,912
D. 1.			Accruals	77,797	87,282
D. 2.			Deferred income	7,865,149	7,661,630

ČEZ DISTRIBUCE, a. s.

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

(in thousands of CZK)

Ident.	TEXT	Accounting period	
		current	prior
I.	Revenues from sale of finished products and services	47,224,106	45,816,777
II.	Revenues from sale of goods		
A.	Production-related consumption	27,713,425	29,509,233
A. 1.	Costs of goods sold		
A. 2.	Consumption of material and energy	2,361,710	2,085,769
A. 3.	Services	25,351,715	27,423,464
B.	Change in inventory produced internally (+/-)	(12,351)	15,697
C.	Own work capitalized (-)	(879,719)	(594,176)
D.	Personnel expenses	3,829,129	2,289,978
D. 1.	Wages and salaries	2,640,590	1,571,557
D. 2.	Social security and health insurance costs and other costs	1,188,539	718,421
D. 2. 1.	Social security and health insurance costs	909,731	537,822
D. 2. 2.	Other costs	278,808	180,599
E.	Value adjustments in respect of operating activities	7,517,735	7,098,750
E. 1.	Value adjustments in respect of intangible and tangible fixed assets	7,334,055	7,004,466
E. 1. 1.	Value adjustments in respect of intangible and tangible fixed assets – permanent	7,334,055	7,004,466
E. 1. 2.	Value adjustments in respect of intangible and tangible fixed assets – temporary		
E. 2.	Value adjustments in respect of inventories	(588)	(240)
E. 3.	Value adjustments in respect of receivables	184,268	94,524
III.	Other operating income	1,158,767	1,251,566
III. 1.	Income from sale of fixed assets	23,300	8,034
III. 2.	Income from sale of materials	106,623	108,654
III. 3.	Miscellaneous operating income	1,028,844	1,134,878
F.	Other operating expenses	543,954	648,755
F. 1.	Net book value of fixed assets sold	7,965	7,001
F. 2.	Net book value of materials sold	69,883	64,553
F. 3.	Taxes and charges relating to operations	21,736	21,235
F. 4.	Provisions relating to operations and prepaid expenses (specific-purpose expenses)	163,668	223,947
F. 5.	Miscellaneous operating expenses	280,702	332,019
*	Profit or loss on operating activities (+/-)	9,670,700	8,100,106

(in thousands of CZK)

Ident.	TEXT	Accounting period	
		current	prior
IV.			
IV.	1.		
IV.	2.		
G.			
V.			
V.	1.		
V.	2.		
H.			
VI.		68,543	272
VI.	1.	68,543	272
VI.	2.		
I.			
J.		223,741	218,356
J.	1.	223,741	218,356
J.	2.		
VII.		126,297	60,968
K.		143,494	65,483
*		(172,395)	(222,599)
**		9,498,305	7,877,507
L.		1,829,684	1,481,325
L.	1.	1,733,864	1,468,142
L.	2.	95,820	13,183
**		7,668,621	6,396,182
M.			
***		7,668,621	6,396,182
*		48,577,713	47,129,583

ČEZ DISTRIBUCE, a. s.

STATEMENT OF CASH FLOWS 2018

(in thousands of CZK)

Ident.	TEXT	Accounting period	
		current	prior
P.	Cash and cash equivalents at beginning of year	1	
	Cash flows from operating activities		
Z.	Profit or loss before income tax (+/-)	9,498,305	7,877,507
A.1.	Adjustments to reconcile profit or loss to net cash provided by or used in operating activities	8,073,987	6,638,350
A.1.1.	Depreciation and amortization of fixed assets and write-off of receivables	7,361,481	7,004,466
A.1.2.	Change in allowances, provisions and accruals and deferrals	571,096	(583,167)
A.1.2.1.	Change in allowances	183,680	94,094
A.1.2.2.	Change in provisions	163,668	105,606
A.1.2.3.	Change in accruals and deferrals	223,748	(782,867)
A.1.3.	Gain/loss on disposal of fixed assets, own ownership interests	(15,335)	(1,033)
A.1.4.	Interest expense and interest income	155,198	218,084
A.1.5.	Other non-cash movements	1,547	
A.1.6.	Income from profit shares		
A.2.	Change in non-cash components of working capital	713,445	(541,212)
A.2.1.	Change in operating receivables	106,861	940,462
A.2.2.	Change in short-term operating liabilities	606,195	(1,425,457)
A.2.3.	Change in inventories	389	(56,217)
A.3.	Interest paid, net of capitalized interest	(233,274)	(232,516)
A.4.	Interest received	62,092	272
A.5.	Income tax paid, incl. tax assessments for previous years	(1,490,367)	(1,742,409)
A.6.	Profit shares received		
A.	Net cash provided by (used in) operating activities	16,624,188	11,999,992
	Cash flows from financing activities		
B.1.	Purchase of fixed assets	(10,343,208)	(9,479,462)
B.2.	Proceeds from sale of fixed assets	23,301	9,972
B.	Net cash provided by (used in) investing activities	(10,319,907)	(9,469,490)
	Cash flows from financing activities		
C.1.	Change in long-term liabilities and short-term loans	13,866,500	(1,074,712)
C.2.	Change in receivables/payables from group cash pooling	5,428,503	2,813,211
C.3.	Effect of changes in equity on cash	(25,599,285)	(4,269,000)
C.	Net cash provided by (used in) financing activities	(6,304,282)	(2,530,501)
F.	Net increase (decrease) in cash and cash equivalents	(1)	1
R.	Cash and cash equivalents at end of year		1

ČEZ DISTRIBUCE, a. s.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2018

(in thousands of CZK)

	Stated capital	Other capital reserves	Reserves from profit	Accumulated profit or loss	Total
Opening balance at January 1, 2017	60,000,000	1,313	12,000,000	23,472,104	95,473,417
Profit or loss for the year 2017				6,396,182	6,396,182
Profit share				(4,269,000)	(4,269,000)
Closing balance at December 31, 2017	60,000,000	1,313	12,000,000	25,599,286	97,600,599
Transformations at January 1, 2018		5,675,489		101,137	5,776,626
Profit or loss for the year 2018				7,668,621	7,668,621
Profit share				(25,599,286)	(25,599,286)
Closing balance at December 31, 2018	60,000,000	5,676,802	12,000,000	7,769,758	85,446,560

ČEZ DISTRIBUCE, a. s.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

(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 decisive merger date being 1 January 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 2018 were as follows:

Board of Directors		Supervisory Board	
Chair:	Martin Zmelík	Chair:	Tomáš Pleskač
Member:	Tomáš Murtínger	Vice-chair:	Michaela Chaloupková
Member:	Pavel Šolc	Member:	Vladimír Říha
Member:	Radim Černý	Member:	Karel Čech
Member:	Jiří Kudrnáč	Member:	Václav Rašner
Member:	Karel Kohout	Member:	Jan Brožík

On 30 May 2018, ČEZ Distribuce, a. s.’s Supervisory Board discussed resignation notification and approved termination of Martin Zmelík’s membership in the Supervisory Board as of 31 May 2018.

On 31 May 2018, 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 Zmelík member of the Board of Directors of ČEZ Distribuce, a. s., with effect as of 1 June 2018.

On 31 July 2018, ČEZ Distribuce, a. s.’s Board of Directors discussed notification on resignation of Richard Vidlička and approved termination of his membership in the Board of Directors at his own request as of 31 July 2018. Martin Zmelík was elected chairman of the Board of Directors effective as of 1 August 2018.

On 8 August 2018 ČEZ Distribuce, a. s.’s Supervisory Board discussed notification on resignation of Karel Čech and Václav Rašner from the position of ČEZ Distribuce, a. s. Supervisory Board members and approved termination of their office as of 31 August 2018.

ČEZ Distribuce, a. s. employees elected Václav Rašner and Karel Čech members of the Supervisory Board, effective as of 1 September 2018.

On 28 November 2018, 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., appointed Jan Brožík member of the Supervisory Board of ČEZ Distribuce, a. s., effective as of 1 December 2018.

These facts correspond to the entry in the Commercial Register as at 31 December 2018.

The Company’s organizational structure is as follows:

- CEO Office
- Network Management Division
- Finance & Administration Division
- DS Renewal Division
- Distribution Assets Management Division
- Network Services Division
- Operations Division

Description of the transformations:

In accordance with the project of merger by acquisition between ČEZ Distribuční služby, s.r.o. as the company being dissolved (the "Dissolving Company") and the ČEZ Distribuce, a. s. (the "Successor Company"), ČEZ Distribuční služby, s.r.o. ceased to exist without liquidation and its assets and liabilities transferred to the Successor Company ČEZ Distribuce, a. s.

In accordance with the project of demerger by spin-off prepared on 13 October 2017 between the companies involved, namely ČEZ Korporátní služby, s.r.o., as one party (the Demerging Company) and ČEZ Distribuce, a. s., as the other party as the Successor Company a part of assets 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 transformations were recorded in the Commercial Register maintained by the Regional Court in Ústí nad Labem as of 1 January 2018. The effective date of the transformations was set at 1 January 2018.

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

Caption				Assets	Balance sheet as at 31/12/2017 ČEZ Distribuce, a. s.	Balance sheet as at 31/12/2017 ČEZ Distribuční služby, s.r.o.	Spin-off of ČEZ Korporátní služby, s.r.o.	Adjustments	Opening balance sheet of ČEZ Distribuce, a. s. as at 01/01/2018
				Total assets	140,223,158	6,290,062	159,785	(356,308)	146,316,697
B.				Fixed assets	121,949,155	129,227	159,785	9,520	122,247,687
B. I.				Intangible fixed assets	302,168	5,770	-	-	307,938
B. I. 2.				Valuable rights	202,188	693	-	-	202,881
B. I. 2. 1.				Software	200,239	693	-	-	200,932
B. I. 2. 2.				Other valuable rights	1,949	-	-	-	1,949
B. I. 4.				Other intangible fixed assets	77,345	-	-	-	77,345
B. I. 5.				Advances granted for intangible fixed assets and intangible fixed assets in progress	22,635	5,077	-	-	27,712
B. I. 5. 2.				Intangible fixed assets in progress	22,635	5,077	-	-	27,712
B. II.				Tangible Fixed Assets	121,646,987	123,457	159,785	9,520	121,939,749
B. II. 1.				Land and structures	92,884,294	-	-	-	92,884,294
B. II. 1. 1.				Land	904,636	-	-	-	904,636
B. II. 1. 2.				Structures	91,979,658	-	-	-	91,979,658
B. II. 2.				Movable assets and sets of movable assets	26,365,937	123,449	159,785	-	26,649,171
B. II. 4.				Other tangible fixed assets	13,363	8	-	-	13,371
B. II. 4. 3.				Miscellaneous tangible fixed assets	13,363	8	-	-	13,371
B. II. 5.				Advances granted for tangible fixed assets and tangible fixed assets in progress	2,383,393	-	-	9,520	2,392,913
B. II. 5. 1.				Advances granted for tangible fixed assets	135,766	-	-	-	135,766
B. II. 5. 2.				Tangible fixed assets in progress	2,247,627	-	-	9,520	2,257,147
C.				Current assets	18,248,153	6,160,083	-	(372,063)	24,036,173
C. I.				Inventory	315,795	15,755	-	(15,755)	315,795
C. I. 1.				Materials	255,468	-	-	-	255,468
C. I. 2.				Work in progress and semi-finished production	60,327	15,755	-	(15,755)	60,327
C. II.				Receivables	17,932,357	6,144,328	-	(356,308)	23,720,377
C. II. 1.				Long-term receivables	3,832	72,475	-	(72,475)	3,832
C. II. 1. 4.				Deferred tax asset	-	72,475	-	(72,475)	-
C. II. 1. 5.				Receivables – other	3,832	-	-	-	3,832
C. II. 1. 5. 4.				Miscellaneous receivables	3,832	-	-	-	3,832
C. II. 2.				Short-term receivables	17,928,525	6,071,853	-	(283,833)	23,716,545
C. II. 2. 1.				Trade receivables	1,338,899	288,104	-	(273,295)	1,353,708
C. II. 2. 2.				Receivables – controlled or controlling entity	5,295,212	5,700,907	-	-	10,996,119
C. II. 2. 4.				Receivables – other	11,294,414	82,842	-	(10,538)	11,366,718
C. II. 2. 4. 3.				Tax assets due from government	155,927	82,225	-	(10,538)	227,614
C. II. 2. 4. 4.				Short-term advances granted	587,099	26	-	-	587,125
C. II. 2. 4. 5.				Accrued revenues	10,542,597	502	-	-	10,543,099
C. II. 2. 4. 6.				Miscellaneous receivables	8,791	89	-	-	8,880
C. IV.				Cash	1	-	-	-	1
C. IV. 1.				Cash in hand	1	-	-	-	1
D.				Prepaid expenses and accrued income	25,850	752	-	6,235	32,837
D. 1.				Prepaid expenses	25,850	752	-	6,235	32,837

Caption	Liabilities	Balance sheet as at 31/12/2017 ČEZ Distribuce, a. s.	Balance sheet as at 31/12/2017 ČEZ Distribuční služby, s.r.o.	Spin-off of ČEZ Korporátní služby, s.r.o.	Adjustments	Opening balance sheet of ČEZ Distribuce, a. s. as at 01/01/2018
	Total liabilities	140,223,158	6,290,062	159,785	(356,308)	146,316,697
A.	Equity	97,600,599	5,631,700	144,926	–	103,377,225
A. I.	Basic capital	60,000,000	5,330,563	–	(5,330,563)	60,000,000
A. I. 1.	Basic capital	60,000,000	5,330,563	–	(5,330,563)	60,000,000
A. II.	Share premium and revaluation reserve	1,313	200,000	–	5,475,489	5,676,802
A. II. 2.	Capital funds	1,313	200,000	–	5,475,489	5,676,802
A. II. 2. 1.	Other capital funds	1,313	200,000	–	(200,000)	1,313
A. II. 2. 4.	Differences arising on corporate transformation	–	–	–	5,675,489	5,675,489
A. III.	Reserves from profit	12,000,000	–	–	–	12,000,000
A. III. 1.	Other reserves	12,000,000	–	–	–	12,000,000
A. IV.	Profit (loss) brought forward	19,203,104	10,098	144,926	(53,887)	19,304,241
A. IV. 1.	Retained earnings/accumulated loss	19,203,104	10,098	144,926	(53,887)	19,304,241
A. V.	Profit or loss for the year	6,396,182	91,039	–	(91,039)	6,396,182
B. + C.	Provisions and Liabilities	34,873,647	658,362	14,859	(356,308)	35,190,560
B.	Provisions	734,213	389,637	–	–	1,123,850
B. 4.	Other provisions	734,213	389,637	–	–	1,123,850
C.	Liabilities	34,139,434	268,725	14,859	(356,308)	34,066,710
C. I.	Non-current liabilities	16,964,574	–	14,859	(72,475)	16,906,958
C. I. 6.	Liabilities – controlled or controlling entity	5,581,450	–	–	–	5,581,450
C. I. 8.	Deferred tax liability	11,383,124	–	14,859	(72,475)	11,325,508
C. II.	Current liabilities	17,174,860	268,725	–	(283,833)	17,159,752
C. II. 3.	Short-term advances received	10,674,450	–	–	–	10,674,450
C. II. 4.	Trade payables	1,899,336	87,540	–	(273,295)	1,713,581
C. II. 6.	Liabilities – controlled or controlling entity	1,332,055	–	–	–	1,332,055
C. II. 8.	Other liabilities	3,269,019	181,185	–	(10,538)	3,439,666
C. II. 8. 3.	Liabilities to employees	95,628	53,515	–	–	149,143
C. II. 8. 4.	Social security and health insurance liabilities	53,289	29,960	–	–	83,249
C. II. 8. 5.	Government – tax liabilities and subsidies	459,661	9,531	–	(10,538)	458,654
C. II. 8. 6.	Unbilled deliveries	2,652,343	83,644	–	–	2,735,987
C. II. 8. 7.	Miscellaneous liabilities	8,098	4,535	–	–	12,633
D.	Accruals and deferred income	7,748,912	–	–	–	7,748,912
D. 1.	Accruals	87,282	–	–	–	87,282
D. 2.	Deferred income	7,661,630	–	–	–	7,661,630

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 2018 and 2017.

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 2018 and 2017 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 are not considered to be part of these costs.

Intangible fixed assets with a cost exceeding CZK 60 thousand are depreciated 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 are 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 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 date of the financial statements is reported in 'Short-term receivables from group companies with majority control' or 'Current liabilities to group companies with majority control', 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 is required to establish 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) Foreign Currency Transactions

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

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

i) 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.

j) 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.

k) 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.

l) 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	Transformations (see Note 1)	Additions	Disposals	Transfers	At end of year
Research and development	1,907	–	–	(1,309)	(598)	–
Software	789,105	4,644	–	(1,235)	395,873	1,188,387
Other valuable rights	41,410	–	–	–	–	41,410
Other intangible fixed assets	183,194	–	–	(14,083)	29,614	198,725
Intangible fixed assets in progress	22,635	5,077	421,791	–	(424,889)	24,614
2018 Total	1,038,251	9,721	421,791	(16,627)	–	1,453,136
2017 Total	930,469	–	132,066	(24,284)	–	1,038,251

ACCUMULATED AMORTIZATION

	At beginning of year	Transformations (see Note 1)	Amortization during year	Disposals	Transfers	At end of year	Net book value
Research and development	(1,907)	–	–	1,309	598	–	–
Software	(588,866)	(3,951)	(134,251)	1,235	–	(725,833)	462,554
Other valuable rights	(39,461)	–	(1,490)	–	–	(40,951)	459
Other intangible fixed assets	(105,849)	–	(23,574)	14,083	(598)	(115,938)	82,787
Intangible fixed assets in progress	–	–	–	–	–	–	24,614
2018 Total	(736,083)	(3,951)	(159,315)	16,627	–	(882,722)	570,414
2017 Total	(603,562)	–	(156,805)	24,284	–	(736,083)	302,168

Patents, royalties and similar rights are amortized over their useful lives as specified in the relevant contracts.

The total value of small intangible fixed assets which are not reflected in the accompanying balance sheet was CZK 4,226 thousand and CZK 4,317 thousand at acquisition cost as at 31 December 2018 and 2017, respectively.

b) Tangible Fixed Assets (in CZK thousands)

COST

	At beginning of year	Transformations (see Note 1)	Additions	Disposals	Transfers	Other movements	At end of year
Land	904,636	–	–	(1,031)	20,474	–	924,079
Structures	197,761,769	–	–	(845,452)	6,745,547	60,664	203,722,528
Movable items	65,089,619	1,555,300	–	(1,587,142)	3,316,747	(59,447)	68,315,077
Other tangible fixed assets	22,557	8	–	–	5,124	–	27,689
Tangible fixed assets in progress	2,247,627	9,520	10,154,295	–	(9,992,202)	–	2,419,240
Advances granted for tangible fixed assets	135,766	–	98,140	–	(95,690)	–	138,216
2018 Total	266,161,974	1,564,828	10,252,435	(2,433,625)	–	1,217	275,546,829
2017 Total	259,117,313	–	9,460,918	(2,418,191)	–	1,934	266,161,974

ACCUMULATED DEPRECIATION AND ALLOWANCES

	At beginning of year	Transformations (see Note 1)	Depreciation during year	Cost of sales	Disposals	Other movements	At end of year	Net book value
Land	–	–	–	–	–	–	–	924,079
Structures	(105,782,111)	–	(4,494,783)	(1,473)	845,452	(40,809)	(109,473,724)	94,248,804
Movable items	(38,723,682)	(1,272,066)	(2,677,395)	(1,749)	1,587,142	39,315	(41,048,435)	27,266,642
Other tangible fixed assets	(9,194)	–	(2,562)	–	–	–	(11,756)	15,933
Tangible fixed assets in progress	–	–	–	–	–	–	–	2,419,240
Advances granted for tangible fixed assets	–	–	–	–	–	–	–	138,216
2018 Total	(144,514,987)	(1,272,066)	(7,174,740)	(3,222)	2,432,594	(1,494)	(150,533,915)	125,012,914
2017 Total	(140,075,578)	–	(6,753,651)	(2,483)	2,412,696	(95,971)	(144,514,987)	121,646,987

The total value of tangible fixed assets which are not reflected in the accompanying balance sheet was CZK 39,694 thousand and CZK 39,773 thousand at acquisition cost as at 31 December 2018 and 2017, 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 2018 and 2017, receivables overdue for more than 30 days totaled CZK 1,546,443 thousand and CZK 1,259,177 thousand, respectively. As at 31 December 2018 and 2017, the receivables of CZK 208,411 thousand, respectively are subject to the claim process concerning the POZE legal dispute (see Note 15) and receivables of CZK 437,217 thousand and CZK 246,352 thousand, respectively are subject to claim procedures for system services.

As at 31 December 2018 and 2017, receivables overdue for more than 5 years totaled CZK 328,801 thousand and CZK 190,447 thousand, respectively.

The Company wrote off receivables of CZK 26,497 thousand and CZK 23,856 thousand in 2018 and 2017, respectively as they were irrecoverable or 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 bore an interest rate in accordance with the relevant KB Notification on interest rates in CZK, i.e. 0.00% p.a. Starting 23 April 2018, cash balances in CZK transferred to the parent company ČEZ, a. s. within the cash pooling system bore interest rate PRIBOR O/N – 0.5% p.a., 0.03% p.a. at minimum (receivables).

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

The balance of cash transferred to the parent company ČEZ, a. s., within the cash pooling system was CZK 5,567,616 thousand and CZK 5,295,212 thousand as at 31 December 2018 and 2017, respectively.

As at 31 December 2018 and 2017, the Company had CZK 12,748 thousand and CZK 3,832 thousand, respectively of long-term receivables, net.

Receivables from related parties (see Note 18).

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 2018 and 2017 (in CZK thousands):

Unbilled distribution services	Total	Retail business customers	Retail household customers
Closing balance as at 31/12/2016	11,017,971	2,864,092	8,153,879
Changes in 2017	(847,177)	(376,035)	(471,142)
Closing balance as at 31/12/2017	10,170,794	2,488,057	7,682,737
Changes in 2018	39,641	(308,557)	348,198
Closing balance as at 31/12/2018	10,210,435	2,179,500	8,030,935

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 31/12/2016	Additions	Deductions	Balance as at 31/12/2017	Transformations as at 01/01/2018 (see Note 1)	Additions	Deductions	Balance as at 31/12/2018
Inventory	899	–	(240)	659	–	71	(659)	71
Receivables	666,052	366,899	(272,375)	760,576	7,267	436,806	(252,538)	952,111
of which: Legal	401,642	225,971	(82,675)	544,938	7,241	352,618	(42,976)	861,821
Accounting	264,410	140,928	(189,700)	215,638	26	84,188	(209,562)	90,290

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 2018 and 2017, prepaid expenses include in particular an accrued fee of CZK 5,040 thousand and CZK 20,292 thousand, respectively for arranging a loan.

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 14 June 2018 and 16 June 2017, the following profit distribution for 2017 and 2016 was approved (in CZK thousands):

Profit for 2016	7,259,273	Profit for 2017	6,396,182
Transfer to retained earnings	(2,990,273)	Transfer to retained earnings	–
Dividends paid out of 2016 profit	(4,269,000)	Dividends paid out of 2017 profit	(6,396,182)
Transformations as at 01/01/2017	–	Transformations as at 01/01/2018	101,137
Retained earnings as at 01/01/2017	16,212,831	Retained earnings as at 01/01/2018 after transformations	19,304,241
Allocation out of 2016 profit	2,990,273	Dividends paid from retained earnings	(19,203,104)
Retained earnings as at 31/12/2017	19,203,104	Retained earnings as at 31/12/2018	101,137

Differences arising on corporate transformations as at 31 December 2018 are attributable to transformations as at 1 January 2018 discussed in Note 1.

Distribution of profit for 2018 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 31/12/2016	Additions	Deductions	Balance as at 31/12/2017	Transformations as at 01/01/2018 (see Note 1)	Additions	Deductions	Balance as at 31/12/2018
Provision for income tax	118,341	–	(118,341)	–	–	15,891	–	15,891
Other provisions	510,266	273,633	(49,686)	734,213	389,637	231,319	(67,651)	1,287,518

As at 31 December 2018 and 2017, the provision for corporate income tax was offset against paid prepayments totaling CZK 1,720,888 thousand and CZK 1,466,110 thousand, respectively and the resulting liability of CZK 15,891 thousand was recorded in the caption "Provision for income tax" as at 31 December 2018. As at 31 December 2017 the Company recognizes a receivable after offsetting with the advance payments.

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

As at 31 December 2018 the Company has a provision for severance package in the amount of CZK 14,901 thousand and a provision for pending litigation in the amount of CZK 42,779 thousand.

11. Long-Term Liabilities

As at 31 December 2018 and 2017, the Company had the following long-term liabilities (in CZK thousands):

	Due date	31/12/2018	31/12/2017
3rd credit line	7/6/2022	–	2,573,500
4th credit line	31/12/2025	3,780,000	4,340,000
5th credit line	25/9/2028	17,000,000	–
Total		20,780,000	6,913,500
Current portion		560,000	1,332,050
Long-term portion		20,220,000	5,581,450

A contract for 3rd credit line was signed by and between ČEZ Distribuce, a. s., (debtor) and ČEZ, a. s., (creditor) on 7 June 2012. The loan was withdrawn on 11 June 2012 and was repayable by 7 June 2022. The interest rate has been set at 3.91% p.a. The loan was repaid prematurely on 29 November 2018.

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 loans under 3rd and 4th credit lines were provided to finance the implementation of the Project of reconstruction and development of the power grid in the Czech Republic (the "Project").

The loan agreements for credit lines with ČEZ, a. s., include 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.

The interest expense relating to the loans for 2018 and 2017 was CZK 223,739 thousand and CZK 218,353 thousand, respectively.

The aggregate maturities of loans as at 31 December 2018 are as follows (in CZK thousands):

	Borrowings
2019	560,000
2020	560,000
2021	560,000
2022	560,000
2023	560,000
2024 and thereafter	17,980,000
Total	20,780,000

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 2018 and 2017.

12. Current Liabilities

As at 31 December 2018 and 2017, the Company had current liabilities overdue for more than 30 days totaling CZK 16,532 thousand and CZK 104,855 thousand, respectively. As at 31 December 2017 a liability of CZK 87,850 thousand related to a portion of outstanding overdue receivables subject to claim procedures for system services (see Note 6). In accordance with the decision of the Energy Regulator's Council the liability was settled in full in 2018.

As at 31 December 2018 and 2017, liabilities overdue for more than 5 years totaled CZK 16,192 thousand and CZK 16,227 thousand, respectively.

As at 31 December 2018 and 2017, the Company had liabilities of CZK 91,611 thousand and CZK 53,289 thousand owing to social security and health insurance premiums.

As at 31 December 2018 and 2017, short-term advance payments received of CZK 10,956,171 thousand and CZK 10,674,450 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 2018 and 2017.

Payables to related parties (see Note 18).

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. 51/2006 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 2018 and 2017, the movements in deferred income balance (in CZK thousands) for 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 31/12/2016	7,638,681
Additions in 2017	804,905
Released to revenues in 2017	(782,867)
Balance as at 31/12/2017	7,660,719
Additions in 2018	982,627
Released to revenues in 2018	(779,700)
Balance as at 31/12/2018	7,863,646

14. Income Taxes

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

	2018	2017
Profit before taxes	9,498,305	7,877,507
Difference between book and tax depreciation	(594,120)	(474,934)
Difference between net book value of fixed assets for accounting and tax purposes	84,128	67,742
Non-deductible expenses		
Creation of provisions	163,668	223,947
Reversal of allowances	(125,922)	(49,012)
Other	118,113	74,606
Taxable income	9,144,172	7,719,856
Current income tax rate	19%	19%
Tax	1,737,393	1,466,773
Tax allowance	(614)	(663)
Provision for income tax	1,736,779	1,466,110
Adjustment of the tax paid in previous years	(2,915)	2,032
Current tax expense	1,733,864	1,468,142

The Company submits regular tax return prior to 30 June 2019.

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

Deferred tax items	31/12/2018		31/12/2017	
	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	–	(11,714,527)	–	(11,590,610)
Other temporary differences:				
Allowance against receivables	17,134	–	40,970	–
Provisions	236,501	–	139,501	–
Other	42,014	(2,451)	28,398	(1,383)
Total	295,649	(11,716,978)	208,869	(11,591,993)
Net		(11,421,329)		(11,383,124)

The deferred tax liability was reduced by CZK 57,615 thousand to CZK 11,325,509 thousand within the transformation process as at 1 January 2018 (see Note 1) Movement in deferred tax recognized in the 2018 income statement amounted to CZK 95,820 thousand.

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 2018 and 2017, the Company entered into contracts for future supplies of fixed assets in the amount of approx. CZK 5,392,435 thousand and CZK 4,454,629 thousand, respectively. As at 31 December 2018 and 2017, an amount of contractual liabilities for next years comprises a contractual fee totaling CZK 5,124,839 thousand and CZK 4,177,106 thousand, respectively for investments, CZK 221,989 thousand and CZK 236,778 thousand, respectively for repairs and CZK 45,607 thousand and CZK 40,745 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 “OZE” and “KVET”, respectively) 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.

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.

Seven 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. Revenues

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

	2018	2017
Use of grids, incl. reserved capacity at low voltage level	20,398,116	18,776,045
Support of electricity from renewable sources	12,731,283	13,584,899
Provided reserved capacity at very high voltage and very low voltage levels	9,808,151	9,219,748
Provision of system services	3,689,668	3,690,703
OTE charges	237,868	214,793
Other energy services	160,036	140,535
Other non-energy services	198,984	190,054
Total revenues	47,224,106	45,816,777

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.

Revenues also include subsidies for operating needs of CZK 5,005 thousand and CZK 9,158 thousand in 2018 and 2017, respectively received from the government budget.

Of the total some 99% of revenues were achieved in the Czech Republic. As at 31 December 2018 and 2017, foreign revenues were CZK 32 million and CZK 113 million from Axpo Trading 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.

17. Personnel and Related Expenses

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

	2018		2017	
	Total	Members of management, supervisory and administrative bodies	Total	Members of management, supervisory and administrative bodies
Average number of employees*	4,497	12	2,746	13
Wages and salaries	2,640,590	23,402	1,571,557	23,215
Social security and health insurance	909,731	4,715	537,822	3,897
Social cost	278,808	1,148	180,599	1,214
Total personnel expenses	3,829,129	29,265	2,289,978	28,326

* 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 732 thousand and CZK 752 thousand in 2018 and 2017, respectively.

18. Related Party Information

The members of management, supervisory and administrative bodies were granted no advances, earnest money, loans, borrowings, guarantees, advances or other benefits in 2018 and 2017 and they do not hold any shares/interests of the Company.

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

As at 31 December 2018 and 2017, advances granted to related parties were CZK 0 thousand and CZK 1,490 thousand, respectively.

As at 31 December 2018 and 2017, receivables from group companies with majority control in the amount of CZK 5,567,616 thousand and CZK 5,295,212 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 2018 and 2017, sales were as follows (in CZK thousands):

Related party	2018	2017
ČEZ Prodej, a.s.	13,837,751	21,028,234
ČEZ ESCO, a.s.	7,393,357	709
ČEZ Energetické služby, s.r.o.	174,981	188,188
Severočeské doly a.s.	166,919	220,301
Telco Pro Services, a. s.	102,449	97,898
ČEZ, a. s.	96,338	59,794
ČEZ LDS s.r.o.	18,046	2,697
ÚJV Řež, a. s.	9,031	8,825
Elektrárna Dětmarovice, a.s.	4,867	3,249
ČEZ ICT Services, a. s.	2,491	2,078
ČEZ Energo, s.r.o.	2,201	2,115
ČEZ Korporátní služby, s.r.o.	1,119	–
MARTIA a.s.	858	1,196
ČEZ OZ uzavřený investiční fond a.s.	240	233
Energotrans, a.s.	68	7
ČEZ Obnovitelné zdroje, s.r.o.	26	–
Výzkumný a zkušební ústav Plzeň s.r.o.	23	–
Energocentrum Vítkovice, a. s.	8	–
Elektrárna Počerady, a.s.	7	–
ČEZ Solární, s.r.o.	4	–
ČEZ Distribuční služby, s.r.o.	–	23,003
EASY POWER s.r.o.	–	938
ELTODO OSVĚTLENÍ, s.r.o.	–	645
Total	21,810,784	21,640,110

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	2018	2017
ČEZ Prodej, a.s.	6,346,677	6,952,316
ČEZ ESCO, a.s.	327,293	72
ČEZ Energetické služby, s.r.o.	36,064	16,149
Telco Pro Services, a. s.	21,956	9,946
ČEZ ICT Services, a. s.	20,122	32,275
ČEZ, a. s.	14,473	1,395
Severočeské doly a.s.	4,724	3,494
ČEZ Korporátní služby, s.r.o.	4,013	3,756
ČEZ LDS s.r.o.	1,297	199
MARTIA a.s.	315	225
EASY POWER s.r.o.	292	1,063
Elektrárna Dětmarovice, a.s.	170	52
ÚJV Řež, a. s.	115	96
ČEZ Energo, s.r.o.	48	23
ČEZ Distribuční služby, s.r.o.	-	41
Total	6,777,559	7,021,102

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	2018	2017
ČEZ Prodej, a.s.	553,524	356,485
ČEZ ICT Services, a. s.	223,428	77,760
ČEZ Korporátní služby, s.r.o.	76,292	42,366
Telco Pro Services, a. s.	52,846	43,670
ČEZ, a. s.	49,044	50,586
ČEZ ESCO, a.s.	33,425	-
MARTIA a.s.	9,423	5,690
ČEZ Obnovitelné zdroje, s.r.o.	512	-
ČEZ OZ uzavřený investiční fond a.s.	406	164
Energotrans, a.s.	345	243
Elektrárna Dětmarovice, a.s.	121	132
ČEZ Energetické služby, s.r.o.	65	150
Severočeské doly a.s.	2	2
ČEZ Teplárenská, a.s.	2	2
ČEZ Distribuční služby, s.r.o.	-	273,254
Tepelné hospodářství města Ústí nad Labem s.r.o.	-	1,425
Total	999,435	851,929

The Company purchases products and receives services from related parties in the ordinary course of business. Purchases from related parties in 2018 and 2017 were as follows (in CZK thousands):

Related party	2018	2017
ČEZ Prodej, a.s.	2,037,283	1,844,925
ČEZ ICT Services, a. s.	857,513	597,510
ČEZ Korporátní služby, s.r.o.	739,473	387,338
ČEZ, a. s.	290,191	274,990
Telco Pro Services, a. s.	250,719	215,532
ČEZ ESCO, a.s.	52,130	-
MARTIA a.s.	45,749	42,805
ČEZ Energetické služby, s.r.o.	3,683	178
ČEZ OZ uzavřený investiční fond a.s.	2,015	1,966
Elektrárna Dětmarovice, a.s.	1,633	1,966
Energotrans, a.s.	1,579	1,343
ČEZ Obnovitelné zdroje, s.r.o.	423	-
ČEZ Teplárenská, a.s.	28	20
Severočeské doly a.s.	20	16
Teplo Klášterec s.r.o.	3	3
ČEZ LDS s.r.o.	1	-
ČEZ Distribuční služby, s.r.o.	-	5,507,559
Osvětlení a energetické systémy a.s.	-	1,985
Tepelné hospodářství města Ústí nad Labem s.r.o.	-	1,425
Total	4,283,902	8,879,561

As at 31 December 2018 and 2017, advances received from related parties were CZK 6,653,768 thousand and CZK 6,919,455 thousand, respectively. The advances mostly comprised of advances for distribution services received from ČEZ Prodej, a.s. and ČEZ ESCO, a.s.

19. Other Items of Income Statement

Miscellaneous operating income includes in particular the released part of connection fees (see Note 13) and re-invoiced costs of relaying. Fees paid to statutory auditors are disclosed in the consolidated financial statements of ČEZ, a. s.

20. Subsequent Events


As of 1 January 2019 in accordance with the project of demerger by spin-off 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 part of assets 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.

21. Cash Flow Statement

The cash flow statement was prepared under the indirect method.

Prepared on:
10 April 2019

Signature of entity's statutory body:



Martin Zmelik



Tomáš Murtinger

IDENTIFICATION OF ČEZ DISTRIBUCE, a. s.

ČEZ Distribuce, a. s.

Teplická 874/8
405 02 Děčín IV-Podmokly
Czechia

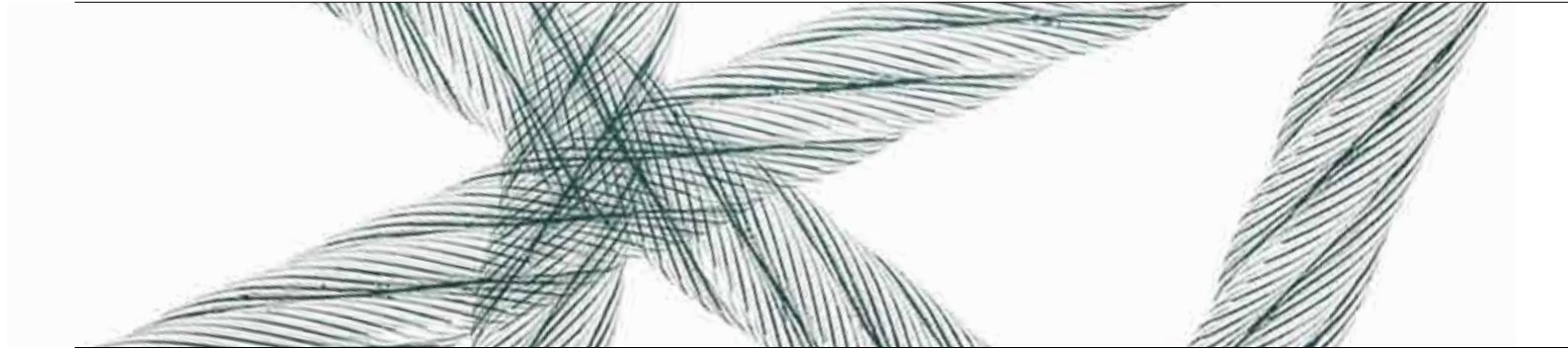
Registered in the Commercial Register kept by the
Regional Court in Ústí nad Labem, Section B, File 2145

Established:	2010
Legal form:	Joint-stock company
Company reg. No.:	247 29 035
VAT ID No.:	CZ24729035
Banking details:	Komerční banka, a.s., account No. 35-4544580267/0100
Phone:	+420 411 121 111
Fax:	+420 411 122 997
Internet:	www.cezdistribuce.cz
E-mail:	info@cezdistribuce.cz

License number: 121015583
OTE registration number: 715

Closing date of the 2018 Annual Report: April 10, 2019.

**Annex 1 Relation Structure Diagram
for the Period of January 1, 2018, to December 31, 2018**



AND THE STORY GOES ON...

