125 years

PRE Group
2021 Annual Report

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Changes that occurred between the end of the accounting period (31 December 2021) and the closing date of the Annual Report (22 April 2022) are marked in italics.

This document is an unsigned English translation of the Czech Annual Report. Only the Czech version of the Annual Report is legally binding.

PRE Group

Pražská energetika, a.s., (PRE) and its subsidiaries are a modern integrated energy corporate group, whose principal activities include electricity and gas sales and trading, electricity distribution, the generation of electricity from renewable sources, and the provision of energy services.

PRE has a more than one-hundred-and-twenty-five-year long history of supplying electricity and developing the electricity system in Prague, dating back to 1897, when the Electricity Works of the Royal Capital City of Prague (Elektrické podniky královského hlavního města Prahy) was founded. Today, with its almost 823 thousand consumption points, the PRE Group is the third largest electricity supplier in the Czech Republic, operating a high quality and reliable distribution network. As part of its activities, it supports state-of-the-art technological solutions and provides consultancy on the implementation of innovative technologies and energy savings. Last year, it distributed almost 6 TWh of electricity on all voltage levels to end customers and generated 34.18 GWh of electricity from renewable sources.

In 2021, the PRE Group consisted of the parent company Pražská energetika, a.s., and its subsidiaries: PREdistribuce, a.s., PREměření, a.s., eYello CZ, k.s., KORMAK Praha a.s., PREservisní, s.r.o., PREzákaznická, a.s., and VOLTCOM, spol. s r.o.

The PRE Group also includes the 100% subsidiaries of PREměření, a.s.: PRE FVE Světlík, s.r.o., SOLARINVEST – GREEN ENERGY, s.r.o., FRONTIER TECHNOLOGIES, s.r.o., PRE VTE Částkov, s.r.o., and a newly established company PRE RVE Nové Sedlo, s.r.o. The PRE Group also includes PREnetcom, a.s., a 100% subsidiary of PREdistribuce, a.s.

LICENCE OVERVIEW

Pražská energetika, a.s.
..... Electricity trading licence from 17 January 2007, renewed until 16 January 2027
..... Gas trading licence from 12 January 2011, renewed until 12 January 2026

PREdistribuce, a.s.
..... Electricity distribution licence from 1 January 2006 for an indefinite period of time

PREměření, a.s.
..... Electricity generation licence from 17 May 2010 to 17 May 2035
..... Electricity distribution licence from 31 October 2016 for an indefinite period of time

PRE FVE Světlík, s.r.o.
..... Electricity generation licence from 4 December 2009 to 4 December 2034

PRE VTE Částkov, s.r.o.
..... Electricity generation licence from 3 July 2009 to 3 July 2034

eYello CZ, k.s.
..... Electricity trading licence from 27 September 2012 to 26 September 2022
..... Gas trading licence from 27 September 2012 to 26 September 2022

PRE GROUP COMPANIES

The complete scope of the business activities is stated in the company's Articles of Incorporation and in the relevant registers.

Pražská energetika, a.s. (PRE)
Trading in electricity and gas, provision of occupational health and safety, technical and organisational services of fire safety, provision of public communication networks and electronic communication services, production, repairs of electrical machinery and devices and electronic and telecommunication equipment, installation, repairs, inspection and testing of electrical equipment, stated activities of the company's objects: production, trading, and services not listed in Appendices No. 1–3 of the Trade Licensing Act,.....
ID No.: 60193913
Prague 10, Na Hroudě 1492/4

PREdistribuce, a.s. (PREdi)
Electricity distribution, installation, repairs, inspection and testing of electrical equipment, execution of constructions, their alterations and demolitions, preparation and creation of technical designs, graphic and drawing works, testing, measurements, analyses and inspections,....
ID No.: 27376516
Prague 5, Svornosti 3199/19a

PREměření, a.s. (PREm)
Generation and distribution of thermal energy not subjected to licensing and generated from sources of thermal energy with an installed capacity of one source over 50 kW, electricity generation and distribution, authorisations for the aim of verification of legal measuring instruments, plumbing and heating, production, installation and repairs of electrical and telecommunication devices, installation, repairs, inspections and testing of electrical equipment, repairs and renovation of cooling systems and heat pumps,...
ID No.: 25677063
Prague 10, Na Hroudě 2149/19

eYello CZ, k.s. (eYello)
Trading in electricity and gas, stated activities of the company's objects: production, trading, and services not listed in Appendices No. 1–3 of the Trade Licensing Act,.....
ID No.: 25054040
Prague 10, Kubánské náměstí 1391/11

KORMAK Praha a.s. (Kormak)
Design of constructions, production, installations, repairs, inspections and testing of electrical equipment, production, installation and repair of electrical machinery and devices and electronic and telecommunication equipment, execution of constructions, their alterations, and demolitions,.....
ID No.: 48592307
Prague 10, náměstí Bratří Jandusů 34/34

We've been experts in the energy sector

...for 125 years

The main administrative building and seat of PRE on Na Hroudě Street built in 1997.

View of the first administrative building of the Electrical Works on the premises of the power plant in Holešovice around 1914.


PRE

PREservisní, s.r.o. (PREs)
Lease of real estate, flats and non-residential premises, production, installation and repairs of electrical machinery and devices and electronic and telecommunication equipment, execution of constructions, their alterations and demolitions, provision of safety and security services, installation, repairs, inspection and testing of electrical, lifting and pressure equipment and gas containers,...
ID No.: 02065801
Prague 10, Na Hroudě 1492/4

PREzákaznická, a.s. (PREzak)
Mediation of trading activities and services, administrative maintenance, organisation, and economic services,...
ID No.: 06532438
Prague 10, Na Hroudě 1492/4

VOLTCOM, spol. s r.o. (Voltcom)
Design of constructions, installations, repairs, inspections and testing of electrical equipment, production, installation and repairs of electrical machinery and devices and electronic and telecommunication equipment,...
ID No.: 44794274
Prague 6, Otevřená 1092/2

PREnetcom, a.s. (PREnetcom)
Production, installation and repairs of electrical machinery and devices and electronic and telecommunication equipment, design of constructions, their execution, alterations and demolitions, installations, repairs, inspections and testing of electrical equipment, preparatory and finishing works in construction, specialised construction works,...
ID No.: 06714366
Prague 10, Na Hroudě 1492/4

SOLARINVEST – GREEN ENERGY, s.r.o. (Solarinvest)
Installation, repairs, inspections and testing of electrical equipment, execution of constructions, their alterations and demolitions, installation, repairs and renovation of cooling systems and heat pumps, design of constructions, plumbing and heating, production, installation and repairs of electrical machinery and devices, electronic and telecommunication equipment,...
ID No.: 28923405
Prague 10, Na Hroudě 2149/19

FRONTIER TECHNOLOGIES, s.r.o. (Frontier)
Production, installation and repairs of electrical and telecommunication equipment, installation, repairs, inspections and testing of electrical equipment, installation, repairs and renovation of cooling systems and heat pumps, plumbing, heating, design of constructions,.....
ID No.: 27234835
Prague 10, Na Hroudě 2149/19

PRE FVE Světlík, s.r.o. (PRE FVE Světlík)
Electricity generation, mediation of trading activities and services, purchase, sale, administration and maintenance of real estate,...
ID No.: 28080378
Prague 10, Na Hroudě 2149/19

PRE VTE Částkov, s.r.o. (PRE VTE Částkov)
Electricity generation, mediation of trading activities and services, purchase, sale, administration and maintenance of real estate,...
ID No.: 27966216
Prague 10, Na Hroudě 2149/19

PRE FVE Nové Sedlo, s.r.o. (PRE FVE Nové Sedlo) *
Lease of real estate, flats and non-residential premises, administration of own assets
ID No.: 11911913
Prague 10, Na Hroudě 2149/19

* PRE FVE Nové Sedlo, s.r.o., became part of the PRE Group on 6 October 2021.

PRE corporate bodies

BOARD OF DIRECTORS AS OF 31 DECEMBER 2021

Pavel Elis
Chairperson

Alexander Manfred Sloboda
Vice-chairperson

Marek Ženíšek
Vice-chairperson

Radim Kříž
Member

Markus Baumgärtner
Member

SUPERVISORY BOARD AS OF 31 DECEMBER 2021

Jan Chabr
Chairperson

Colette Rückert-Hennen
Vice-chairperson

Franz Retzer
Member until 31 December 2021

Fabian Spalthoff
Member

Stefan Theo Webers
Member

Jörg Reichert
Member

Matej Šandor
Member

Michael Koch
Member

Aurélie Alemany
Member since 1 January 2022

WORKS COUNCIL AS OF 31 DECEMBER 2021

Jan Pokorný
Chairperson

Alena Šafrová
Vice-chairperson

Miroslava Svobodová
Member

Karel Hempl
Member

In 2021, no members of the company bodies were subject to a conflict of interest or infringed prohibition of competition.

MANAGEMENT OF THE PRE GROUP COMPANIES AS OF 31 DECEMBER 2021

Pražská energetika, a.s.
Pavel Elis
Chairperson of the Board of Directors
and managing director

Alexander Manfred Sloboda
Vice-chairperson of the Board of Directors
and sales director

/ PRE corporate bodies

PREdistribuce, a.s.

Milan Hampl
Chairperson of the Board of Directors
and managing director

Petr Dražil
Vice-chairperson of the Board of Directors
and director of the Regulated Assets division

PREměření, a.s.

Aleš Staněk
Chairperson of the Board of Directors
and managing director

Rudolf Červenka
Vice-chairperson of the board of directors
and director of the Energy Services division

eYello CZ, k.s.

Michal Kulig
Managing director

KORMAK Praha a.s.

Radek Matuszny
Chairperson of the Board of Directors
and managing director

Tomáš Kocourek
Vice-chairperson of the Board of Directors
and finance director

PREservisní, s.r.o.

Karel Urban
Authorised representative
and managing director

Miloslav Nergl
Authorised representative
and director of the Support Services division

PREzákaznická, a.s.

Roman Kronus
Chairperson of the Board of Directors
and managing director

VOLTCOM, spol. s r.o.

Milan Válek
Chairperson of the Council of Authorised Representatives

Jan Šrajer
Member of the Council of Authorised Representatives

Petr Jeřábek
Member of the Council of Authorised Representatives
since 7 May 2021

Pavel Vávra
Member of the Council of Authorised Representatives
since 7 May 2021

Vladimír Křížek
Member of the Council of Authorised Representatives
since 6 May 2021

Alois Kaláb
Member of the Council of Authorised Representatives
since 6 May 2021

PREnetcom, a.s.
Petr Dvořák
Chairperson of the Board of Directors
and managing director

SOLARINVEST – GREEN ENERGY, s.r.o.
Aleš Hradecký
Authorised representative

Jakub Vančura
Authorised representative

FRONTIER TECHNOLOGIES, s.r.o.
Gabriel Lukáč
Authorised representative

Tomáš Kocourek
Authorised representative

Stanislav Šmejdíř
Authorised representative

PRE FVE Světlík, s.r.o.
Aleš Staněk
Authorised representative

PRE VTE Částkov, s.r.o.
Aleš Staněk
Authorised representative

PRE FVE Nové Sedlo, s.r.o. (since 6 October 2021)
Aleš Staněk
Authorised representative

Petr Jelínek
Authorised representative

We've been
the energy
of this city

...for 125 years

PRE builds its good reputation of a modern and trustworthy company via a diverse portfolio of marketing activities.

1897 - 2022

The newly established Electrical Works of the Royal Capital City of Prague launched the very first trains at the electrical railway Prague–Žižkov–Král. Vinohrady, 18 September 1897.


Být u PRE má SMYSL
Jsme energie tohoto města
Spolehlivý dodavatel energií již 125 let
pre.cz
pre.cz
PRE
9227
pid
426

Report of the Board of Directors on Business Activities

REPORT OF THE BOARD OF DIRECTORS ON BUSINESS ACTIVITIES AND ASSETS FOR 2021

For more than 125 years, Pražská energetika, a.s. (PRE), has been a stable and trustworthy partner in the energy sector. PRE and its subsidiaries form a prosperous corporate group, whose mission is to ensure a reliable supply, generation, and sales of energy and related services in Prague as well as the entire Czech Republic.

The principal shareholders of PRE are Pražská energetika Holding, a.s., which is jointly controlled by the Capital City of Prague, EnBW Energie Baden-Württemberg AG (EnBW), and the EnBW company. The support of its shareholders and mutual cooperation are among the underlying factors of PRE's success.

As the parent company, PRE leads the expanding PRE Group consisting of more than ten companies. In their activities, all of the companies follow strict ethical standards, which primarily include a responsible attitude towards society, the environment, and their own employees. In 2021, the company's Code of Ethics was subjected to extensive review to reflect the current trends in these fields. In its business activities, PRE proudly embraces the principles of sustainable development and through its activities, it strives to contribute to the improvement of the standards of living in the region it operates in. To ensure the growth of the company's value, the corporate culture emphasises the constant improvement of internal efficiency, innovation, and the support of employee initiative and activities. The company bases its position on mutual trust with customers and partners, a proactive approach to business development and professionalism, and attentiveness of all employees.

Economic developments in 2021

The economic situation of the Group was influenced by two major factors. The first one was the ongoing covid-19 pandemic, which paralyzed both European and world economies for long months and had a palpable impact on the everyday lives of all of us. The Czech government twice declared a state of emergency (from 5 October 2020 to 11 April 2021 and from 26 November to 25 December 2021). During these periods, it took several emergency measures to respond to the ever-changing health situation, which restricted, to various degrees, the fundamental rights and freedoms of Czech citizens and entrepreneurs. The measures aimed at restricting the freedom of movement and mass events in particular. The physical presence of employees was completely prohibited at certain types of workplaces and strict measures applied to other types of business premises. When the crisis culminated in the spring of 2021, the government imposed a blanket ban on travel between individual districts of the country for a total duration of three weeks. All these steps taken to halt the spread of the disease resulted in a decrease in the demand for energy.

These pandemic measures significantly impacted PRE, its communication with clients, and the possibility for its employees to fulfil their professional duties at PRE workplaces or from their homes. Technical and organisational measures were put in place to protect PRE's clients, manifesting themselves most notably in the PRE Customer Centres and Service Centres. The operators of the state critical infrastructure were placed under specific obligations. Obligatory testing for covid-19 was put in place. The possibility of optional vaccination against covid-19 also played an important role. By late 2021, more than 80% of PRE employees were vaccinated, which partly explains the relatively low incidence of covid-19 cases among our staff.

The second factor with a major impact on the economic situation was the unstable environment on energy markets in the country, especially in the second half of 2021, accompanied by a rapid increase in commodity prices. In combination with other global contributing factors, last year witnessed an unprecedented surge in the prices of energy commodities, which, in turn, had a negative impact on all electricity and gas providers. Over only three months, the price of electricity skyrocketed by almost 100%, reaching an all-time high. This dramatic evolution in electricity market prices was fatal for certain electricity and gas providers, leading to their closure.

Financial results

The demand for electricity in 2021 increased moderately year-on-year, nearing its level of 2019. This is not true for Prague, however, where the distribution of electricity increased by 2% year-on-year (5,984 GWh). This amount is still markedly lower than before the covid-19 pandemic broke out and restrictive measures were put in place. Back then, the yearly electricity consumption in the Prague region largely exceeded 6 TWh.

In spite of all the adverse economic repercussions, the company's earnings before interest, tax, depreciation and amortisation (EBITDA) reached CZK 4,751 million, which is 0.3% higher than in 2019 (CZK 4,738 million). Its profit or loss after tax for 2021 amounted to CZK 2,325 million. These results were achieved despite the rapid surge in commodity prices and the difficulties linked to the transfer of customers of the companies which ceased operations. These customers were absorbed by PRE, as it was acting as the supplier of the last resort. PRE proved to be a stable company even when navigating through such difficult times, offering certainty of electricity supply to its customers and value to its shareholders, suppliers, and employees.

The overall gross margin of the PRE Group in 2021 (CZK 6,937 million) is comparable to 2020 (CZK 6,969 million). It should be noted that while the margin of electricity sales slightly decreased year-on-year, the margin of gas sales and distribution increased year-on-year. Revenues stemming from the generation of electricity from renewable sources remained the same as in 2020.

The ongoing covid-19 pandemic affected the company's expenses, as it incurred a total of CZK 24 million of unexpected costs related mainly to the purchase of protective material and occupational safety measures. The transfer of customers of the failed electricity operators also led to unexpected one-off costs linked specifically to HR management services and IT support services. The negative effects of the covid-19 pandemic and PRE's obligation as the supplier of the last resort were offset by savings on costs for services. As a result, the total operational expenses remained on the same level as in 2020 (CZK 1,419 million).

Other operational costs slightly exceeded the 2020 level, as the demand for energy services rose moderately. Since the payment culture of PRE's clients improved in a surprisingly strong way, loss allowances against receivables decreased and provisions increased. Capital expenditures amounted to CZK 2,054 million primarily to invest in distribution.

Equity attributable to the parent company shareholders increased year-on-year, amounting to CZK 21,712 million (+CZK 2,430 million). Its share of equity capital exceeds 54%, which is a necessary precondition for PRE to be able to fulfil its growth plans and related investment projects in the long term. In 2021, the company's return on capital employed (ROCE) was 11.7%, which attests to its long-term high performance.

Sales

Our strategy of purchasing electricity and gas for households is spread over a long period of time. This enables our company to secure both commodities at acceptable prices for our end customers. Thanks to our network of trusted and stable partners in the wholesale market, we are always able to secure enough electricity and gas. A considerable portion of electricity is purchased from producers using renewable sources.

The rapid surge in electricity market prices brought a number of electricity and gas providers to the brink of failure. These entities had failed to hedge against the fluctuations of market prices. That is why PRE, acting as the supplier of the last resort, took over almost 70 thousand consumption points to cover for the companies that had stopped fulfilling their obligations. The prices of electricity and gas thus procured by PRE were stipulated by law. Our primary aim was to ensure a reliable supply and conclude as soon as possible standard contracts with these new customers. We made it possible for them to use our new product, PRE PROUD START, which offers commodities at current prices on the wholesale market. A substantial portion of these new customers concluded new standard contracts before the end of 2021. Their transfer to the company, in combination with the rapid soar in market prices in late 2021, negatively impacted its results.

In 2021, PRE delivered a total of 5,706 GWh of electricity and 871 GWh of gas to its customers. It managed to increase the number of consumption points in the B2C segment, where it supplied electricity under both the PRE and Yello brands, bringing the total number of consumption points to a record number of 785 thousand.

These market evolutions strengthened the need for the digitalisation of all of the company processes. The need for an immediate transfer of the 70 thousand customers posed an extreme burden for customer support services. Both front and back-office services needed to be swiftly available and reactive. We are proud that our employees did everything in their power and that we managed to mobilise additional capacities allowing us to deal with the exceptional strain during the first weeks. In a very short span of time, the company managed to develop effective digital tools to streamline the transfer process, which allowed the concerned departments to accelerate the provision of services to thousands of new customers every day.

Despite the reduced demand for energy services caused by the covid-19 virus, we managed to moderately increase the volume of sales of energy services. The company sustained its "PREmium" project, which focuses on offering innovative products and services that will appeal to our corporate and public sector customers. PREmium products promote energy efficiency,energy performance, savings, while reducing costs and CO_2 emissions. In light of the surging prices in the second half of the year, the demand for the installation of roof photovoltaic systems with accumulation rose significantly. To be able to respond to this new trend, the company is in the process of strengthening its supply capacities.

Electromobility is another rapidly developing segment with great potential for further expansion. We see it as an important part of our development activities both in terms of the charging infrastructure and of our portfolio of solutions for households or companies. In late 2021, PRE operated a total of 300 charging stations.

To support its development activities in this area, it drew funding from the Operational programme 'Transport'. PRE then also received subsidies from the CEF (Connecting Europe Facility) programme to build ultra-fast charging stations in the Czech Republic. In 2021, we signed several roaming agreements with other operators of the charging infrastructure. Our customers can thus use not only PREpoint charging stations, but they also have access to the charging infrastructure run by all the remaining dominant operators in the Czech Republic and abroad. To cover the entirety of Europe, we signed a cooperation with the IONITY company. Our customers can charge their electric cars in Austria thanks to our partnership with SMATRICS and in Germany we connect our own charging stations with a robust charging infrastructure operated by EnBW. In line with our strategy to expand the accessibility of other charging networks, in 2021 we partnered up with leasing companies and fuel card issuers.

In the segment of private charging infrastructure, the main focus is given to the cooperation with housing development projects, where our aim is to develop a comprehensive charging infrastructure for companies and households alike. Our mission lies in supplying technological solutions to charging stations and their control systems incorporated in the buildings' ecosystems as well as in providing comprehensive related services including the supply of electricity, invoicing, and maintenance of charging points. Where possible, we strive to link our private charging infrastructure with our public charging services.

Distribution

It has never been more important to ensure a stable and reliable energy infrastructure. The distribution system of the PRE Group in Prague and in Roztoky is operated by the PREdi company. In line with its motto “We are the energy of this town”, its aim is to establish a reliable and modern urban energy infrastructure to the benefit of all Prague citizens. It makes considerable investment in the development and digital transformation of its distribution network in Prague and also strives to build a related telecommunication infrastructure. Through the smartening of the network, we make sure that we will be able to face future challenges, including the expected growth of local generation units and the expansion of electromobility.

The highest peak load of the distribution system of 1,117 MW was recorded on 10 February 2021 under the state of emergency, which is comparable to last year, which had already been affected by the covid-19 pandemic. At the end of 2021, almost 824 thousand consumption points were connected to the distribution system, which represents a 0.8% increase year-on-year.

More than CZK 1.8 billion were invested in the renovation and development of the distribution network. The most significant constructions include the termination works on the restoration of the 110/22 kV Pražačka transformer station, the launch of the modernisation of the key 110/22 kV Jih transformer station, and the continued construction of the new 110/22 kV Slivenec transformer station. A significant portion of funding was allocated to projects aimed at smartening the MV and LV networks. Further works were done to expand the roll-out of AMM (Automated Metre Management) smart metering systems.

Strategy and future outlook

PRE has long since ceased to be a company offering only electricity. The scope of our business activities has broadened significantly over the last ten years. Our portfolio connects the selling of energy commodities, electricity and gas with the provision of data services, lighting solutions, decentralised generation units, consumption management and modern mobility.

Decarbonisation constitutes another important part of the company’s strategy. On 14 July 2021, the European Commission adopted a package of legislative proposals “Delivering the European Green Deal” with the aim to reduce emissions by 2030 by at least 55% compared to 1990 levels, thus making the EU completely carbon neutral by 2050. We feel that it is our responsibility towards future generations to reduce our company’s emission footprint. That is why we promote a number of environmental actions and support the generation and sales of green energy within our environmental brand PREekoproud, which has been attracting more and more customers. We support energy communities and plan to expand the portfolio of our own capacities of renewable sources with the support of European funding and commercial resources.

PRE forms an integral part of the energy sector, which is bound to play a major role in the efforts of economic recovery. Our economy must become more environmentally conscious, oriented towards circular models and digitisation, while maintaining its competitiveness within the global market. Modern technologies, digital transformation and decentralisation bring notable changes to all segments of PRE business activities.

Customers require comprehensive services allowing them to make an efficient use of energy. To respond to this trend, we develop our smart customer infrastructure which brings together the sale of energy and energy services. Thanks to the increasing digitisation of our services, we are able to optimise operative costs, design new products, offer efficient and comprehensive service packages, and hence maintain a high level of customer loyalty. In 2021, our market share grew significantly. The future challenge will be to maintain the high level of profitability of our client portfolio against the backdrop of rapidly rising commodity prices. We are determined to increase sales through selling new innovative products combining energy commodities with related services, which will thus allow us to reduce customer's costs for energy, heating, cooling, or lighting systems. Green mobility has been attracting more and more attention and we will respond to this by further expanding our portfolio of products and services in this segment.

The segment of urban infrastructure has also seen major changes related to the digital revolution. That is why we will strengthen development investment in smart grids. New technologies will enable the efficient use of energy networks forming part of urban infrastructure, connecting them to the public charging network, data networks and smart elements of urban infrastructure. Digitalisation and the maximum use of synergies will help us optimise operational costs when building and operating new networks. Activities in this new strategic segment also include the design and construction of new smart buildings in Prague. The aim of these projects is to make optimal use of the land and real estate in our ownership while tapping the potential of modern technologies that its portfolio of energy services has to offer.

We strengthen capacities for new projects of renewable sources, which constitute the backbone of our strategic segment of a sustainable generation infrastructure. We want to make maximum use of the opportunities created by the current climate and energy policies of the Czech government. Given the evolutions of commodity prices and European subsidies, the output and efficiency of new power plants from renewable sources have been increasing. PRE has also increased its growth ambition and wishes to bring into operation new generation plants of a total output of at least 300 MW by 2030.

2021 was not an easy year, but still proved to be incredibly successful. The events of the first months of 2022 show that the company is set to face even bigger and further-reaching challenges. It will still continue to play its role as an infrastructure-oriented company with strong ties to the Prague region. All of us at PRE will do our best to turn the upcoming challenges of 2022 to our benefit and to continue bringing value to our shareholders, customers, and the region of Prague as a place of high-quality living standards and well-being.

We want to express our appreciation and gratitude to everyone who contributed to ensuring an undisturbed operation of our energy infrastructure and a safe supply of services to our customers.

We want to thank our customers, employees, suppliers, partners, and shareholders for their trust and cooperation during the uneasy year of 2021 and we look forward to its successful continuation.

In Prague, 22 April 2022

Signed by

Pavel Elis
Chairperson of the Board of Directors

Signed by

Alexander Sloboda
Vice-chairperson of the Board of Directors

Selected financial indicators for the PRE Group

Selected financial indicators for the PRE Group

	Unit	2021	2020	Calculation formula
Total revenues	MCZK	23,343	21,909	Profit from generated and sold electricity and gas + Other operational profit
Sales margin	MCZK	6,937	6,969	Gross profit from the sale of commodities
Profit after tax	MCZK	2,523	2,548	
Equity proportion to total invested capital	%	54,8	59,8	Equity attributable to the parent company shareholders Total assets
Return on capital employed (ROCE)	%	11,7	13,3	ROCE = EBIT / (equity attributable to the parent company shareholders + long-term loans + deferred tax liability) x 100
Work productivity out of total revenue	TCZK / employee	14,239	13,681	(Profit from generated and sold electricity and gas + Profit from services + Investment contributions) : average adjusted number of employees
EBIT	MCZK	3,216	3,270	Profit before tax + Loan expenses
EBITDA	MCZK	4,751	4,738	Profit before tax + Loan expenses + Depreciation/ Amortisation
Net profit per share	CZK	652	659	Profit after tax / Registered capital x 1,000

Other indicators

	Unit	2021	2020
Gross distributed electricity	GWh	5,984	5,864
Total purchase of electricity	GWh	5,706	5,616
Purchase of gas	GWh	871	561
Generation of electricity	GWh	34	36

Trading in electricity and gas

PRE ranks among the most prominent and stable electricity and gas traders in the Czech Republic. It procures the commodities especially in the Czech and German wholesale markets, both key to its trading activities. Given its proportions and liquidity, the German market in particular is considered to be one of the most important in Europe Thanks to its access to both markets and active trading, PRE ensures electricity and gas prices for its end customers at optimal prices, sometimes even several years ahead. In its trading policy, the group uses both organised trading instruments, such as brokerage platforms and EEX, along with its own direct contacts with its contractual partners.

PRE sees itself as a reliable partner on the wholesale market, as it can rely on its strong network of stable and trusted contractual business partners and suppliers, including the majority of significant Czech and European players in the energy market in the Czech Republic and abroad. This allows the company to trade actively on the wholesale market even at times of decreased liquidity and when there is general mistrust towards new trading partners. These long-term relationships between PRE and its trading partners helped mitigate some of the effects of the increased commodity prices in 2021. Given PRE's role as the so-called supplier of last resort, in late 2021 the company managed to secure electricity for all clients of other providers which were, due to extreme price volatility in the wholesale market, unable to serve their customers.

Given PRE's responsible and modern approach, sustainable development and environmental protection was put at the heart of its agenda. That is why PRE sustains its important cooperation with local producers of energy from renewable sources in the Czech Republic through purchasing energy directly from their sites. PRE has the leading role in purchasing electricity from biogas and hydroelectric power plants. It continues its long-term cooperation with Povodí Vltavy, s.p., which operates a series of hydroelectric power plants on the Vltava River. Its portfolio of renewable sources of energy comprises photovoltaic power plants in the Czech Republic, including plants owned by the PRE Group companies. PRE has kept the total volume of purchased renewable energy at stable levels and aims to gradually extend it. In the second half of 2021, several energy providers halted operations in the Czech market. The energy market was thus faced with an uneasy situation, as several electricity producers were left without purchasing traders. Many of them opted for PRE as their new partner. As a result of its trustworthy approach towards the players of the renewable energy market, PRE enjoys an excellent reputation among the producers. In view of the ever-growing demand for energy from renewable sources, PRE buys certificates of Guarantees of Origin for its customers to certify the production sites both in the Czech Republic and abroad following the clients' needs.

PRE complies with all of the obligations of an electricity and gas market participant imposed by relevant Czech law and EU legislation. In particular, it abides by the REMIT regulation, the EMIR regulation, the MAR regulation, the MiFIR regulation, the CSMAD directive and the MiFID II directive.

SALES – B2B SEGMENT

Early in 2021, prices on the energy exchange started to increase appreciably. This surge – fuelled most notably by the rising prices of emission allowances and of natural gas – became more prominent in the second half of the year. As a result, electricity prices of year-long supply contracts for 2022 increased five-fold and gas prices soared virtually six-fold. At the same time, the gap between prices of year-long gas and electricity supply contracts for 2023 and 2024 has widened considerably. This has put the energy market in an absolutely unique and unprecedented position.

Given the soaring prices, customers were reluctant to sign energy contracts for next year. An extraordinarily large number of customers waited and hoped for a slump in prices, but in vain. As a result, abnormally large quantities of electricity remained purchased from the spot market. As competition in the energy market weakened in late 2021, the company managed to secure several valuable supply contracts for 2022.

The crisis in the energy market became more acute as several traders specialised in the supply of commodities to small customers shut down operations. As a consequence, PRE – one of the suppliers of last resort – started to serve a limited number of B2B customers.

Customers' inclination to procure electricity and gas in parts in multiple purchase steps has grown stronger. The volume of electricity procured this way accounted for 56% for 2021 and for 68% for 2022. The volume of natural gas procured this way grew from 41% in 2021 to 46% in 2022 in the whole B2B segment.

The volume of electricity traded online via the Moje PRE portal rose significantly to 1.2 TWh/year. The trend of an ever-stronger environmental consciousness of customers has also remained well-rooted. In terms of electricity and gas supplies, this resulted in a higher demand for electricity from renewable sources, which is attested to PRE customers in the form of so-called Guarantees of Origin. The volume of supplied renewable energy increased by 23% year-on-year and the overall volume of green energy procured in 2021 in the whole B2B segment accounted for 17%. Customers' inclination to conclude multi-annual contracts remained on the same level year-on-year: approximately 40% of the volume of supplies were contracted for the period after 2022.

The total volume of electricity sold to customers in the B2B segment was 3,645 GWh, which is approximately the same as in 2020. The negative effects of the pandemic have still been felt in some industries. The total volume of natural gas sold was 498 GWh, which represents an increase of 72% year-on-year.

SALES – B2C SEGMENT

Throughout 2021, the company had to respond to a number of factors that have heavily impacted the B2C segment. The evolution of commodity prices in the wholesale market constituted the decisive factor which gradually influenced the whole energy market. Despite higher purchase prices, many actors on the market kept promoting low price offers, as a result of which the services of both brokers and price comparison tools were much solicited. Therefore, PRE decided to put emphasis on customer retention activities. It perceived this situation as an opportunity to build new customer acquisition channels and partnership programmes. At the end of the summer, PRE had to respond to the increase in electricity prices, adjusting prices in the B2C segment. These planned price adjustments – announced to customers through a campaign – did not lead to any significant negative changes in the Group's client portfolio.

Another equally important factor occurred in the autumn of 2021, when, due to the unprecedented surge in prices of essential commodities, various energy providers were forced to cease operations. PRE had to deliver on its statutory commitment as supplier of the last resort in Prague and Roztoky. With regard to the prices of electricity and gas in the energy exchange, it is reasonable to expect that more energy companies will face operational problems that might result in their closure.

/ Trading in electricity and gas

In 2021, PRE sustained its successful strategy of developing its portfolio of services. Great outcomes were achieved with the PRE PROUD PLUS product, now highly popular with customers. As part of PRE PROUD KLIMA offered by the subsidiary PREm, the Group observed an increase in the number of air conditioning systems sold to customers, making it an important part of the Group's product portfolio. At the same time, PRE has seen an increase in the number of customers purchasing green energy, most of them opting for PREekoproud which guarantees the sole provision of EKO certified electricity sourced exclusively from Czech providers. The total volume of supplied energy and the number of consumption points increased by more than 100% year-on-year.

In light of the ongoing pandemic as well as of the closure of several energy companies, the need for digitalisation of sales and services has grown stronger.

PRE continued to monitor customer satisfaction with services provided by its two major sales channels: the PRE Customer Centres and the PRE Call Centres. It also monitored the satisfaction of customers subscribed to the PREekoproud and PRE PROUD PLUS products. The Group's system of customer satisfaction management is designed to respond almost instantly to specific feedback. PRE managed to respond to almost every customer who filled out their customer survey. Moreover, the company does not limit itself to addressing complaints, but it also actively seeks feedback from satisfied clients. It strives to build trusted relationships with all its customers, increasingly seeing itself as a customer-centric company.

SALES – eYello CZ, k.s.

In line with its strategy, eYello CZ, k.s., (eYello) focuses on the supply of electricity and energy packages to households and small businesses. It offers simple and clearly defined products at attractive prices, flexible communication, and comfortable administration through the Moje Yello (My Yello) online portal which was completely rebuilt and enhanced with new features in 2021. By doing so, eYello carries out its mission embodied in the slogan "Energy of Smart Change".

In 2021, the company supplied electricity and gas to more than 60 thousand customers. Against the backdrop of rising electricity and gas prices in the wholesale market, eYello managed to turn this situation to its advantage and acquired new customers. The company decided to follow up on the success of its television campaign from the previous years: its communication strategy relied exclusively on TV advertising spots which were spread through a longer span of time. Thanks to this communication strategy, the company managed to maintain a high level of awareness among customers.

Strategy

The cornerstone of PRE's strategy lies in its mission – to be a reliable partner in supplying, generating, and selling energy and providing related services in Prague as well as the entire Czech Republic. As the operator of the local distribution network, the PRE Group has been a guarantor of a reliable energy infrastructure in the capital for more than 125 years, playing a major role in the development of the entire region. Infrastructure is the focal point of PRE's strategy and a common denominator for all its development areas and newly launched activities.

The strategy recognises three key development areas: smart customer infrastructure, city infrastructure, and sustainable energy generation infrastructure. The Group's long-term financial goal is to achieve an EBITDA of more than CZK 6 billion by 2030.

As part of this strategy, PRE also strives to reach climate neutrality, confirming the social responsibility of the entire Group. PRE is already involved in activities contributing to environmental improvement, such as the generation and sale of green energy and energy efficient solutions or the development of electromobility. PRE plans to consolidate these activities and other planned steps under one joint framework with the aim of becoming climate neutral by 2030 at the latest. PRE is committed to promoting climate-friendly activities with the specific aim of bringing energy savings to its own companies and customers. This commitment was embedded in a voluntary agreement that PRE concluded with the Czech Ministry of Industry and Trade with the aim of contributing to the fulfilment of environmental targets set by the Czech government and the EU.

The strategic development area of smart customer infrastructure aims to provide high-quality services and draw up a trend-driven portfolio of products. In this regard, PRE will continue to promote digitalisation of its processes. It will also introduce new sales channels to stay abreast of customers' needs and to facilitate their direct communication with PRE. A good example is the new virtual assistant called Enkidoo, which helps customers who plan to move to a new home choose appropriate energy solutions. The sale of energy and energy services in the energy market seems to increasingly converge. That is why PRE plans to meet the needs of household customers by further extending its portfolio of combined products, enabling the joint supply of electricity and gas and the provision of related value-added services, such as inspections of electrical equipment, the installation of rooftop solar systems, air-conditioning systems, heating, lighting, or electromobility services. Under its PREmium brand, PRE expands its portfolio of comprehensive energy services for entrepreneurs and public sector players.

The second strategic development area, city infrastructure, mainly concerns the distribution of electricity in the capital. The PRE Group will continue to focus on the optimisation of its operating processes and 'smartening' of the distribution network. To this end, it will carry out pilot projects and in the long term introduce state-of-the-art smart grid technologies (smart grids) throughout the entire distribution network, such as, for example, smart transformer stations, and electricity metres. The smartening of the distribution network will enable PRE to better tackle future challenges, such as the increase of decentralised electricity from rooftop photovoltaic panels, the growth of electromobility, and energy communities. The strategic development of city infrastructure focuses on three main elements: charging stations for electric vehicles, optical networks, and street lighting. The company views electromobility as an important sector of the energy future and it will continue to develop an extensive network of charging stations thanks to the funds allocated through the Operational Programme 'Transport'. It comprises more than 300 charging stations, making PRE one of the three largest players in this field in the country. By the end of 2022, PRE plans to bring into service almost 500 public charging stations, predominately in Prague, which will ensure the capital's smooth transition toward low-emission mobility. As for optical networks, PRE aims to develop the infrastructure for high-speed data connection. Optical cables provide the basis for a safe and highly operational network of smart grids. Apart from building the optical networks for its own needs, PRE rents some of the spare capacity to telecommunication companies. And thirdly, in cooperation with the capital city of Prague, PRE also wants to become a more prominent player in the field of street lighting. Its activities in this new strategic segment include the design and construction of new smart buildings in Prague, whose aim it is to make optimal use of land and real estate in the PRE Group's ownership while installing modern technologies that its portfolio of energy services has to offer.

PRE

Safe and reliable energy for you

...for 125 years

125
1897 - 2022

The 110/22 kV Sever transformer station at the Holešovice power plant – the first of its kind in Prague – was in operation between 1926 and 1980.

The building of the Holešovice distribution station also hosts a unique exhibition of the Technical and Documentary Museum of Prague Energy Sector.

/ Strategy

PRE's third key strategic development area is sustainable infrastructure for the generation of electricity from renewable sources with a particular focus on solar and wind energy. PRE has set itself the goal of expanding its current installed capacity ten-fold by 2030 mainly by organic means. To do so, it will follow the trends in the energy market and use the possibilities of further funding for new renewable energy plants, such as the EU Modernisation Fund. The PRE Group also plans to fulfil its acquisition strategy by making opportunistic real estate investments in the power plants already in its ownership. Further expansion of renewable energy will enable PRE to respond to the ever-growing demand for green energy among environmentally conscious customers.

Through its strategic initiatives, the objective of PRE is to respond swiftly to the major energy trends, such as digitalisation, decentralisation, and decarbonisation. In all of the above-mentioned areas, PRE can rely on its vast know-how and in-house implementation capacities as well as the availability of sufficient additional investment capital. In all its development activities, the company will at the same time draw upon its stable position in the market and its strong and trustworthy brand, which is synonymous with clear and lasting values among customers and partners, also in these times of the ongoing covid-19 pandemic and turbulent changes in the energy market.

Human resources

HUMAN RESOURCES MANAGEMENT

All of the personnel administration, personnel services, the payroll agenda as well as occupational safety and environmental protection are carried out for PRE and its subsidiaries by the Human Resources department and its specialised divisions. Throughout 2021, selected personnel administration processes and services were subjected to gradual digitalisation, improved, and streamlined with the idea of offering the company's employees the same quality of services as its customers. The management of the personnel administration and wage calculations is ensured by the Human Resources department using the SAP HR module.

Employment-related issues, social policy, healthcare, and remuneration for the years 2021–2023 are enshrined in a collective agreement currently in force and set out in more detail in the internal regulations of the parent company and its subsidiaries PREdi, PREm, PREzak, and PREs. The subsidiaries PREnetcom, Kormak, and eYello are not parties to this agreement, but they have their own sets of rules providing for the principles of HR management.

HEALTHCARE

2021 has yet again shown us that the occupational health of all employees is one of the top priorities. PRE believes that occupational healthcare is one of the main duties of each employer. Therefore, it invests considerable resources to provide for the occupational healthcare of its employees. As responsibility for health is not limited to our professions, the management of PRE feels collectively responsible for the health of its employees and places it at the heart of its concerns.

Basic occupational healthcare for the employees of the parent company and all its subsidiaries is provided at the company's premises by a medical professional from POLIKLINIKA AGEL Praha Italská, a healthcare facility operated by the contractual partner Dopravní zdravotnictví, a.s. This legally mandated healthcare includes regular routine, pre-employment, special, and in some cases post-employment health check-ups. The occupational health professional cooperates closely with the Occupational Safety and Environmental Protection department (BPZP), carrying out occupational health inspections at workplaces, reviews of the ergonomics of workstations, and audits of social conditions. The health professional, together with the BPZP department, then assesses the situation and proposes specific measures to remedy eventual deficiencies, thus reducing the risk of accidents and work-related illnesses.

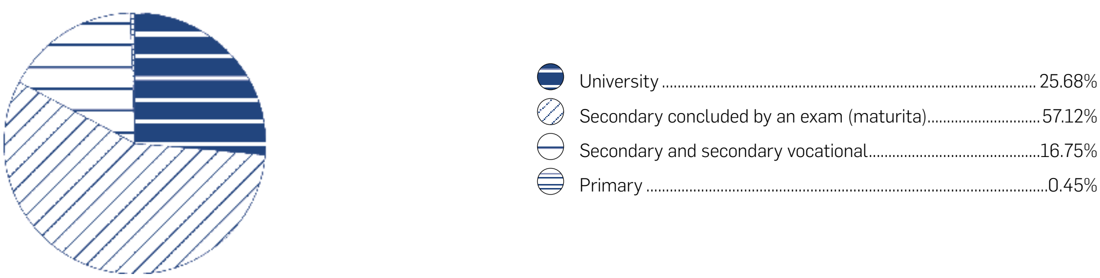
PRE provides other supplementary healthcare services and free-of-charge preventative programmes, including breast cancer preventative screening and treatment, urological screening, thyroid screening, and vaccination against influenza, tick-borne encephalitis, and hepatitis A for selected professions. Following extensive refurbishment, new dental surgery and dental prevention practices were opened in May 2021 at the premises of PRE. THE CLINIC, s.r.o., PRE's new contractual partner, provides PRE's employees with full-scale dental care and prevention at more favourable prices. Managers of the PRE Group are provided with a premium preventative healthcare programme at the Na Homolce Hospital and Pavel Kolář's Centre for Musculoskeletal Medicine.

SOCIAL POLICY

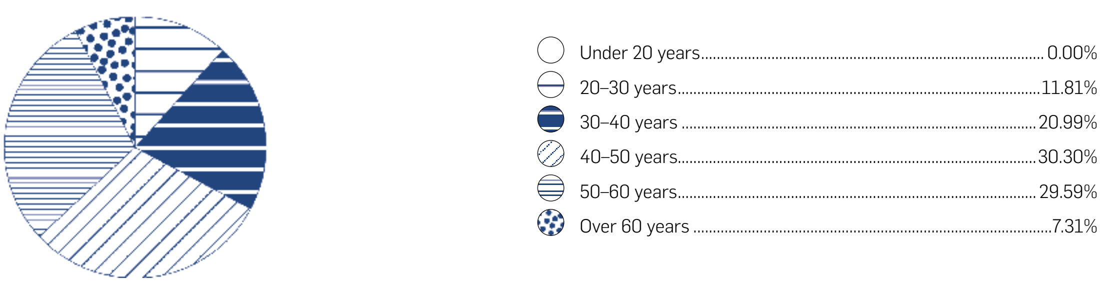
Key principles of the social policy attest to a long-standing commitment to provide a high standard of employee care. As a result, a robust social care programme is enshrined in the collective agreement. The PRE Group is committed to developing the current trends of high-quality, transparent, and constantly enhanced social care programmes. This is seen by its employees as an important motivating factor, as their social environment, economic conditions, and living standards constantly improve.

The social care programmes of the PRE Group – consisting of employee benefits, financial allowances, and other forms of care – inspire the employees' motivation and integrity toward the employer. The set of benefits divided into blanket and optional employee benefits has been traditionally viewed by the employees as just and transparent.

PRE Group employee qualification structure



PRE Group employee age structure



Blanket benefits primarily include meal allowances, the provision of interest-free social loans, and housing loans as well as emergency assistance to employees in precarious situations for which they are not responsible. It furthermore involves additional preventative healthcare programmes, activities for the children of employees, such as summer and winter camps, sporting events for employees as well as the support of the company's sports teams.

Optional benefits, on the other hand, can be used by employees via their personal accounts within a system of personal benefit points (called PREkorun) for specifically determined purposes. These benefits are selected by each employee according to their preference and they can only be used to cover activities and services within the scope of previously agreed principles.

Both blanket and optional benefits are provided for in the collective agreement and set out in more detail in the internal regulations of the employer. The use of PRE's social benefit programme is regularly evaluated. When optional benefits are used more frequently, the structure of benefit programmes is redesigned to reflect the employees' real needs and priorities.

Pražská energetika, a.s., employee qualification structure

University	54.19%
Secondary concluded by an exam (maturita)	45.55%
Secondary and secondary vocational	0.26%
Primary	0.00%

Pražská energetika, a.s., employee age structure

Under 20 years	0.00%
20–30 years	9.42%
30–40 years	26.97%
40-50 years	33.25%
50-60 years	23.82%
Over 60 years	6.54%

TRAINING

PREdi's management considers the training and development of its employees to be the mainstay of its HR policy. The parent company uses all possible avenues to identify, on behalf of its subsidiaries, the necessary level of expertise of its employees, develops their knowledge potential, and increases the PRE Group's competitiveness in the energy sector.

The training and development of employees has been aimed at expanding the required personnel qualifications and skills, including soft skills. In 2021, the PRE Group was forced to opt for different forms of training, moving from onsite to online training. Since all of the Group's workstations are equipped with cutting-edge ICT tools, the majority of the employees could easily access online open courses and training programmes using the Microsoft Teams platform. In cooperation with external training institutions, the group managed to organise all of the specialised courses that are necessary for technically specialised professions.

Despite the ongoing dire situation caused by the covid-19 pandemic, the PRE Group managed to sustain its cooperation with selected vocational schools of secondary and tertiary education. It has been running the Recruitment Programme aimed at new hirees, mostly high school and university graduates, who have the opportunity to ask for assistance whilst adapting to their new working environment over the course of one year. This scheme eases their inclusion and helps them apply their theoretical knowledge in professional contexts. PRE has also continued its cooperation with schools, offering unpaid professional internships at its workplaces to students in their final year. In 2021, the internships were completed by a total of nine high school students and one university student from the Czech University of Life Sciences in Prague, Department of Electrical Engineering and Automation.

In September 2021, PRE participated in the project called 'Real Internship' (Echt praxe) organised by the German-Czech Chamber of Industry and Commerce and the German Embassy in Prague. Its objective was to launch cooperation between students and vocational schools and, primarily but not exclusively, German and Austrian companies, and to introduce students of technical fields to the reality of their future professions. As part of this project, a group of twenty-two electrical engineering students spent one day at the PRE Group's workplaces.

Environmental Protection and OHS

The PRE Group has always considered environmental protection as well as the protection of the occupational health of its employees as one of its top long-term priorities. The Group makes a great effort to meet its commitments and goals set in line with the PRE policy on environmental protection, safety, and energy savings. The business activities of the PRE Group are governed by the environmental management systems according to CSN EN ISO 50001:2019 and CSN EN ISO 14001:2016, with some of the PRE Group companies having their systems certified according to these standards.

All of the PRE Group's activities to protect the environment and occupational health are aimed at its employees, suppliers, and clients alike.

The most notable steps taken by the PRE Group to promote environmental protection in 2021 include:
….. signing of the voluntary agreement with the Ministry of Industry and Trade to achieve energy efficiency by 2030;
….. monitoring the Group's carbon footprint and the implementation of programmes aimed at its reduction;
….. programmes enabling customers to monitor and increase the energy efficiency of their own households;
….. active involvement in the development and implementation of charging stations for electric vehicles in the Czech Republic; and,
….. replacement of technological equipment to eliminate the risk of the leakage of gases harmful to the Earth's atmosphere.

In terms of the occupational health and safety of its employees, the PRE Group has been implementing programmes aimed at the promotion of good health of its employees. In this respect, 2021 saw the implementation of the following projects:
….. adjusting the PRE Group's training programmes;
….. preparation of a specific training module to ensure safety for suppliers of selected PRE workplaces; and,
….. implementation of measures aimed at increasing the safety of employees working at heights at selected PRE workplaces.

2021 was also heavily impacted by the spread of the covid-19 disease. In view of current developments of the health situation in the Czech Republic, the PRE Group adopted and implemented measures to minimise the effects of the pandemic on the health of its employees, while making efforts to keep all companies in operation. In this regard, the implementation and roll out of regular rapid antigen detection tests with all the PRE Group employees constituted an important step.

Public relations

The PRE Group aims at establishing and maintaining the good reputation of a trustworthy trader of electricity, an important and innovative provider of energy services, and a socially-responsible partner actively engaged in promoting sustainable development of the Prague region. This is an important goal shared by the public relations policies of all of the PRE Group companies.

PHILANTHROPY

The group is committed to constantly enhancing the quality of its services and actively participating in making Prague a pleasant place of high-quality living standards and well-being. This strategy goes hand in hand with supporting socially beneficial projects and organisations. The PRE Group strives to help mainly in the region where it operates due to its urban character and close ties to the capital and its surroundings. That is why these activities contribute to creating its good reputation and renown.

The donor and sponsorship activities run by the parent company, i.e., Pražská energetika, a.s., on behalf of the entire PRE Group emphasise the support of charities and projects in the field of healthcare, social services, education, culture, environmental protection, and sports. Even though preference is generally given to applications from the region of the capital, in line with its social responsibility commitments PRE is open to participate in wider nationwide charitable projects. On principle, all applications for donations with discriminatory content and contrary to principles of morality are rejected. The Group does not make donations to political parties, affiliated organisations, public servants, or candidates for public service.

Decisions on donations are made by the Group's Board of Directors. All requests for donations are first collected and pre-selected by the Public Relations division responsible for submitting selected requests for further discussion and approval by the management of the company and then its Board of Directors.

For a decade now, the Group has been successfully and closely cooperating with The Charter 77 Foundation, within which the group established the 'PRE Fund' (Fond PRE). Their joint aim is to use the financial resources to help address healthcare and social needs of individuals with disabilities and support organisations working with them. The cooperation with the Charter 77 Foundation increases and guarantees the efficiency of the donor activities, for its staff closely cooperates with doctors and other professionals, have perfect knowledge of the needs of people with disabilities, and can see specific real-life stories behind every application. As such, the Charter 77 Foundation is a guarantee that PRE's financial support really gets to those who need it the most at the time. Every year, PRE contributes CZK 3 million to the endowment fund, which is distributed among individual applicants over the year. The Charter 77 Foundation concludes deeds of donation with the recipients. The maximum possible financial contribution for one project is CZK 200 thousand.

In 2021, the total amount of donations made by PRE was more than CZK 6.2 million. A total of 27 organisations received direct funds and 75 more donations were made using the PRE Fund established within the Charter 77 Foundation. The average contribution to a project from the PRE Fund in 2021 was approximately CZK 39 thousand.

Who received donations this year? PRE traditionally cooperates with healthcare providers, such as the Královské Vinohrady University Hospital (Fakultní nemocnice Královské Vinohrady), the Thomayer University Hospital (Fakultní Thomayerova nemocnice), Apolinářská nedonošeňátka, z.s., of the Maternity Hospital Apolinář (Porodnice u sv. Apolináře), etc. In the social sector it cooperates with the Our Child Foundation (Nadace Naše dítě), the Jedlička Institute Foundation (Nadace Jedličkova ústavu), the Linka bezpečí helpline, the public benefit corporation Pink Crocodile, PRO Gaudia, and Centre LOCIKA. PRE also supports people with disabilities, for example through Wheelchair Club Petýrkova, Quiet World (Tichý svět), Deaf With Hope (Neslyšící s nadějí), the Open Workshop of Pavla Výborná (Otevřený ateliér Mgr. Pavly Výborné), and the Tamtam Centre for hearing-impaired children

(Centrum pro dětský sluch Tamtam). PRE did not forget about education, culture, and training-related activities, supporting Kampa Museum – the Jan and Meda Mládek Foundation (Museum Kampa – Nadace Jana a Medy Mládkových), the Prev-Center, z.ú., as well as the companies Talent and Skills (Nadání a dovednosti), Culture for Jižní Město (Kulturní Jižní Město), and the Prague Scientific and Technical Society (PVTS, branch of PRE).

MEMBERSHIP IN ORGANISATIONS

The most notable organisations the PRE Group companies belong to include: The Czech Association of Energy Sector Employers (ČSZE), the Association of Energy Sector Managers (AEM), the Czech Power Engineering Society (ČENES), the Czech Association of Regulated Power Supply Companies (ČSRES), ČSVTS (Czech scientific and technical society), ČK CIRED, the Czech Company Lawyers Association z.s. (Unie podnikových právníků ČR), the German-Czech Chamber of Commerce and Industry, the American Chamber of Commerce in the Czech Republic, the French-Czech Chamber of Commerce, the Nordic Chamber of Commerce in the Czech Republic, the Czech Institute of Internal Auditors (Český institut interních auditorů), the Chamber of Commerce of the Capital City of Prague (Hospodářská komora hlavního města Prahy), EDSO for Smart Grids – Association of EU distribution network operators (Sdružení provozovatelů distribučních soustav), the Solar Association (Solární asociace), the Association of Electronic Commerce (APEK), the Association of High Voltage Test Facilities (Asociace zkušeben vysokého napětí), Friends of the National Technical Museum in Prague (Klub přátel Národního technického muzea v Praze), the Association of the Electric Vehicle Industry (ASEP), the Association of Independent Energy Suppliers (ANDE), the Czech Institute of Information Security Managers (ČIMIB), itSMF Czech Republic (IT Service Management Forum), RIPE NCC (Regional Internet Registry), CACIO (the Czech Association of IT Managers), IMFA CZ (Facility management in the Czech Republic), ČPA (Czech Parking Association), EDU DSO Entity (European Union Distribution System Operators), the Chamber of Renewable Energy Sources (Komora obnovitelných zdrojů energie), the Czech Wind Energy Association (ČSVE), Professionals in Accumulation and Photovoltaic Systems (CAFT), the Association of Energy Services Providers (APES), and the Transport Union of the Czech Republic (SP ČR).

SUBSIDY SCHEMES

The PRE Group participates in nationwide development projects, especially in the fields of e-mobility and electricity network management. It draws subsidies from the following programmes:

- PRE's Backbone network – project No. MS2014+ CZ.04.2.40/0.0/0.0/18_030/0000213
  This project is funded by the Structural and Investment Funds of the Ministry of Transport of the Czech Republic within the Operational programme 'Transport 2014–2020'. Its objective is to enhance the development of a backbone network of charging stations. The project was launched on 1 October 2018. The subsidy was formally approved on 13 June 2019. The project is due to expire in June 2022. In order to be eligible for the financial help, a network of 125 charging stations at 50 identified sites in the Czech Republic must be constructed. As of the balance sheet date, the first 87 charging stations were installed and more are expected to follow throughout 2022.

- PRE's Metropolitan network – project No. MS2014+ CZ.04.2.40/0.0/0.0/16_030/0000226
  This project is also funded by the Structural and Investment Funds of the Ministry of Transport of the Czech Republic within the Operational programme 'Transport 2014–2020'. Its objective is to enhance a further development of charging stations in the capital city of Prague. The project was launched in February 2019 and will promote the development, quality, and density of the charging stations infrastructure. The subsidy was awarded on 27 June 2019 and the project is due to expire in June 2022.

In order to be eligible for the financial help, a network of 112 charging stations must be constructed over the stated period of time. As of the balance sheet date, 111 charging stations have already been put into operation and the remaining one is being prepared.

..... Metropolitan network II – project No. MS2014+ CZ.04.2.40/0.0/0.0/19_030/0000466
This project is equally funded by the European Structural and Investment Funds of the Ministry of Transport within the Operational programme 'Transport 2014–2020' with the aim of enhancing the network of standard charging stations in Prague while creating sufficient capacity of charging stations for a so-called residential charging infrastructure in the capital. As part of the project, a total of 329 charging stations will be constructed in different parts of Prague. The project was launched in June 2020 and is due to expire on 31 March 2023. As of the balance sheet date, 23 charging stations have already been put into operation and the remaining ones are being prepared.

..... Charge.PRE.2022 (OPD84) – project No. CZ.04.2.40/0.0/0.0/20_084/0000520
This project is funded by the European Structural and Investment Funds of the Ministry of Transport of the Czech Republic within the Operational programme 'Transport 2014–2020'. Its objective is to enhance the development of a complementary network of charging stations. The project was launched in June 2020 and is due to expire on 31 December 2022. As of the balance sheet date, one charging station has started to be constructed, the construction of those remaining is being prepared and will be implemented over the course of 2022. There will be a total of 41 charging stations.

..... Central European Ultra Charging (CEUC) as part of Connecting Europe Facility – Grant Agreement No. INEA/CEF/TRAN/M2017/1489259 – project No. 2017-EU-TM-0065-W
The project was launched in January 2018 and it is due to expire on 31 December 2022. The project's main objective is to build 118 ultra-fast charging stations in Austria, Italy, the Czech Republic, Slovakia, Hungary, Romania, and Bulgaria. PRE is implementing the project in 5 to 10 chosen sites in the Czech Republic. One charging station at one site has already been completed (Pivovar Spojovna) and formally presented on 14 January 2022. As of the balance sheet, the works at the Pivovar Spojovna site were still underway.

..... Providing usability of flexibility aggregation including demand side management for power system regulation purposes – project No. in the Central Registry of Projects TK02010049
This project is provided by the Technology Agency of the Czech Republic from the THÉTA programme (Programme to Support Applied Research, Experimental Development and Innovation). The project was launched in August 2019 and is due to expire in December 2022.

..... Enhancement of the region's resistance to the risk of blackouts using new technologies and crisis management procedures – No. VI20192022124
The primary recipient of the state subsidy is the Czech Technical University in Prague. PREdi is also participating in the project and drawing money from the state subsidy scheme in line with the project's conditions. The project is provided by the Ministry of the Interior of the Czech Republic under the Security Research Programme of the Czech Republic, realised in the years 2015–2022 (BV III/1 – VS). It was launched on 1 July 2019 and is due to expire on 30 June 2022.

..... Pilot project of 'using the spare capacity' of large battery systems for support services (Eflex) – No. in the Central Registry of Projects TK03020118
The project's objective is to define how the 'spare capacity' of battery systems designed to accumulate energy for support services can be used. The primary beneficiary of the state subsidy is ČEPS, a.s. PREdi is also participating in this scheme, but

in this case is not drawing any resources. The project is provided by the Technology Agency of the Czech Republic within its THÉTA Programme (Programme to Support Applied Research, Experimental Development and Innovation). It was launched on 1 July 2020 and is due to expire on 30 June 2023.

..... *Load management for power distribution – No. in the Central Registry of Projects TK04020195*
The project aims to design HW and SW technologies that will allow for a decentralised management of the operations of distribution networks and consumption points in the current modern energy sector. The primary beneficiary of the state subsidy is ZPA Smart Energy, a.s. PREdi is also participating in this scheme, but in this case is not drawing any resources. The project is provided by the Technology Agency of the Czech Republic within its THÉTA Programme aimed at supporting applied research, experimental development and innovation. It was launched on 1 January 2022 and is due to expire on 31 December 2024.

..... *Optimisation of the AMM roll-out based on pilot projects and testing value-added communication systems – No. in the Central Registry of Projects TK04020157*
The project's aim is to explore new possibilities of communication technologies and to analyse their roll-out in a complex ICT network. The primary recipient of the state subsidy is the Czech Technical University in Prague. PREdi is also participating in the project and is drawing money from the state subsidy scheme in line with the project's conditions. The project is provided by the Technology Agency of the Czech Republic within its THÉTA Programme aimed at supporting applied research, experimental development and innovation. It was launched on 1 January 2022 and is due to expire on 31 December 2024.

..... *Design, development and practical testing of the IT system for the optimisation of spare capacity of the distribution network for electric vehicles charging using the public charging network and the testing of dynamic management of charging using V2G feature – No. in the Central Registry of Projects TK04020147*
The project aims to offer a solution for the operators of the distribution network that will help save investment costs paid by the operators and will help accelerate the development of the charging infrastructure. The primary beneficiary of the state subsidy is Unicorn Software Factory, a.s. PREdi is also participating in this scheme, but in this case is not drawing any resources. The project is provided by the Technology Agency of the Czech Republic within its THÉTA Programme aimed at supporting applied research, experimental development, and innovation. It was launched on 1 January 2022 and is due to expire on 30 June 2024.

..... *The PRE Group companies have also applied for subsidies from the Modernisation Fund. Following the call for proposal RES+ No. 1/2021 – Photovoltaic power plants under 1 MWp, PREm was chosen to receive funding amounting to CZK 6.9 million for its photovoltaic power plant (FVE) Pozorka II (an extension of the existing FVE Pozorka). The construction works will be launched in probably be launched in the third quarter of 2022 and should be completed by at the beginning of 2023.*
Two more projects – FVE Mlýnec and FVE Nové Sedlo of the companies PREm and PRE FVE Nové Sedlo – applied within another call for proposals RES No. 2/2021. The funding has been granted for both projects (2022).

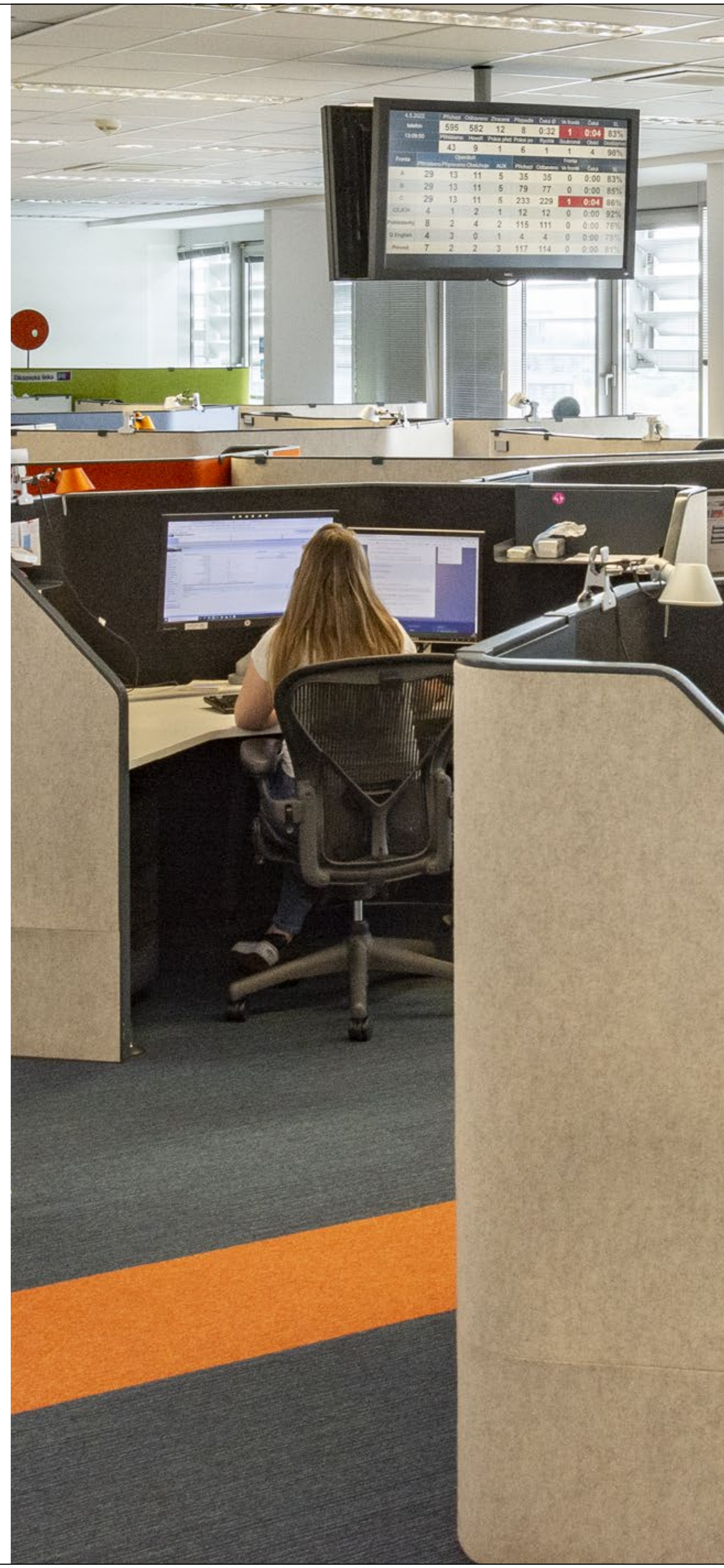
..... Employment Support Programme Antivirus
In line with the measures currently in place, the PRE Group companies fulfilled the conditions laid down by the Ministry of Labour and Social Affairs and qualified for the subsidy programme Antivirus – Employment Support. The programme is divided into two regimes ('regime A' and 'regime B') and provides financial assistance to employers whose employees are under mandatory quarantine or whose business activities are partially or completely restricted as a result of the government restrictive measures. In 2021, the PRE Group companies drew funds in both regimes. Individual companies in need of support filed their applications for the Antivirus programme under specific conditions set out in Allowance agreements concluded between the companies and the Labour Office of the Czech Republic. In 2021 alone, the PRE Group companies requested a total of CZK 1,309,395 within this state support scheme.

Being with PRE has made sense

...for 125 years

The day-to-day workings of the PRE Call Centre launched in 2000. Its employees address over one thousand calls every day.

In early 20th century, all telephone calls were operated manually by professional telephonists.



Risk management system in the PRE Group

Risk management is one of the key tools in the management of the PRE Group companies, aimed at supporting them in fulfilling their vision and strategy. The primary objective of the risk management system is to eliminate or minimise the negative impacts of both internal and external risks on the PRE Group companies and maximise the benefits resulting from these risks for the PRE Group.

The risk management system encompasses an integrated series of rules, procedures, and organisational structures aimed at identifying, assessing, monitoring, and reporting the major opportunities and risks posed to the PRE Group. The risk management system also ensures timely warning. The main focus of the risk management system are the risks that could have the biggest impact and therefore present the biggest threat. All risks are recorded in a list of risks to the company.

The monitored risks are assessed in terms of their potential impact and likelihood using three scenarios of possible development. Additional methods and indicators are used to quantify financial and market risks, such as value at risk, sensitivity analysis, etc. Binding limits are set and regularly monitored for selected indicators.

To identify and classify individual risks, a risk map is used. Risks of four main categories are monitored: strategic, operational, financial, and compliance risks.

Strategic risks are connected to technology developments (SMART infrastructure), sustainability of operations, and societal changes.

Operational risks relate to the company's business activities, operations, infrastructure as well as to the changes in legislation and regulatory parameters that can have a profound effect on the company's regulated activities in particular.

Financial risks are connected with financial management and the company's financing and also include the issues with late payments of customers or other business partners (credit risks) as well as risks posed by unfavourable price changes in energy commodities or exchange rates.

Compliance risks relate to possible non-compliance and violation of statutory regulations and provisions.

Risk management outputs are regularly evaluated by the Risk Management Committee. This body regularly debates risk management reports, proposes measures to manage the monitored risks, and identifies new risks the company is exposed to. The committee approves methodologies and other risk management documents, sets limits for all the high-risk areas and business activities, and assesses the overall possible impact of risks on the PRE Group economic results.

The risk management system and its methodology are based on the methods and procedures of the EnBW corporate group. The monitored risks are reported at regular intervals using a unified structure stipulated by the risk management standards of the EnBW corporate group.

Internal audit, compliance, ombudsperson

INTERNAL AUDIT

The main task of the PRE Group internal audit is to reassure the management and corporate bodies that the company's internal control and management systems work correctly and that significant risks are managed in compliance with established rules and best practices.

Internal audit activities are managed by the Internal Control System division. Internal audits are conducted in cooperation with the consultancy PricewaterhouseCoopers Audit, s.r.o.

When planning internal audits, attention is paid to selected key processes across the entire PRE Group. The risk level of individual processes, the extent to which a particular field has already been audited and suggestions from the PRE Group companies' management are taken into consideration. Each plan is drawn up for a three-year period and adopted by the PRE Board of Directors and it also includes subsequent audits. If the situation so requires, audits based on a request from the management are conducted, too.

The findings relate to the design and efficiency of processes, the strengthening of control mechanisms, the reduction of business risks as well as compliance. The conclusions of audit enquiries are reported to the management of the companies and the PRE Board of Directors. Twice per year, the Board of Directors approves an internal audit report on the activity of the division. These reports comprise all objective findings as well recommended measures. The implementation of corrective measures is monitored through the Audit Tracker web application and evaluated by the risk manager of the PRE Group.

The internal audit team audits the environmental management system according to ISO 14001, ISO 50001, internal audits according to ISO 9001, and internal audits of occupational health and safety management system 'Safe Enterprise' (Bezpečný podnik).

COMPLIANCE

As PRE prides itself on its reputation of a trusted and fair company and wants to operate in line with best practice, it works with a unified Compliance Management System (CMS). In 2021, it followed its plans to develop it further, increase its quality, and strengthen internal control procedures.

The workings and efficiency of the CMS were reviewed, particularly in relation to corporate criminal liability. Subsequently, suggestions were made to put in place further CMS measures, including a proposal to unify the structure of internal CMS procedures.

In comparison with other organisations operating in the Czech Republic, the management and control systems of PRE and the entire PRE Group in terms of how they approach compliance risk management is of a high level and continues to develop. It is especially efficient in managing regulatory compliance, particularly in the areas of energy regulation and environmental safety and protection.

The compliance programme – which the Group's compliance officer presented to the Board of Directors for approval at the end of the year – strengthens the CMS assessment process for the coming period.

Decision-making bodies of the company approved the introduction of external ethical guidelines following the standards of the EU Whistleblowing Directive. The company has also put in place measures that not only ensure protection for whistle-blowers as such, but will also help prevent any illegal or unethical conduct that could harm PRE. Further steps are underway to put in place a system of internal investigation and rules for whistle-blower protection.

As part of its effort to promote an ethical corporate culture, the Board of Directors has approved an updated Code of Ethics, which has been supplemented to provide for additional situations that are usually associated with ethical dilemmas. The aim is to provide users with guidance on how to act appropriately in such situations and to support them in their actions.

No compliance incident that would have an impact on the company's business activities was reported throughout the year.

PRE continues to improve personal data protection and data protection in general in all PRE Group companies. No personal data breaches under the GDPR were detected in 2021.

The company continued to provide online and in-person training both for new hires as part of their onboarding process and for previously trained employees in specific departments or contractors.

DATA PROTECTION OFFICER

The primary role of the data protection officer (DPO) is to supervise practices in the field of processing and protection of personal data in order to ensure that the company's activities are in compliance with the GDPR and other rules regulating personal data protection.

Relevant documents related to individual acts of processing personal data serve as the main tool of the supervision exercised by the DPO. The documents primarily include records of processing activities that are kept and continuously updated by the DPO.

Furthermore, the DPO supervises the process of responding to requests by clients and other natural persons related to the exercising of their rights under the GDPR. 2021 saw again a significant increase in the number of such requests: after the first semester alone, their number greatly exceeded the total number of requests in 2020.

Regular consultations and training, organised or co-organised by the DPO, are effective tools for raising awareness within the company on the topic of personal data processing and protection.

The DPO cooperates with the National Data Protection Authority and, when necessary, acts as its focal point.

OMBUDSPERSON

The mission of the PRE Group's ombudsperson is to seek and find mutually satisfactory solutions to the issues raised by customers, while respecting each customer's individuality as well as the company's conditions.

In 2021, the PRE Group's ombudsperson received a record number of submissions. Given the exceptional situation in the last trimester of last year, the Group's communication lines were overloaded with requests. Therefore, customers used the ombudsperson email address ombudsman@pre.cz to contact the Group about standard issues. To relieve the contact points and accelerate the processing of requests, the ombudsperson also responded to these requests.

As a result of the shutdown of several electricity traders, the majority of requests were concerned with issues related to electricity supply by the supplier of last resort and inquiries about the nearest possible dates for signing new supply contracts. Apart from this emergency situation, customers approached the ombudsperson in matters regarding invoicing and claims. These submissions were overwhelmingly illegitimate, in which case customers received explanation letters.

Subsidiaries

PREdistribuce, a.s.

PREdistribuce, a.s., (PREdi) is a stable and thriving energy company, which owns and operates the distribution system in the capital Prague, Roztoky, and Žalov covering an area of 504 km^2. It has been carrying out its operations in accordance with the Energy Act in the public interest, as it has held the electricity distribution licence No. 120504769 from the Energy Regulatory Office (ERÚ) since 1 January 2006 for an indefinite period of time. It is one of the PRE Group companies and a 100% subsidiary of its mother company PREnetcom, a.s., (PREnetcom).

PREdi was founded in 2005 in connection with the process of unbundling, which aimed at separating the distribution of electricity from trading in electricity and at ensuring that an electricity distribution licence is held by a separate company. The distribution of electricity is subject to price and quality regulation by ERÚ. PREdi officially started operating on 1 January 2006.

Its main mission lies in providing a high-quality, cost-effective, reliable and safe supply of electric energy to all its customers in the licensed territory. The key processes and activities include ensuring a continuous energy supply as well as efficient renovation, development and modernisation of the distribution network, connection of new customers, buildings and structural units to the network, optimal operation control and resolution of failures, maintenance and repairs of the network, measurements and other services related to distributing electricity to customers at low and high voltage levels and electricity producers.

As a licensed operator of the distribution network, PREdi provides non-discriminatory services to all actors in the energy market. This approach is regularly emphasized in its Annual report in the section devoted to the implementation of equal treatment measures aimed at eliminating all discriminatory practices. In 2021, all output and energy demands of both the existing and new customers and development projects in the licensed territory were met.

The distribution system consists of 110 kV, 22 kV and 0.4 kV overhead lines and cable lines, 110/22 kV transformer stations and 22/0.4 kV distribution transformer stations. Its operations are overseen and managed by the energy dispatcher control station. The continuity of electricity supply was not affected by any major supply failure throughout 2021. PREdi ensured high-quality maintenance of the distribution network under the standards and requirements set forth in the Rules of preventive maintenance.

Selected network indicators

	Measurement unit	2021	2020	2019	2018	2017
Maximum network load	MW	1,117	1,121	1,162	1,187	1,196
Total length of electricity networks	km	12,468	12,422	12,372	12,276	12,104
of which: HV	km	220	220	221	221	214
MV	km	3,914	3,906	3,899	3,881	3,864
LV	km	8,334	8,296	8,252	8,174	8,026
Number of HV/MV transformer stations	pieces	26	26	25	25	24
of which: are owned by PREdi	pieces	25	25	24	24	23
owned by other entities	pieces	1	1	1	1	1
Number of MV/LV distribution transformer stations	pieces	3,253	3,237	3,221	3,214	3,218
Total number of MV/MV stations and MV/LV stations	pieces	4,968	4,934	4,906	4,876	4,863

The company continuously monitors and evaluates all indicators of the quality and reliability of electricity supply, distribution and related services. With regard to all customers connected to the distribution system, the quality standards of electricity supply were met in accordance with SAIDI/SAIFI reliability indicators and the quality standards of related services complied with ERÚ Decree No. 540/2005 Sb., as amended.

At the end of 2021, more than 823 thousand consumption points were connected to the distribution system, which represents a 0.8% increase year-on-year. The highest peak load of the distribution system was recorded on 10 February 2021 amounting to 1,117 MW, which is comparable to 2020, yet by almost 4% fewer than in previous years. Throughout 2021, PREdi distributed a total of 5,864.4 GWh of energy on all voltage levels, which represents a 2% increase when compared to last year, but it is still a decrease of more than 5% when compared to previous years. This sustained decrease in the load of the network and in the volume of distributed electricity is ascribable to the effects of the second year of the covid-19 pandemic.

Despite the adverse ongoing pandemic, all of the fundamental elements of the long-term plan of the repairs and development of the distribution network were met. In order to provide a highly reliable and safe energy network, every year PREdi draws up medium, long-term and year-long investment plans based on the results of analyses examining the technological state of its network, new trends and regulatory requirements, the transmission capacity and reliability of its network, the actual physical lifetime of individual network components as well as the possibilities of their efficient maintenance. One of the key elements is strategic investment, primarily in the construction and modernisation of 110/22 kV transformer stations and their mutual systemic connection by 110 kV overhead and cable lines. In 2021, PREdi invested a total of CZK 1,844.9 million (including capitalisation) in the distribution network. The major strategic construction projects implemented in 2021 include the continued construction of the cable tunnel between the Karlín transformer station and the Hlávka bridge, the construction of the cable tunnel Invalidovna I, the continued restoration of the Pražačka transformer station, the launch of the construction of the 110 kV distribution station and the control system at the Jih transformer station, the continued construction of the Slivenec transformer station and the completion of the construction of the 110 kV overhead cables between the Malešice, Zahradní Město and Jih transformer stations. In line with its investment plan, the company also continued with the renovation of 22 kV switching stations, 22/0.4 kV distribution stations and MV and LV cable lines.

Close cooperation with the transmission system operator, ČEPS, a.s., remains an important part of PREdi's strategy, ensuring adequate input for the development of the supplied territory as well as the high reliability of the electricity supply to all customers. In its efforts to increase the reliability of its electricity supply to end customers, PREdi plans to build a new nodal point of the 400/110 kV distribution system to connect it with the existing 110/22 kV Sever transformer station. This project is scheduled to be fully operational by 2027.

PREdi must respond to emerging trends in the energy sector dictated by new EU regulations, especially its Winter Package "Clean Energy for all Europeans", approved by the European Parliament and the Council of the EU in 2019. The aim of this initiative is to increase the share of consumed energy from renewable sources to at least 32% by 2030. Its implementation is expected to lead to the emergence of new trends in the energy market, such as increased deployment of decentralised electricity sources as well as the gradual penetration of new technologies, such as electric vehicles, AMM and accumulation. As part of its newly adopted Green Deal for Europe, the EU decided to increase its climate ambition, setting a new goal of reaching complete carbon neutrality by 2050. As one of the steps to achieve it, the EU has committed itself to reducing greenhouse gas emissions by at least 55% by 2030. In the same vein, it presented the Fit for 55 package, a suite of legislative initiatives across various climate-related sectors, such as energy and transport, whose aim is to harmonise the legislation currently in place with its climate objectives for 2030 and 2050.

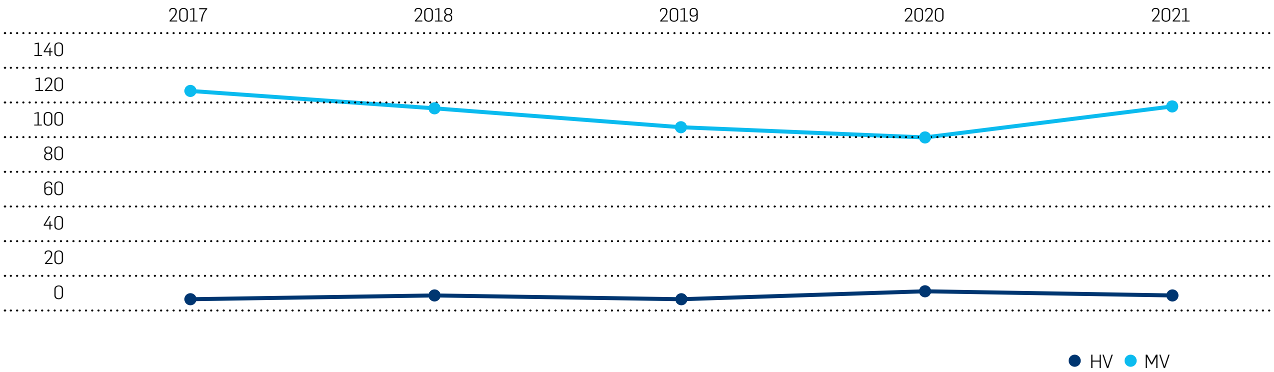
In view of the steadily growing demand for a continuous and high-quality energy supply as well as the increasingly more stringent requirements for the use of new technologies in the energy sector, PREdi commits itself to preparing in good time its distribution network to absorb these new trends.

It makes considerable investment in the development and digital transformation of its distribution network while striving to build related telecommunication infrastructure. Through the so-called smartening of the network, PREdi makes sure that it will be able to face future challenges, including the expected growth of local generation units and electromobility. PREdi has been focusing primarily on smartening its 22/0.4 kV distribution transformer stations, for their construction helps enhance the reliability of electricity supply. It also develops optical infrastructure through implementing a number of pilot projects and, in the long run, a widespread roll-out of cutting-edge technologies. To further develop smart grids, it is all-important to ensure a fast and safe transfer of data using optical data networks. When it comes to drawing up a strategy for the development and coordination of the construction and maintenance of optical infrastructure, PREdi is assisted by its subsidiary PREnetcom, which can rely on its vast know-how in the construction, maintenance and use of optical data networks. It focuses primarily on the operation and use of metallic and especially optical communication cables that are installed together with the distribution network to ensure monitoring, management and operation control of smart grids. Smartening the distribution network and the development of a smart infrastructure is carried out in line with the National Action Plan for Smart Grids adopted by the Czech government.

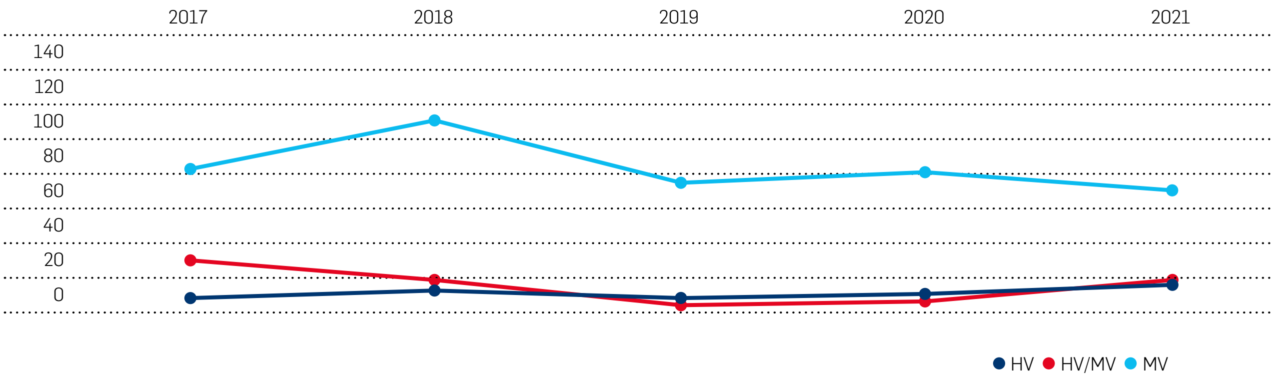
PREdi also cooperates with the City Council of Prague in fulfilling the Smart Prague Strategy falling within the worldwide known policy of smart cities. They focus primarily on the roll-out of new smart lamps, charging equipment for electric vehicles and other elements. The implementation of modern technologies will help enhance the standard of living of Prague citizens, improve energy consumption savings, reduce the environmental burden posed by the energy sector and provide shared data for public purposes. The energy sector ranks among the top areas where the potential of smart grids can be fully harnessed.

PREdi's objective is to achieve a high level of reliability of its electricity supply while ensuring its networks' safety on all voltage levels and respecting the environmental aspects. The company naturally also supports occupational health and safety as well as the development and training of all its employees.

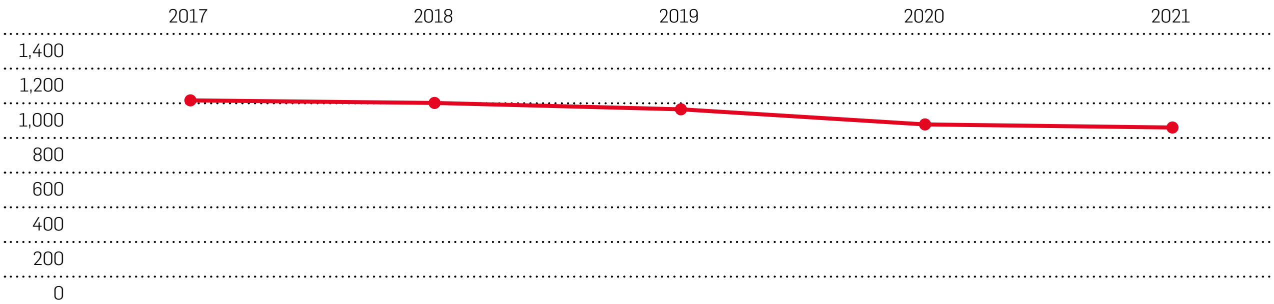
Number of HV and MV failures



Average length of electricity supply disruption on HV, HV/MV and MV equipment (min.)



Maximum achieved load (MW)

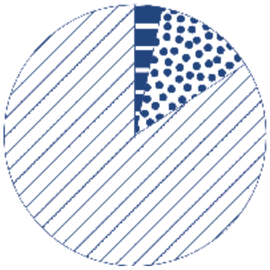


PREměření, a.s.

PREměření, a.s., (PREm) is one of the first PRE subsidiaries. It was established in 1998 as Cejchovna elektroměrů Praha, a.s., created on the foundations of a former PRE metering station. In 2005, it changed its name to PREměření, a.s. Since 1 January 2008, the company has taken over all activities of the company ODEM, a.s. (specialising in the readings of metering equipment) as well as selected activities linked to the installation and the purchase of metering equipment from PREdi. In the following years, its activities expanded to include the services linked to the purchase, installation, testing, and reading of metering equipment not only for its subsidiary PREdi, but also for external customers Pražská plynárenská Distribuce, a.s., and Pražská teplárenská, a.s.

PREm produces electricity using the photovoltaic and wind power plants in its ownership. Currently, its portfolio of renewable energy sources accounts for a total installed capacity of almost 30 MW.

Number of electricity metre installations carried out in 2021



Customer requests	3 thous.
New consumption	11 thous.
Verification	74 thous.
Total	**88 thous.**

Number of metre readings in 2021

Gas	416 thous.
Heat	8 thous.
Electricity	818 thous.
Total	**1,242 thous.**

Renewable sources of energy operated by PREm

Renewable sources of energy	construction / start of operations	acquisition	installed capacity	total generated energy for 2021 in MWh
Photovoltaic power plant Jinonice	2010		0.173 MWp	167
Photovoltaic power plant Lhotka	2010		0.060 MWp	55
Photovoltaic power plant Pražačka (I-III)	2010		0.138 MWp	101
Photovoltaic power plant Hrouda	2010		0.028 MWp	21
Photovoltaic power plant Sever	2010		0.204 MWp	197
Photovoltaic power plant Kondrac	2009	11/2011	1.109 MWp	1,133
Photovoltaic power plant Hořovice	2010	12/2011	1.087 MWp	1,098
Photovoltaic power plant Pozorka	2010	2/2013	3.998 MWp	3,987
Photovoltaic power plant Ořechovská	2009	12/2013	3.168 MWp	3,586
Photovoltaic power plant Rajhradská	2009	12/2013	3.168 MWp	3,504
Photovoltaic power plant Dačice	2009/2010	12/2014	4.848 MWp	5,084
Photovoltaic power plant Mikulov	2009	12/2014	0.941 MWp	1,103
Photovoltaic power plant Pozořice	2010	4/2015	4.596 MWp	4,849
Photovoltaic power plant Holešovice	2018		0.007 MWp	5
Photovoltaic power plant Kormak	2021		0.017 MWp	12
Total photovoltaic power plants PREm			23.542 MWp	24,902
Photovoltaic power plant Světlík	2009/2010	11/2017	2.154 MWp	3,222
Total photovoltaic power plants			25.696 MWp	28,124
Wind farm Částkov I	2009	12/2019	2.000 MW	3,026
Wind farm Částkov II	2009	12/2019	2.000 MW	3,026
Total photovoltaic wind farms			4.000 MW	6,052
Total renewable sources of energy			29.696 MW	34,176

We've been delivering our promises

...for 125 years

The PRE Customer Centre is divided into two offices – in Prague 1 on Jungmannova Street and in Prague 4 on Vladimírova Street. In 2021, it addressed the submissions of almost 150 thousand customers.

The operations have changed dramatically over the past 125 years.

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/ Subsidiaries

eYello CZ, k.s.

eYello CZ, k.s., (eYello) is the legal successor of PREleas, a.s., which was established in 1996. Since 1 May 2014, it has been a limited partnership company (with PRE being the general partner with 90% and PREm the limited partner with 10%). Since 2012 it has been offering the supply of electricity, and since 2013 the supply of gas to its end customers all over the Czech Republic.

The company, operating under the Yello Energy brand, has ranked among the most dynamically developing electricity and gas suppliers in the Czech Republic. It constantly improves PRE's successful product portfolio, drawing on the experience of Yello Strom GmbH (an EnBW subsidiary). The latter has been offering electricity supply under the Yello brand in the German market since 1999, where it ranks among one of the most successful alternative energy suppliers.

The company's activities for 2021 are stated in more detail in chapter "Trading with electricity and gas" under the section "Sales – eYello CZ, k.s."

KORMAK Praha a.s.

In 2016, the PRE Group acquired KORMAK Praha a.s. (Kormak), which has been operating in the Czech market since 1995. Since its establishment, Kormak has been providing energy services, aiming to constantly improve their quality. Following the acquisition, the scope of its portfolio of services grew significantly. Today, Kormak provides a comprehensive range of engineering, design, and construction services in the field of LV, MV, and HV cable infrastructure and 22/0.4 kV transformer stations. It also carries out inspections and maintenance of LV and MV equipment and provides non-stop emergency services. Its activities also include the installation of MV terminations and connectors in the PREdi network, renovation of 110/22 kV transformers, and rental and servicing of transformer stations.

In 2021, the company started to manufacture distribution equipment for dispatcher and control systems. Last year Kormak most notably participated in the connection of the TR Zahradní Město distribution station to the 110 kV network. The works included laying the HV cable and extensive renovation of MV and LV networks in the areas of Uhříněves and Chodov.

Within the PRE Group, Kormak has contributed greatly to smart city projects by constructing optical networks and smartening transformer stations, and it also helps expand e-mobility by designing and building a charging infrastructure for electric vehicles.

PREservisní, s.r.o.

PREservisní, s.r.o., (PREs) is a 100% subsidiary of PRE. As of 1 January 2019, it has assumed the activities originally carried out by the Support Services section of the parent company, PRE, and the Construction Management and Diagnostics and Measurements departments of the subsidiary PREdi.

PREs' task and mission include centralised material purchasing based on the needs of the PRE Group companies, services related to the administration, maintenance, and development of real estate unrelated to energy services, purchasing and operation of the Group's fleet of vehicles and other mobility mechanisms. PREs also carries out investment and renovation services, i.e., technical monitoring on behalf of the investor, comprehensive management of the construction process, services of occupational health and safety as well as diagnostics of cable networks especially for projects carried out by PREdi and PRE.

In 2021, PREs completed the construction of the new Zahradní Město transformer station. It continued the construction of the Slivenec transformer station, the Karlín and Rohanský ostrov cable tunnels, and the restoration of the 110 kV Pražačka and Jih transformer stations. The construction of charging stations within the Backbone and Metropolitan network projects (construction of a network of charging stations supported by a subsidy scheme co-funded by the Ministry of Transport under the Operational programme Transport) continued across the Czech Republic. As part of the Backbone network project, PREs completed 75 sites and launched the construction of a further 18 projects. As part of the Metropolitan network project, PRE continued to build charging stations connected to distribution transformer stations owned by PREdi at urban and commercial sites. By late 2021, a total of 85 sites connected to PREdi distribution transformer stations were completed and further preparatory infrastructure works were completed at 14 sites. In urban and commercial areas, works were completed at 16 sites and are underway at 6 more sites.

In 2021, two new subsidised projects were launched – Charge.PRE.2022 (OPD84) and CEUC.

PREs owns a complex of buildings and land in Uhříněves, leasing the property to Kormak. This complex has been under extensive renovation since 2019. Two more buildings were completed in 2021 – a utility centre with changing rooms and accommodation for workers, a new warehouse, and an administrative building.

PREs has arguably remained the mainstay of all the PRE Group companies, contributing to increasing the quality and efficiency of their services.

PREzákaznická, a.s.

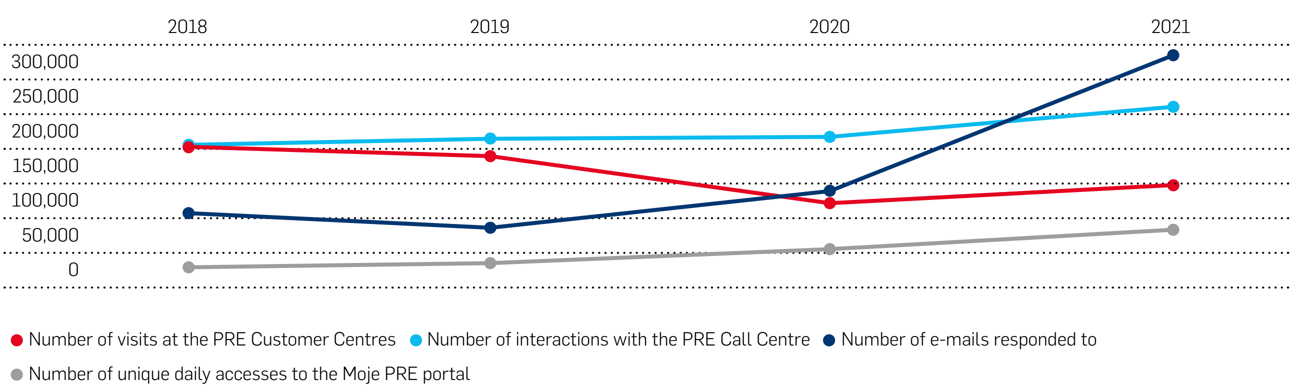
PREzákaznická, a.s., (PREzak), a 100% subsidiary of PRE, was established on 1 November 2017. PREzak is in charge of all main customer service channels (the PRE Customer Centre and the PRE Call Centre) as well as the provision of customer support services on behalf of PRE, PREdi, PREm, and eYello.

The main goal of PREzak is to provide high quality customer services. In 2021, the company focused its digitalisation activities on the development of automated features of its communication channels. Namely, it put into operation the PRE Call Centre's chat function and completed the project 'Optimisation II' consisting in scanning the customers' hard-copy documents into digital files on arrival and routing them across the PRE Group companies. In cooperation with other PRE Group companies, PREzak helped implement new customer service processes and put them into operation, especially in sales, GDPR concerns, customer requests, energy services, and other customer services.

Since 1 January 2021, PREzak has newly assumed the activities, and relevant competent employees, related to invoicing and claims, fully integrating them in its internal processes.

The end of last year was marked by the closure of a number of electricity and natural gas suppliers. This led to an extreme overload of customer requests, resulting in long waiting times at all communication channels. To alleviate this problem, the company hired new employees, and adjusted and developed information systems in charge of delivery.

Number of submissions responded to



VOLTCOM, spol. s r.o.

In April 2021, VOLTCOM, spol. s r.o., (Voltcom) completed its post-merger integration process following its acquisition by the PRE Group in 2019. The company's former owners ceased their activities as authorised representatives, passing their portfolios onto newly elected members of the company's management.

In 2021, thanks to its sustained close cooperation with PREdi and PREs, Voltcom multiplied its volume of contracts to the PRE Group. The company is regarded as a highly competent partner, skilled not only in the field of construction, but also with experience in services related to smooth operation of the distribution network. They include repairs and maintenance of distribution transformer stations, specialised construction works related to the maintenance of MV and HV distribution stations as well as specialised works tied to the construction of cable tunnels.

The high level of expertise of Voltcom is maintained primarily thanks to the fact that a number of its employees are established as members of the Czech Chamber of Chartered Engineers and Technicians Engaged in Construction (ČKAIT) in several mutually interwoven fields.

Voltcom has maintained other business activities with partners outside the PRE Group. Voltcom's Construction section provides energy services targeted primarily at customers owning their own wholesale transformer stations in the distribution network of PREdi. Voltcom ensures routine servicing as well as emergency repairs of these transformer stations. The company's Design section provides designing services for PREdi as well as EG.D, a.s., and ČEZ Distribuce, a.s.

In 2021, Voltcom managed to carry out 31.9% of the total volume of contracts, amounting to CZK 51.5 million., outside the PRE Group.

In 2022, Voltcom will maintain its design activities, especially in the field of energy infrastructure, as well as the construction of MV and LV cable networks, and smart transformer stations. Voltcom will newly ensure replacements of PREdi transformer stations. It has taken over this role since 1 January 2022, replacing an external supplier.

PREnetcom, a.s.

PREnetcom, a.s., (PREnetcom) was founded in November 2017 as a 100% subsidiary of PREdi and started operating on 1 January 2018. Its main task is to fulfil the long-term strategic goals of PREdi – i.e., to implement smart grids by designing and constructing communication infrastructure to connect individual components of the distribution network, which will ensure the reliable transfer of network data and enable remote control of the distribution network. Its role also includes the rollout of smart metering of the distribution network. Another task of the company consists of exploring the possibility of using the spare capacity of the newly created communication network for commercial purposes, such as smart city and smart home features as well as wholesaling to third parties.

In 2021, PREnetcom completed a number of new commercial pilot projects of different sizes (i.e., the number of consumption points, or apartments) at various sites in Prague and with different layouts of the surrounding buildings. The first pilot site Skalka I was expanded in 2021 with the construction of a new part of the project, Skalka II. The PRE Group managed to complete the wiring to connect households to automatic smart metre reading equipment. Further works were done to get the households ready for further telecommunication services. The company continued with similar works at the Chodov site. Moreover, it launched preparatory works to start building an external communication network serving 2,400 apartments and houses.

At the site in Vinohrady, PREnetcom completed the construction of a passive optical infrastructure, which will bring forth a comprehensive set of services (standard telecommunication services, connection of AMM electricity metres, smart lamps, etc.). Apart from these pilot projects, the company continues to design more projects at other sites in Prague, such as in Krč, Kunratice, Old Town, and many more.

Furthermore, the company held talks with several property developers active mainly in Prague, as it looked to extend its portfolio of projects related to the construction and operation of communication networks. In 2021, it managed to complete its first collaboration 'Elektra' with the company Finep.

PREnetcom also focused on its own projects of strategic development, deepening its know-how in the field of telecommunication technologies. These projects most notably included a vast roll-out of AMM, which is being prepared in accordance with the applicable regulatory framework in the energy sector.

Not least, thanks to PREnetcom's involvement, a further 128 smart distribution stations were put into service.

SOLARINVEST – GREEN ENERGY, s.r.o.

SOLARINVEST – GREEN ENERGY, s.r.o., (Solarinvest) has been a member of the PRE Group since 2018 as a 100% subsidiary of PREm. It has a long history of installing photovoltaic power plants, supplying battery accumulation systems, and installing heat pumps and air conditioning systems for households and industrial sites. Solarinvest ensures comprehensive turnkey solutions, including not only the implementation, but also the design of projects. It also helps customers secure all the necessary permits and manage funding.

In 2021, the company's priorities revolved around boosting its own capacities and deepening its internal know-how to be ready to respond to the surge in demand for renewable sources. Despite the ongoing bottlenecks in manufacturing and supply chains, Solarinvest managed to increase its turnover by more than 10% year-on-year, exceeding CZK 120 million. The biggest increase was observed in the segment of heat pumps, followed by industrial solutions for B2B customers.

FRONTIER TECHNOLOGIES, s.r.o.

FRONTIER TECHNOLOGIES, s.r.o., (Frontier) has been a member of the PRE Group since 2018 as a 100% subsidiary of PREm. Its portfolio of services and solutions has grown from the development of lighting systems to offering comprehensive modern energy solutions for BC2 and BC2 customers wishing to reduce their CO_2 footprint or operational costs linked to their energy management systems. Frontier manages the entire life cycle of products, ranging from the identification of needs through design proposals to energy audits. It supplies its solutions under various contractual arrangements: contracts for work, contracts for services, or EPC contracts (the latter assuming that Frontier becomes the single contractor for the entire project, thus guaranteeing considerable savings).

Its key products include artificial lighting (e.g., digitalisation of public lighting in Prague – in 2021, the company successfully implemented the control system for public lighting, and delivered thousands of LED lamps and RF modules for remote communication) as well as fully-integrated solutions for new and existing residential housing projects or industrial and administrative premises (private charging infrastructure, environmentally-friendly heating and cooling systems using heat pumps, including control systems, photovoltaics, co-generation units, etc.). Frontier carries out these projects in cooperation both with the PRE Group companies and its own network of specialised partners providing it with certain elements of its comprehensive solutions. The European Green Deal along with the energy price hike boosted the demand for energy services. To respond to this growing interest and to meet the expectations of its customers in the Czech Republic, Frontier hired new talent and further developed its portfolio of services.

PRE FVE Světlík, s.r.o.

PRE FVE Světlík, s.r.o., has been a 100% subsidiary with no employees owned by PREm since November 2017. It is a photovoltaic power plant located in the vicinity of Český Krumlov. Unlike basic stationary solar systems, this power plant uses tracking photovoltaic panels. Its total installed capacity is 2.154 MWp. In 2021, the power plant generated approximately 3.2 GWh of electricity, which translated into a total of approximately CZK 51.2 million in sales per year.

PRE VTE Částkov, s.r.o.

PRE VTE Částkov, s.r.o., is a 100% subsidiary with no employees owned by PREm. It became part of the PRE Group in December 2019. It is a wind farm with a total installed capacity of 4 MW located in the vicinity of Sokolov. It consists of two wind turbines of 2 MW of installed capacity each. In 2021, the power plant generated approximately 6 GWh of electricity, which translated into a total of approximately CZK 18.8 million in sales per year.

PRE FVE Nové Sedlo, s.r.o.

PRE FVE Nové Sedlo, s.r.o., is a 100% subsidiary with no employees owned by PREm. It was established in October 2021 with the aim of constructing and operating a major photovoltaic power plant that is planned to be built in Western Bohemia. Its construction is yet to be carried out in the years to come.

Structure of shareholders

SHAREHOLDERS

All shareholders have access to important information about the company either directly on the company's website (www.pre.cz) or, upon request, from the Shareholder Administration department (the Strategic Development and Relations with Shareholders section).

Thanks to its online availability, shareholders have virtually immediate access to information about important changes in the company.

Throughout the year, there were no significant changes to the structure of shareholders.

Main PRE shareholders (%)

As of 31.12.	2021	2020	2019	2018	2017	2016
Pražská energetika Holding, a.s.	58.05	58.05	58.05	58.05	58.05	58.05
EnBW Central and Eastern Europe Holding GmbH (since 23.9.) *)	41.4	41.4	41.4	41.4	41.4	41.4
Other entities	0.55	0.55	0.55	0.55	0.55	0.55

*) until 22.9. EnBW Energie Baden-Württemberg AG

Structure of PRE shareholders

As of 31.12.	2021		2020		2019		2018	
	Number of shareholders	Nominal value (TCZK)	Number of shareholders	Nominal value (TCZK)	Number of shareholders	Nominal value (TCZK)	Number of shareholders	Nominal value (TCZK)
Domestic shareholders	5,306	2,266,204	5,386	2,266,190	5,405	2,266,190	5,435	2,266,193
Foreign shareholders	12	1,603,239	13	1,603,253	13	1,603,253	13	1,603,250
Shareholders in total	5,318	3,869,443	5,399	3,869,443	5,418	3,869,443	5,448	3,869,443
Natural persons	5,301	20,045	5,380	2,266,190	5,399	2,266,190	5,429	20,035
Legal persons	17	3,849,398	19	3,849,413	19	3,849,411	19	3,849,408

Information from the General Meeting

The Annual General Meeting of Pražská energetika, a.s., held on 23 June 2021

1) approved:

..... the Report of the Board of Directors on Business Activities and Assets for 2020, as presented by the company's Board of Directors;

..... the consolidated financial statements for 2020, as presented by the company's Board of Directors;

..... the separate financial statements for 2020, as presented by the company's Board of Directors;

..... the proposal for the distribution of 2020 profit, including determination of the amount of profit shares (dividends) and directors' fees for 2020 and their method of payment;

..... the amendment of the statutes of the company;

..... the contract on the performance of the duties of the newly elected members of the Supervisory Board, including remuneration; and,

..... the presented proposal for the total amount of donations in 2022.

2) elected KPMG Česká Republika Audit, s.r.o., registered office Prague 8, Pobřežní 648/1, ID No.: 496 19 187, to be the auditor of financial statements for 2022–2025;

3) elected new members of the Supervisory Board:

..... Fabian Spalthoff as of 23 June 2021;

..... Jörg Reichert as of 24 June 2021; and,

4) was presented with the Supervisory Board Report on Activities including the statement on the Report on Relations.

Information required by law

Information about facts which occurred after the balance sheet day and are significant for the fulfilment of the purpose of the present report
The information is available in the text of the Annual Report marked in italics. This information is also available in the consolidated and separate financial statements (Note 34).

Information about the projected developments in the accounting unit's activities
The information is presented in the chapters „Report of the Board of Directors on Business Activities“ and „Strategy“.

Information about activities in research and development
The company does not systematically conduct activities in these fields.

Information about acquisition of own shares
The company did not acquire its own shares.

Information about whether the accounting unit has an organisation unit abroad
The company has no branch and no organisational unit abroad.

Information about activities in the field of environmental protection and labour law relations
The information is presented in the chapters „Environmental protection and OHS“ and „Human resources“.

Information about risk management objectives and methods in the company
The information is presented in the chapter „Risk management system in the PRE Group“.

Information about price, credit, liquidity and cash flow risks the accounting unit is exposed to
The information is presented in the financial statements.

Information about interruption of business
The company did not interrupt its business during the year.

Supervisory Board Report on Activities

In accordance with the Articles of Association, the Supervisory Board consists of eight members elected by the General Meeting of the company. As a supervisory body, it oversees the performance of the company's business activities in compliance with the law and the Articles of Association. The Supervisory Board also elects and removes members of the Board of Directors and approves contracts on the performance of the duties of the Board of Directors members, their remuneration, and other benefits.

In accordance with the Articles of Association, all of the meetings of the Supervisory Board in 2021 were attended by the members of the Works Council elected by the company's employees. The meetings were also attended by the chairperson and the vice-chairperson of the Board of Directors.

In 2021, due to the restrictive measures taken to tackle the epidemic, some of the meetings were organised via online videoconferences.

The Supervisory Board continuously monitored the company's activities and the key decisions of the Board of Directors. The Board of Directors regularly informed the Supervisory Board about the current developments in the company, its economic results, financial situation, and compliance. To this end, the Board of Directors submitted written materials and its members commented on them when they were debated by the Supervisory Board.

In 2021, the Supervisory Board, among other things:

..... oversaw the developments in the company's operational activities, particularly in sales, turnover, receivables, and liabilities;
..... assessed the fulfilment of the top management's objectives for 2020;
..... debated and reviewed the Report on Relations for 2020 and did not identify any irregularities with regard to the requirements of the Act on Business Corporations, including the review of whether any damage was incurred and settled in accordance with Sections 71 and 72; the Supervisory Board considers that all the facts stated in the Report on Relations are in line with the actual reality;
..... adopted the 2020 Supervisory Board Report on Activities;
..... debated and adopted the drafted amendment of the Articles of Association;
..... debated the 2020 Annual Report;
..... debated and reviewed the consolidated and separate financial statements for 2020 including the auditor's reports; the Supervisory Board concluded that the financial report presented a true and fair view of the financial and economic situation of the Group as well as the results of its business activities;
..... debated the 2020 Report of the Board of Directors on Business Activities and Assets;
..... debated and reviewed the proposal for the distribution of 2020 profit, including the determination of the amount of profit shares (dividends) and directors' fees for 2020, and the method of payment;

..... debated the proposal for the nomination of the auditors of financial statements for 2022–2025;
..... debated the materials to be debated by the General Meeting in 2021;
..... approved the 2021 update of the PRE Group strategy for 2022–2030;
..... approved the rules of procedure of the Supervisory Board;
..... appointed Aurélie Alemany a substitute member of the Supervisory Board as of 1 January 2022 until the date of the General Meeting to replace Franz Retzer, who resigned from the Supervisory Board;
..... approved the economic plan for 2021 and took account of the draft plan for 2023–2024;
..... approved the top management's objectives for 2022; and,
..... debated the plan of audits.

The Supervisory Board declares that the company's economic results in 2021 were excellent and expresses its thanks for them to the members of the Board of Directors as well as the company's employees.

In Prague, 25 March 2022

Signed by

Jan Chabr
Chairperson of the Supervisory Board

We've kept pace with the capital

...for 125 years

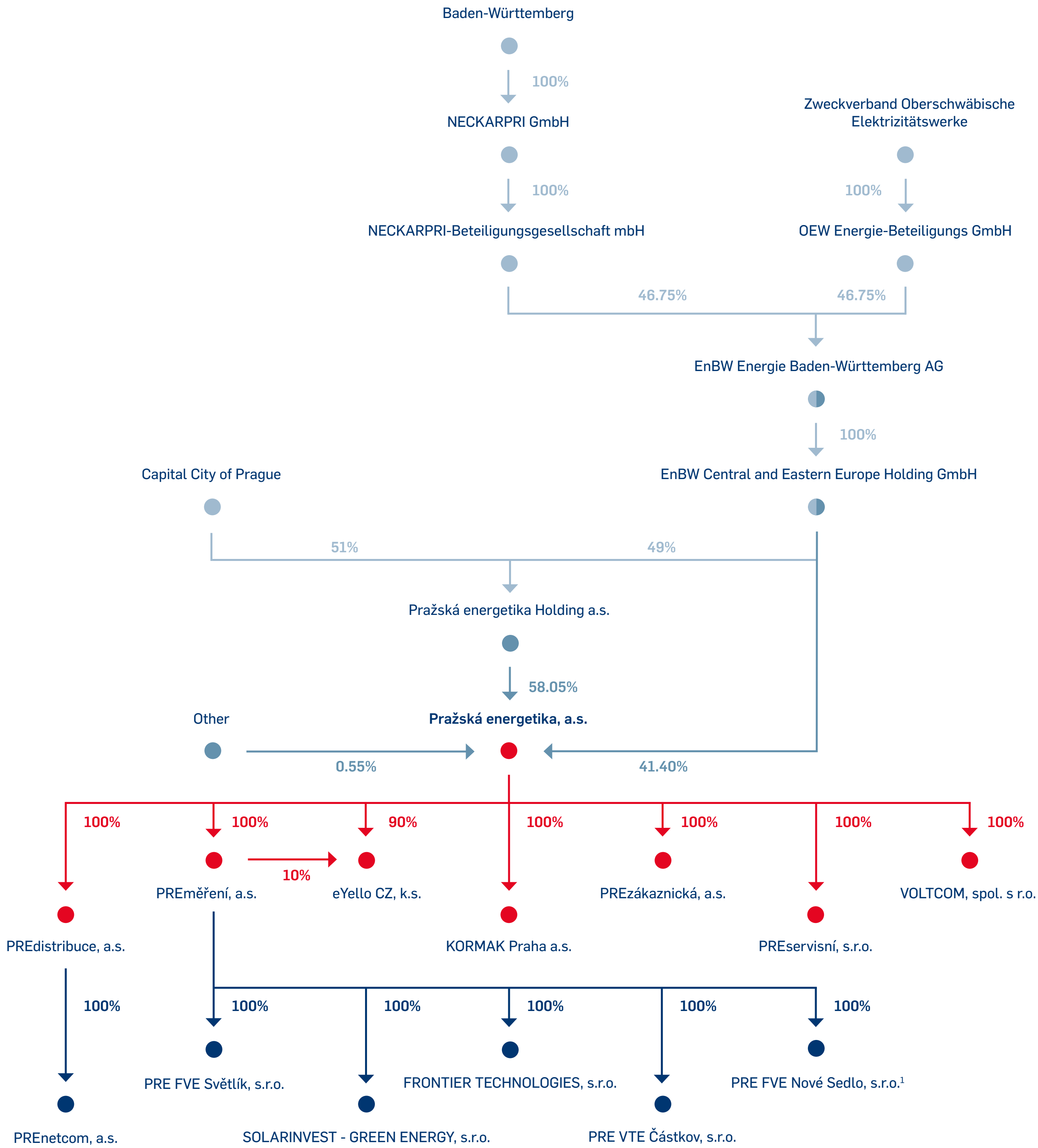
125
1897 - 2022

As early as in 2016, PRE started installing smart lamps with Wi-Fi reception, emergency SOS button and charging stations for electric cars. Now, it helps install smart public lighting systems.

Public electric lighting at the beginning of the 20th century.


P
RÉSERVÉ

Report on Relations



[1] A 100% subsidiary PREm since 6 October 2021

REPORT ON RELATIONS OF PRAŽSKÁ ENERGETIKA, A.S., FOR 2021

(hereinafter the Report on Relations) drawn up in accordance with Section 82 of Act No. 90/2012 Sb., on Business Corporations and Cooperatives (hereinafter the Business Corporations Act) for the accounting period of 1.1.2021 to 31.12.2021. The relations are described in a manner respecting the provisions of Section 504 of Act No. 89/2012 Sb., the Civil Code, concerning trade secrets, and by analogy with the provisions of Section 359 of the Business Corporations Act concerning restrictions of information provision.

1. STRUCTURE OF THE RELATIONS BETWEEN THE CONTROLLED ENTITY AND THE CONTROLLING ENTITY, THE ROLE OF THE CONTROLLED ENTITY AND THE MANNER AND MEANS OF CONTROL

I. Structure of the relations

Controlling entities:
Pražská energetika Holding a.s., registered office Na Hroudě 1492, 100 05 Prague 10, ID No.: 26428059, registered in the Commercial Register maintained at the Municipal Court in Prague, file ref. B 7020 ("**PREH**"), which is at the same time the managing entity in accordance with Section 79 (1) of the Business Corporations Act.

EnBW Central and Eastern Europe Holding GmbH, registered office Schelmenwasenstraße 15, 70567 Stuttgart, Federal Republic of Germany, registered in the Commercial Register maintained at the District Court in Stuttgart, fil ref. HRB 747869 ("**EnBW CEE**"), which was established as a 100% subsidiary of the company EnBW Energie Baden-Württemberg AG registered office Durlacher Allee 93, 76131 Karlsruhe, Federal Republic of Germany, registered in the Commercial Register maintained at the District Court in Mannheim, file ref. 107956 ("**EnBW**"), which is at the same time the managing entity in accordance with Section 79 (1) of the Business Corporations Act.

Controlled/managed entity:
Pražská energetika, a.s., registered office Na Hroudě 1492/4, 100 05 Prague 10, ID No.: 60193913, registered in the Commercial Register maintained at the Municipal Court in Prague, file ref. B 2405 ("**PRE**").

The chart of the PRE Group structure is shown on the opposite page.

II. Role of PRE; method and means of control

PRE provides a stable, environmentally friendly, and efficient electricity supply in the capital and contributes to the development and improvement of energy infrastructure. The main activities of PRE and the PRE Group companies include trading in electricity and gas in the Czech Republic, electricity distribution and generation from renewable sources and complementary energy services.

PREH is jointly controlled by the Capital City of Prague (with a 51% share) and EnBW CEE (with a 49% share). PREH holds PRE shares amounting to 58.05% of the PRE registered capital.

EnBW CEE holds PRE shares amounting to 41.40% of the PRE registered capital. In compliance with Section 79 of the Business Corporations Act, PRE is a part of the EnBW corporate group and as such operates on the Czech energy market. EnBW controls and manages PRE through its representatives on the Board of Directors and the Supervisory Board.

Pursuant to the shareholder contracts, the controlling companies, PREH and EnBW CEE, exercise their control on the level of PRE and the control involves primarily PRE activities. The unified management does not apply to the activities of PRE's subsidiaries, which are managed only by PRE as their majority partner. The management of the subsidiaries falls under the sole remit of PRE's Board of Directors.

2. OVERVIEW OF THE ACTIONS CARRIED OUT DURING THE LAST ACCOUNTING PERIOD ON THE INSTIGATION OR IN THE INTEREST OF THE CONTROLLING ENTITY OR ITS CONTROLLED ENTITIES IF SUCH ACTIONS CONCERNED PROPERTY EXCEEDING 10% OF THE CONTROLLED ENTITY'S EQUITY AS IDENTIFIED IN THE LAST FINANCIAL STATEMENTS

In 2021, no actions concerning assets exceeding 10% of PRE's equity were carried out on the instigation or in the interest of the controlling entity or its controlled entities.

3. OVERVIEW OF MUTUAL CONTRACTS BETWEEN THE CONTROLLED ENTITY AND THE CONTROLLING ENTITY AND BETWEEN THE CONTROLLED ENTITIES

The overview of mutual contracts between the controlled entities has been prepared based on a list of contracts provided to PRE by the controlling entities.

I. Contracts concluded by PRE with PREH

Contract on the provision of services – in effect from 1 January 2022 to 31 December 2025
Contract on personal data processing – in effect from 1 January 2022 to 31 December 2025
Contract on the provision of IT services – in effect from 8 November 2018 for an indefinite period of time

II. Contracts concluded by PRE with EnBW or with the entities controlled by EnBW

Convention on cooperation with EnBW (on IT security) No. G3400/2024 – in effect from 28 April 2011 for an indefinite period of time
I&C security policy with EnBW (access to IS) No. G3400/2032 – in effect from 1 September 2011 for an indefinite period of time
General contract with EnBW (access to data and data processing in IDM) No. G3400/2068 – in effect from 28 November 2011 for an indefinite period of time & sub-contract to RS with EnBW (technical contract) No. G3400/2107 – in effect from 26 October 2012 for an indefinite period of time, as amended
Contract on the handling of matters – health insurance and social security contributions and the calculation of prepayments of natural person income tax from wage-earning income and all emoluments – in effect from 1 August 2012 for an indefinite period of time
Contract on the provision of market access through IMC with EnBW Trading GmbH No. G4400/2012/003 (in effect from 1 May 2014 EnBW) – in effect from 20 December 2012 for an indefinite period of time
Contract on the provision of market access through OTE with EnBW Trading GmbH No. G4400/2013/0002 (as of 1 May 2014 EnBW) – in effect from 25 April 2013 for an indefinite period of time
Contract on the provision of market access through EMIR No. G4400/2014/0001 with EnBW Trading GmbH (as of 1 May 2014 EnBW) – in effect from 23 April 2014 for an indefinite period of time
EFET electricity contract with EnBW Trading GmbH (as of 1 May 2014 EnBW) – in effect from 20 January 2005 for an indefinite period of time
EFET gas contract with GasVersorgung Süddeutschland GmbH – in effect from 13 September 2013 for an indefinite period of time
EFET gas contract with EnBW – in effect from 1 January 2015 for an indefinite period of time
EFET gas contract with VNG Energie Czech, s.r.o. – in effect from 1 April 2018 for an indefinite period of time

Sublease contract with EnBW for EnBW organisational – in effect from 12 January 2016 until the coming into effect of the lease contract

Preliminary agreement on the general contract on the provision of operation, maintenance and controlling services – in effect from 8 August 2018 until the coming into effect of the contract on the provision of services between PRE and EnBW

III. Contracts concluded by PRE with its subsidiaries

a. Contracts between PRE and PREdi

Contract on the provision of services No. PS20000019/014 – in effect from 1 January 2019 to 31 December 2022

Contract on electricity supply to cover losses in the distribution system and for the own needs of the distribution system operator No. P200006/14 – in effect from 1 January 2006 for an indefinite period of time

Contract on the provision of short-term loans No. P200006/22 – in effect from 30 November 2005 for an indefinite period of time

Licence contract No. PS20000011/029 – in effect from 3 January 2011 for an indefinite period of time

Lease contract No. NO21106/015 – in effect from 2 January 2006 for an indefinite period of time, as amended

Lease contract on plastic advertising banners No. NO21106/001 – in effect from 30 December 2005 for an indefinite period of time

Lease contract No. NO21109/006 – in effect from 1 April 2009 for an indefinite period of time

11 contracts on the establishment of easement to place PREdi's distribution system equipment in PRE's immovable assets, concluded for an indefinite period of time

Contract on the establishment of easement No. VV/G33/04457/08 – in effect from 31 March 2008 to 2 April 2048

Lease contract No. NO21111/011 – in effect from 1 April 2011 for an indefinite period of time

General contract on the provision of GPRS module installation services No. PS20000013/033 – in effect from 25 October 2013 to 31 December 2021

Contract on long-term loan No. 1/2014 PS20000014/021 – in effect from 18 June 2014 to 18 June 2026

Contract on long-term loan No. 2/2014 PS20000014/030 – in effect from 26 November 2014 to 28 November 2026

Contract on long-term loan No. 1/2015 PS20000015/021 – in effect from 29 June 2015 to 29 June 2027

Contract on joint gas supply services No. PS21001015/015 – in effect from 1 November 2014 for an indefinite period of time

Contract on the lease of non-residential premises for business No. NV/S21/1633025 – in effect from 1 March 2016 for an indefinite period of time

Contract on the lease of non-residential premises for business No. NV/S21/1633226 – in effect from 1 March 2016 for an indefinite period of time, as amended

Contract on the lease of non-residential premises for business No. NV/S21/1633022 – in effect from 1 March 2016 for an indefinite period of time, as amended

Contract on the lease of non-residential premises for business No. S21/1633026 – in effect from 1 March 2016 for an indefinite period of time, as amended

Contract on the lease of non-residential premises for business No. S21/1633021 – in effect from 1 March 2016 for an indefinite period of time

Contract on the lease of non-residential premises for business No. NV/S21/1633024 – in effect from 1 March 2016 for an indefinite period of time

Contract on the lease of non-residential premises for business No. NV/S21/1633027 – in effect from 1 March 2016 for an indefinite period of time, as amended

Contract on the lease garage parking spaces No. NV/S21/1634181 – in effect from 1 April 2016 for an indefinite period of time

General contract on electricity distribution to consumption points of the electricity trader's No. PS20000011/011 – in effect from 1 January 2011 for an indefinite period of time

Contract on the provision of cash transfer No. PS20000017/009 – in effect from 17 February 2017 for an indefinite period of time

Contract on the execution of construction alterations No. PS20000017/046 – in effect from 18 May 2017 for an indefinite period of time

Contract on the cooperation on the construction of charging stations No. PS21001018/036 – in effect from 14 June 2018 to 31 December 2028

Contract on the sale of electricity in PREpoint charging stations No. PS20000019/K/2017/045 – in effect from 20 February 2019 for an indefinite period of time

Contract of mandate to contract No. PS20000021/025 (services related to providing for claims) – in effect from 21 July 2021 for an indefinite period of time

2 contracts on the lease of a part of land – in effect from 1 July 2021 to 30 June 2026

66 contracts in effect on the lease of a part of an immovable asset (building)

The PRE Group and PREdi have concluded contracts on the conclusion of a contract on the connection to the distribution system for all PRE's consumption points. The PRE Group and PREdi have concluded contracts on the connection to the distribution system for all PRE's consumption points.

b. Contracts between PRE and PREm

Contract on the lease of a part of an immovable asset No. C00441/10 – in effect from 1 October 2010 to 31 December 2035, as amended
Contract on the lease of a part of an immovable asset No. C00453/10 – in effect from 1 November 2010 to 31 December 2035, as amended
Lease contract No. G3530/NO/01/2015/32289 (M5000/NV/2016/33018) – in effect from 1 March 2016 for an indefinite period of time
Lease contract No. G3530/NO/03/2016/32451, M5000/NV/2016/33228 – in effect from 1 March 2016 for an indefinite period of time
Lease contract No. G3530/NO/05/2016/33671, M5000/NV/2016/34134 – in effect from 1 April 2016 for an indefinite period of time
Lease contract No. G3530/NO/05/2016/33808, M5000/NV/2016/34760 – in effect from 1 April 2016 for an indefinite period of time
Contract on the provision of short-term loans No. G3160/PREM-KRDUV/2005/02, C00186/05 – in effect from 30 November 2005 for an indefinite period of time
Contract on telephone equipment use and the re-charging of costs of telephone lines use – No. 1226, C00240/06 – in effect from 1 August 2006 for an indefinite period of time
Contract on the provision of services No. M6100/O/2019/0079 (P/Pm/19)– in effect from 1 January 2019 to 31 December 2022
Contract on the provision of services No. M5000/O/2019/0004 (P/Pm/19)– in effect from 1 January 2019 to 31 December 2022
Contract on the take-over of rights and obligations arising from the forwarding contract dated 30 June 2000 No. P4212005/5, C00311/08 – in effect from 1 January 2008 for an indefinite period of time
General contract on storage heaters installation No. C00384/09 – in effect from 3 September 2009 for an indefinite period of time
Contract on personal data processing No. C00426/10 – in effect from 22 June 2010 for an indefinite period of time
Licence contract on using trademark No. C00470/11 – in effect from 3 January 2011 for an indefinite period of time
Contract on joint electricity supply services – type MO No. SoSSE/6254022, C00503/11 – in effect from 14 June 2011 for an indefinite period of time
Contract on joint electricity supply services – type MO No. SoSSE/6250517, C00504/11 – in effect from 14 June 2011 for an indefinite period of time
Contract on joint electricity supply services – type MO No. SoSSE/6282725, C00505/11 – in effect from 14 June 2011 for an indefinite period of time
Contract on joint electricity supply services – type MO No. SoSSE/6279473, C00506/11 – in effect from 14 June 2011 for an indefinite period of time
Contract on joint electricity supply services – type MO No. SoSSE/6283505, C00507/11 – in effect from 14 June 2011 for an indefinite period of time
Contract on joint electricity supply services – type MO No. SoSSE/6207319, C00508/11 – in effect from 14 June 2011 for an indefinite period of time
Contract on joint electricity supply services – type MO No. SoSSE/6253998, C00509/11 – in effect from 14 June 2011 for an indefinite period of time
Contract on the provision of distribution system services with the electricity trader No. 1/2016, M6100/E/2017/0007 – in effect from 31 October 2016 for an indefinite period of time
Mandate contract No. G4630/2011/0005, C00542/11 – in effect from 5 December 2011 for an indefinite period of time
Contract on electricity supply from promoted sources No. C00605/12 – in effect from 1 January 2013 for an indefinite period of time, as amended
Contract for work No. G4100/ 2016/0001, M6100/RS/I/01/2016/0002 – in effect from 21 January 2016 for an indefinite period of time, as amended
Servicing contract No. G3530/10, M6100/2016/0020 – in effect from 1 March 2016 for an indefinite period of time
Contract on long-term loan No. 1/2014 (G1020/PREM-VSU1/2014/05, C00806/14) – in effect from 28 February 2014 to 28 February 2022
Contract on long-term loan No. 2/2014 (G1020/PREM-VSU2/2014/06, C00807/14) – in effect from 28 February 2014 to 28 February 2023
Contract on long-term loan No. 3/2014 (G1020/PREM-VSU3/2014/07, C00808/14) – in effect from 28 February 2014 to 29 February 2024
Contract on long-term loan No. 4/2014 (G1020/PREM-VSU4/2014/08, C00809/14) – in effect from 28 February 2014 to 29 February 2024
Contract on long-term loan No. 5/2014 (G1020/PREM-VSU5/2014/09, M5000/O/2015/0004) – in effect from 8 December 2014 to 31 December 2021
Contract on long-term loan No. 1/2015 (G1020/PREM-RAJ/2015/07, M5000/O/2015/0010) – in effect from 27 October 2015 to 29 October 2023
Contract on long-term loan No. 2/2015 (G1020/PREM-RAJ/2015/08, M5000/O/2015/0011) – in effect from 27 October 2015 to 29 October 2023
Contract on long-term loan No. 1/2014 (G1020/BLACKUVER/2014/01, M5000/DAC/2015/0015) – in effect from 8 December 2014 to 18 December 2024
Contract on long-term loan No. 1/2015 (G1020/Dačice/2015/04, M5000/DAC/2015/0013) – in effect from 27 October 2015 to 29 October 2024
Contract on long-term loan No. 1/2015 (G1020/Mikulov/2015/05, M5000/MIK/2015/0014) – in effect from 27 October 2015 to 29 October 2024
Contract on long-term loan No. 1/2015 (G1020/Pozořice/2015/06, M5000/POZ/2015/0012) – in effect from 27 October 2015 to 29 October 2024
Contract on long-term loan No. 1/2017 (M5000/O/2017/0003) – in effect from 22 December 2017 to 22 December 2027
Contract on operational cash transfer No. G1020/POKLAD_PREM/2017/1, M5000/ 2017/0001 – in effect from 17 February 2017 for an indefinite period of time

Contract on mutual exchange of services in connection with magazine PREfórum No. G1030/O/2020/290 (M6100/O/2020/0159) – in effect from 23 November 2020 to 15 March 2021

Lease contract on the lease of movable assets (2 electric bikes) No. M6100/N/2018/0139 – in effect from 1 June 2018 to 31 December 2022, as amended

Contract on the supply of electricity from the Holešovice photovoltaic power plant (supply) No. M6100/E/2017/0179 – in effect from 15 November 2018 for an indefinite period of time

Contract on joint electricity supply services ('Dvouletky') No. M6100/2018 – in effect from 28 June 2018 for an indefinite period of time

Contract to conclude contract on the establishment of easement No. G3539/71/2020/10/010, M5000/O/2020/0002 – in effect from 12 May 2020 for an indefinite period of time

Contract Cash pool ZBA/2019/13, M5000/0/2020/0003 – in effect from 13 February 2020 for an indefinite period of time

Contract for work No. V4030/PRE/I/01/2020/042, M6100/P/2020/0074 – in effect from 5 June 2020 to 31 July 2021, as amended

Contract on the supply of electricity from renewable sources No. M6100/E/2020/0151 – in effect from 1 January 2021 to 31 December 2021

Contract on the supply of electricity from renewable sources No. M6100/E/2020/0152 – in effect from 1 January 2021 to 31 December 2021

Contract on the supply of electricity from renewable sources No. M6100/E/2020/0153 – in effect from 1 January 2021 to 31 December 2021

Contract for work No. V4030/PRE/I/01/2020/074, M6100/P/2020/0164 – in effect from 6 October 2020 to 30 April 2021, as amended

Contract on the supply of electricity from renewable sources No. M6100/E/2020/0177 – in effect from 1 January 2021 to 31 December 2021

Contract on the supply of electricity from the renewable sources No. M6100/E/2020/0178 – in effect from 1 January 2021 to 31 December 2021

Contract on the supply of electricity from renewable sources No. M6100/E/2020/0179 – in effect from 1 January 2021 to 31 December 2021

Contract on the supply of electricity from renewable sources No. M6100/E/2020/0180 – in effect from 1 January 2021 to 31 December 2021

Contract on the supply of electricity from renewable sources No. M6100/E/2020/0181 – in effect from 1 January 2021 to 31 December 2021

Contract on the supply of electricity from renewable sources No. M6100/E/2020/0182 – in effect from 1 January 2021 to 31 December 2021

Framework purchase contract "Metropolitan network of charging stations PRE II – wall boxes and posts" No. M6100/RS/2021/005 – in effect from 7 April 2021 (for 4 years from the date of its conclusion)

Framework purchase contract "Metropolitan network of charging stations PRE II – post chargers with smart parallel DS equipment" No. M6100/RS/2021/006 – in effect from 7 April 2021 (for 4 years from the date of its conclusion)

Contract on joint electricity supply services 3510530720/ZP/202101, M6100/E/2021/095 – in effect from 1 July 2021 to 31 December 2022

Contract on the supply of electricity No. 3510530720 /EE/2020/01, M6100/E/2020/0073 – in effect from 18 December 2019 for an indefinite period of time

Contract on mutual provision of services No. G1030/2016/274, M6100/SL/2021/143 – in effect from 10 November 2021 to 30 June 2022

Contract for work No. V4030/PREs/01/2021/001 – in effect from 9 January 2021 to 31 March 2021

Contract for work No. V4030/PREs/01/2021/008 – in effect from 2 August 2021 to 31 August 2021

Contract for work No. V4030/PREs/01/2021/009 – in effect from 27 May 2021 to 31 July 2021

Contract for work No. V4030/PREs/01/2021/011 – in effect from 6 December 2021 to 31 May 2022

Contract for work No. V4030/PREs/01/2021/012 – in effect from 22 December 2021 to 28 February 2022

Contract for work No. V4030/PRE/I/01/2019/058, M6100/P/2019/0153 – in effect from 19 September 2019 to 3 December 2021

c. Contracts between PRE and eYello

Sub-licence contract No. G4009/2019/001 – in effect from 16 January 2019 for an indefinite period of time

General contract for work No. PG3530/06/NS2128/00199 – in effect from 31 May 2013 to 31 March 2021, as amended

Contract on the provision of short-term loans No. G3160/EYELLO-KR U/2005/03 – in effect from 30 November 2005 for an indefinite period of time

General contract on electricity supply No. G4100/2014/0043 – in effect from 1 January 2014 for an indefinite period of time, as amended

Contract on gas supply – in effect from 1 October 2015 for an indefinite period of time, as amended

Contract on marketing costs allocation No. G4000/2014/0010 – in effect from 1 July 2014 for an indefinite period of time, as amended

Contract on the provision of services No. P/Y/19, Contract on personal data processing – in effect from 1 January 2019 to 31 December 2022

Contract on operational cash transfer No. G3160/POKLADYELLO/2017/03 – in effect from 17 February 2017 for an indefinite period of time

Contract on the administration of the software service ILQpay – in effect from 4 April 2019 for an indefinite period of time

Agreement of the associates of eYello CZ, k.s., on amending the articles of incorporation – in effect from 16 December 2021 for an indefinite period of time

d. Contracts between PRE and Kormak

Contract on data security and protection and on general rules of mutual cooperation – in effect from 11 April 2016 for an indefinite period of time

Contract on the provision of short-term loans – in effect from 22 April 2016 for an indefinite period of time, as amended

Contract on the provision of services No. P/K/19, Contract on personal data processing – in effect from 1 January 2019 to 31 December 2022

Subcontract for public tender on the 'Provision of energy service using the EPC method in the town of Aš" in effect from 20 December 2021 for the duration of the public contract

161 contracts and order for planning and construction work

e. Contracts between PRE and PREs

Contract on the provision of services No. P/Ps/19, Contract on the provision of services P/Ps/19, Contract on personal data processing – in effect from 1 January 2019 to 31 December 2022, as amended

Contract on the provision of short-term loans No. G3160/KORN-KRD UV/2016/02 – in effect from 22 April 2016 for an indefinite period of time

Contract on long-term loan No. 1/2016 – in effect from 20 July 2016 for a definite period of time, till 29 July 2026

Contract on long-term loan No. 1/2017 – in effect from 30 March 2017 for a definite period of time, till 10 April 2027

Contract on join gas supply services No. 30005831 – in effect from 20 September 2016 for an indefinite period of time

Contract on join gas supply services No. 30005832 – in effect from 20 September 2016 for an indefinite period of time

Contract on join gas supply services No. 30008435 – in effect from 28 August 2017 for an indefinite period of time

Contract on the lease of office HR 4 No. V4020/NO/05/2019/43960 – in effect from 1 January 2019 for an indefinite period of time, as amended

Contract on the lease of building A Novovysočanská, No. V4020/NV/03/2019/43672 – in effect from 1 January 2019 for an indefinite period of time

Contract on the lease of office HR 19 No. G3530/NO/01/2018/43304 – in effect from 1 January 2019 for an indefinite period of time

Lease contract for Holešovice-doprava, No. G3530/NO/03/2018/43305 – in effect from 1 January 2019 for an indefinite period of time

Contract on the lease of a garage PREservisní, No. G3530/NO/05/2018/43303 – in effect from 1 January 2019 for an indefinite period of time

Contract on the lease of offices Svornost, No. G3530/NO/07/2018/43326 – in effect from 1 January 2019 for an indefinite period of time

Contract on operational cash transfer No. G3160/POKLAD_SERV/2019/01 – in effect from 2 January 2019 for an indefinite period of time

Contract on the use of vehicles, No. V4000/PRESERV/2019/034 – in effect from 1 January 2019 to 31 December 2022

f. Contracts between PRE and PREzak

Contract on the provision of services No. P/Pz/19, Contract on the provision of services Pz/P, Contract on personal data processing – in effect from 1 January 2019 to 31 December 2022

Lease contract No. PRE G3530/NO/05/2017/39928 – in effect from 1 January 2018 for an indefinite period of time

Lease contract No. G3530/NO/00/2017/39637 – in effect from 1 January 2018 for an indefinite period of time

Lease contract No. G3530/NO/01/2017/39628 – in effect from 1 January 2018 for an indefinite period of time, as amended

Lease contract No. G3530/NO/05/2018/40194 – in effect from 1 January 2018 for an indefinite period of time, as amended

Lease contract No. G3530/NO/07/2018/40197 – in effect from 1 January 2018 for an indefinite period of time

Sub-lease contract No. G3530/NO/03/2018/40198 – in effect from 1 January 2018 for an indefinite period of time, as amended

Sub-lease contract No. G3530/NO/03/2018/40199 – in effect from 1 January 2018 for an indefinite period of time, as amended

Sub-lease contract No. G3530/NO/03/2018/40883 – in effect from 1 March 2018 for an indefinite period of time, as amended

Sub-lease contract No. G3530/NO/06/2018/40214 – in effect from 1 January 2018 to 31 March 2021, as amended

Sub-lease contract No. G3530/NO/06/2018/40215 – in effect from 1 January 2018 to 31 March 2021, as amended

Sub-lease contract No. G3530/NO/06/2018/40216 – in effect from 1 January 2018 to 31 March 2021

Sub-lease contract No. G3530/NO/06/2019/46343 – in effect from 1 September 2019 for an indefinite period of time

Contract on operational cash transfer – in effect from 30 January 2018 for an indefinite period of time

Contract on the provision of short-term loans – in effect from 18 December 2017 over the duration of the loan

Contract on the lease of a garage parking space – Nymburk No. G3530/NV/06/2019/46631 – in effect from 1 September 2019 for an indefinite period of time

g. Contracts between PRE and Voltcom

Lease contract and sub-lease contract of a plot of land No. 560/15 - in effect from 28 December 2006 for an indefinite period of time

Contract on telephone equipment use and the re-charging of costs of telephone lines use No. 1501 – in effect from 2 April 2008 for an indefinite period of time, as amended

Contract on data security and protection and on general rules of mutual cooperation – in effect from 1 June 2017 for an indefinite period of time

IV. Contracts concluded by PRE with the other PRE Group companies

a. Contracts between PRE, PREdi and PREnetcom

General contract on the provision of services between PRE, PREdi and PREnetcom No. PS20000019/010 – in effect from 1 January 2019 to 31 December 2048

b. Contracts between PRE and PREnetcom

Contract for work No. G3400/5537 – in effect from 3 May 2021 to 31 August 2021

Contract for work No. G3400/5538 – in effect from 3 May 2021 to 31 August 2021

Lease contract No. G3530/NO/05/2017/40195 – in effect from 1 January 2018 for an indefinite period of time, as amended

Contract on the provision of short-term loans No. N90/2049034 – in effect from 6 February 2018 for an indefinite period of time

Contract on the assignment of contract to CETIN No. PS/N90/1946183 – in effect from 1 July 2019 for an indefinite period of time

Contract on the assignment of contract to TELCO No. PS/N90/1946188 – in effect from 1 July 2019 for an indefinite period of time

Contract on the assignment of contract to T-Mobile No. PS/N90/1946202 – in effect from 1 June 2019 for an indefinite period of time

Contract on the provision of services No. PS/N90/1944030 and No., P/Pn/19 – in effect from 1 January 2019 to 31 December 2022

Contract on join gas supply services No. PS/N90/2049269 – in effect from 20 March 2020 for an indefinite period of time

Contract assignment agreement – in effect from 1 March 2019 for an indefinite period of time

3 contract assignment agreements – in effect from 1 July 2019 for an indefinite period of time

4 contract assignment agreements – in effect from 1 January 2019 for an indefinite period of time

c. Contracts between PRE and Solarinvest

Contract on short-term loans No. G3160/SIGE_KR_UV2/2019/03 – in effect from 1 April 2019 for an indefinite period of time

Contract on long-term loan No. 1/2018 G3160/SIGE_VSU1/2018/01 – in effect from 21 May 2018 to 31 January 2025

Contract on intragroup loan No. G3160/SIGE_VSU1/2019/02 – in effect from 23 April 2019 to 2 May 2023

Contract on long-term loan No. 1/2019 – in effect from 23 April 2019 to 2 May 2023

Contract on long-term loan No. 2/2019 G3160/SIGE_VSU2/2019/05 – in effect from 30 July 2019 to 31 July 2023

Contract on long-term loan No. 1/2020 – in effect from 24 February 2020 to 28 February 2024

Contract on long-term loan No. 2/2020 – in effect from 24 February 2020 to 30 March 2024
Contract on long-term loan No. 3/2020 G3160/VSU3/2020/09 – in effect from 11 September 2020 to 15 August 2028
Contract on long-term loan No. 1/2021 No. G3160/SIGE_VSU1/2021/01 – in effect from 3 March 2021 to 28 February 2025
Contract on long-term loan No. 2/2021 No. G3160/SIGE_VSU2/2021/02 – in effect from 22 March 2021 to 30 April 2021
Contract on long-term loan No. 3/2021 No. G3160/SIGE_VSU3/2021/03 – in effect from 27 July 2021 to 15 December 2022
Contract on long-term loan No. 4/2021 No. G3160/SIGE_VSU3/2021/04 – in effect from 2 December 2021 to 22 July 2022
Contract on long-term loan No. 5/2021 No. G3160/SIGE_VSU3/2021/05 – in effect from 9 December 2021 to 22 June 2022

d. Contracts between PRE and Frontier

Contract on the provision of counselling services – recruitment No. G3220/2019/048 – in effect from 19 September 2019 for an indefinite period of time
Contract on personal data processing No. G3220/2019/049 – in effect from 19 September 2019 for an indefinite period of time
Contract on short-term loans No. G3160/FT_KRD_UV/2019/04 – in effect from 20 March 2019 for an indefinite period of time
Contract on the provision of physical unidirectional cash pooling No. ZBA/2019/02 – in effect from 20 March 2019 for an indefinite period of time
Contract on cooperation on the provision of energy services – in effect from 1 March 2020 to 31 December 2021, as amended
Contract on the provision of expert services in the area of protection of personal data No. G 10100/2020/003 – in effect from 3 September 2020 for an indefinite period of time
Contract on the provision of expert services in the area of protection of personal data No. G 10100/2020/004 – in effect from 3 September 2020 for an indefinite period of time
Contract for work No. ESRS21027 – in effect from 4 May 2021 for an indefinite period of time
General contract for work – provision of comprehensive lighting systems – in effect from 4 May 2021 for an indefinite period of time
Subcontract (Chabařovice) – in effect from 21 December 2020 over the duration of the public contract
Subcontract (Aš) – in effect from 22 November 2021 over the duration of the public contract
Contract for work – refurbishing the lighting system in the Edison Hall, ground floor of building B on Na Hroudě 1492/4, No. V4030/PRE/I/01/2020/109 – in effect from 30 November 2020 to 28 February 2021
Contract for work Novovysočanská 4th floor No. V4030/PRE/I/01/2021/009 – in effect from 19 January 2021 to 15 March 2021
Contract for work exchange of lights Nitranská A 4th floor No. V4030/PRE/I/01/2021/020 – in effect from 8 March 2021 to 31 May 2021
Contract for work Novovysočanská C, offices No. V4030/PRE/01/2021/032 – in effect from 11 March 2021 to 10 May 2021
Contract for work outside lights on Na Hroudě Street No. V4030/PRE/I/01/2021/033 – in effect from 22 March 2021 to 31 May 2021
Contract for work – supply of lights – Novovysočanská first floor, building C No. V4030/PREs/01/2021/051 – in effect from 1 June 2021 to 31 August 2021
Contract for work Nitranská No. V4030/PRE/I/01/2021/055 – in effect from 8 June 2021 to 31 August 2021
Contract for work – supply of lights – PREdi, Svornosti 19, part D, No. V4030/PRE/I/01/2021/021 – in effect from 28 July 2021 to 31 December 2021
Contract for work to refurbish lightening on Na Hroudě Street No. V4030/PRE/I/01/2021/064 – in effect from 29 July 2021 to 30 September 2021

e. Contracts between PRE and PRE FVE Světlík

Contract on loan – in effect from 30 November 2017 to 28 November 2027
Contract on cash pooling No. G3160/FVE_KRD_UV/2018/03 – in effect from 29 November 2018 for an indefinite period of time
Contract on electricity supply No. SVE/2017/0013 – in effect from 31 May 2018 for an indefinite period of time

f. Contracts between PRE and PRE VTE Částkov

General contract on short-term loans No. G3160/CAST_KRDUV/2020/08 – in effect from 14 July 2020 for an indefinite period of time

V. Contracts between PRE subsidiaries

a. Contracts between PREdi and PREm

Contract on the provision of services No. PS20000019/006, M5000/O/2019/0001 – in effect from 18 December 2018 to 31 December 2022

Contract on the supply of defunct metering equipment No. S252007/003, C00261/06 – in effect from 30 December 2006 for an indefinite period of time

Contract on the supply of used metering equipment No. S252007/004, C00260/06 – in effect from 30 December 2006 for an indefinite period of time

Contract for work No. P20006/19, C00203/06 – in effect from 1 March 2006 for an indefinite period of time, as amended

Contract on the lease of land No. N21110/016, C00418/10 – in effect from 1 April 2010 to 31 December 2030

Contract on the lease of land No. NO21110/004, C00438/10 – in effect from 1 September 2010 to 31 December 2030

Contract on the lease of land No. N21110/039, C00436/10 – in effect from 1 October 2010 to 31 December 2035, as amended

Contract on the lease of a part of real estate No. NO21110/005, C00439/10 – in effect from 1 October 2010 to 31 December 2035, as amended

Contract on the supply of metering equipment No. KV/S25/1843480, M5400/RS/2018/0005 – in effect from 1 January 2019 to 31 December 2022

10 contracts on the cooperation on performing work on unmeasured parts of electricity consumption equipment

Contract on the lease of a part of real estate No. PS27200021/007, M6100/2021/151 – in effect from 9 August 2021 for the time of the effect of the above-listed contracts

Contract on personal data processing No. PS20000013/038/13, C00627/13 – in effect from 1 March 2013 to 8 August 2021

Contract on the provision of distribution system services from MV and HV with the operator of local distribution system No. 80003131, M6100/E/2016/0126 – in effect from 15 November 2016 for an indefinite period of time

Contract on the establishment of easement No. VV/G33/12987/1841915, M5000/VV/12824/1840868 – in effect from 9 April 2018 for an indefinite period of time

Contract for work to construct the Karlov transformer stations – renovation of a parking lot No. IS/S24/2050544, M6100/P/2020/105 – in effect since 20 July 2020, as amended

Order to supply movable assets No. IS/S24/2152317 – for the reconstruction works on the Karlov transformer station – revamp of parking places – dated 6 January 2021

Order to repair the cable leading to the Karlov charging station No. PO/S21/2155818 – dated 20 September 2021

Order to recondition a rechargeable battery No. PS25000121/004 – date 9 November 2021

4 contracts on the purchase of movable assets (electric bikes)

3 orders on the installation of separator machines

b. Contracts between PREdi and eYello

General contract on electricity distribution to consumption points of the electricity trader's customers No. SOD/10390 – in effect from 16 November 2012 for an indefinite period of time, as amended

c. Contracts between PREdi and Kormak

Contract on work – provision of expert services in the network of PREdistribuce, a.s., No. PS23000117/002 – in effect from 1 February 2017 for an indefinite period of time

Contract of mandate to contract No. PS23000117/002 – in effect from 1 December 2017 for an indefinite period of time

Contract for work – graphic and drawing documentation No. PS21002012/004 – in effect from 15 February 2012 for an indefinite period of time

Contract on personal data processing No. PS27200018/2019/010 – in effect from 6 January 2009 for an indefinite period of time

Contract on data protection (execution) No. PS27200019/011 – in effect from 7 October 2019 to 16 December 2021

Contract on personal data processing No. PS27200021/008 – in effect from 17 December 2021 for an indefinite period of time

Contract on the cooperation on performing work on unmeasured parts of electricity consumption equipment No. PS27200018/012 – in effect from 20 February 2019 to 17 December 2021

Lease contract No. NV/S24/1946371 – in effect from 11 July 2019 to 16 September 2022

General contract on the provision of services No. PS20000019/012 – in effect from 1 January 2019 to 31 December 2022

Contract on the provision of dispatcher control services and handling No. PS23330221/011 – in effect from 1 January 2021 to 31 December 2021

General purchase contract to supply SG5 boxes, including orders No. V 4010/PREdi/2021/001 – in effect from 30 March 2021 for an indefinite period of time

1 contract for work on the provision of design and engineering services for the repairs of distribution system equipment

2 contracts for work on carrying out repairs of distribution network

103 contracts for work on the provision of design and engineering services for the construction of distribution system equipment

131 contracts for work on carrying out construction of distribution system equipment

d. Contracts between PREdi and PREs

Contract on the provision of services No. PS20000019/015 – in effect from 1 January 2019 to 31 December 2022

Order for the inspection of lifting equipment No. PS/S21/2156143 – dated 2 November 2021

e. Contracts between PREdi and PREzak

Contract on the provision of services No. PS20000019/013, Pz/Pd/19 – in effect from 1 January 2019 to 31 December 2022, as amended

f. Contracts between PREdi and Voltcom

General contract on work and contract on the provision of services No. PS20000019/046 – in effect from 1 May 2019 to 31 December 2023

Contract on personal data processing No. PS27200019/012 – in effect from 16 December 2019 for an indefinite period of time

Contract on the cooperation on performing work on unmeasured parts of electricity consumption equipment No. PS27200019/013 – in effect from 17 December 2019 to 20 November 2024, or until the cooperating partner's certificate expires

Contract on the provision of maps No. PS21002011/005 – in effect from 21 December 2010 for an indefinite period of time

Contract for work No. PO/S21/2152703 – repairs of the earthing structure of a distribution station – in effect from 8 February 2021 to 31 December 2021

Long-term contract on the provision of dispatcher control services and handling No. PS23330221/001 – in effect from 1 January 2021 to 31 December 2021

Contract for work No. PO/S21/2154643 – repairs of the earthing structure of a transformer station – in effect from 2 July 2021 to 15 December 2021

Order in order to repair meters No. PO/2020/2155845 – dated 4 October 2021

Contract for work No. PS23320121/012 – inspection and maintenance of a transformer station – in effect from 1 April 2021 to 31 December 2022

3 contracts for work for the provision of service – in effect from 4 January 2021 to 31 December 2022

5 contracts for work on the provision of design and engineering services for the construction of distribution system equipment

13 contracts for work on carrying out repairs of distribution network

105 contracts for work on the provision of design and engineering services for the construction of distribution system equipment

83 contracts for work on carrying out construction of distribution system equipment

g. Contracts between PREm and Kormak

General contract on work on the provision of servicing of transformer station No. C00517/11 – in effect from 22 September 2011 for an indefinite period of time

Contract on stand-by for charging stations No. M6100/P/2017/0094 – in effect from 1 August 2017 for an indefinite period of time

1 contract for planning work

Order of year-long duration No. OP20200036 – certification of measuring instruments

h. Contracts between PREm and PREs

Contract on the provision of services No. M 5000/O/2019/0005, V3000/PRESERV/2019/007, Ps/Pm/19, Contract on personal data processing – in effect from 1 January 2019 to 31 December 2022

Contract for work No. M6100/P2020/0175, V4030/PRE/I/01/2020/108 – in effect from 1 December 2020 to 30 September 2021, as amended

Mandate contract No. M5500/E/2021/016, V4020/SERV/04/2021/02 – in effect from 1 April 2021 for an indefinite period of time

Mandate contract No. M5500/E/2021/017, V4020/SERV/04/2021/01 – in effect from 1 April 2021 for an indefinite period of time

Contract for work No. M5500/P2020/024, V4030/PREs/I/01/2021/047 – in effect from 24 May 2021 to 31 December 2021

Contract for work No. M 6100/P/2021/180, V4030/PREs/I/01/2021/096 – in effect from 2 December 2021 to 30 April 2022

i. Contracts between PREm and PREzak

Contract on the provision of services No. M5000/O/2019/0006, Pz/Pm/19, Contract on personal data processing – in effect from 1 January 2019 to 31 December 2022

j. Contracts between PREm and Voltcom

Annual order for measuring transformer stations and electricity meters No. 202130037 – in effect from 1 January 2021 to 31 December 2021

k. Contracts between eYello and PREs

Contract on the provision of services No. Ps/Y/19, V3000/PRESERV/2019/010, Contract on personal data processing – in effect from 1 January 2019 to 31 December 2022

l. Contracts between eYello and PREzak

Contract on the provision of services No. Pz/Y/19, Contract on personal data processing – in effect from 1 January 2019 to 31 December 2022

m. Contracts between Kormak and PREs

Contract on the provision of services No. V3000/PRESERV/2019/011 – in effect from 1 January 2019 to 31 December 2022

3 contracts for work

3 contracts on the lease of non-residential premises for business purposes

8 purchase contracts on the supply of SG5 boxes

n. Contracts between PREs and PREzak

Contract on the provision of services No. Ps/Pz/19, Contract on personal data processing – in effect from 1 January 2019 to 31 December 2022

VI. Contracts between PRE subsidiaries and their subsidiaries

a. Contracts between PREdi and PREnetcom

Contract on the lease of non-residential premises for business No. NO/S21/2153642 – in effect from 1 May 2021 for an indefinite period of time
Contract on the assignment of contract No. PS20000019/021 – in effect from 1 February 2019 (contract for work No. 8237/98 – servicing – dated 28 July 1998, as amended) for an indefinite period of time
Contract for work No. PS20000019/028 – in effect from 24 April 2019 to 30 June 2022, as amended
Contract on personal data processing No. PS20000019/2019/051 – in effect from 24 April 2019 to 31 December 2022
Lease contract No. NO/S21/1943803 – in effect from 1 January 2019 for an indefinite period of time
Contract on work No. IS/S24/2051815 – Optical network, Nusle pilot project – in effect from 11 November 2020 to 15 August 2021
4 contracts for work on the provision of design and engineering services for the repairs of distribution system equipment
4 contracts for work on carrying out repairs of distribution network

b. Contracts between PREm and Solarinvest

General purchase contract No. M6100/RS/2018/0060 – in effect from 28 May 2018 for an indefinite period of time, as amended
Servicing contract No. M6100/SE/2018/0062 – in effect from 1 June 2018 for an indefinite period of time
Agency contract No. M6100/O/2018/0113 – in effect from 23 July 2018 for an indefinite period of time
Contract on personal data processing No. M6100/O/2016/0090 – in effect from 1 September 2016 for an indefinite period of time
Contract on personal data processing No. M6100/O/2018/0114 – in effect from 23 July 2018 for an indefinite period of time
Contract on material purchasing No. M6100/RS/2016/0055 – in effect from 14 July 2016 for an indefinite period of time, as amended
Contract on the sale of batteries No. M6100/K/2017/0130 – in effect from 3 November 2017 for an indefinite period of time, as amended
Contract on the execution of the construction of photovoltaic power plants No. M6100/RS/2016/0088 – in effect from 1 September 2016 for an indefinite period of time
Agency contract No. M5500/O/2021/033 – in effect from 21 December 2021 to 31 December 2021
Contract for work No. M6100/2021/115 – in effect from 17 August 2021 to 19 November 2021
41 orders for the supply and installation of air-conditioning systems
17 orders for the construction and servicing of photovoltaic power plants

c. Contracts between PREm and Frontier

Order for the supply of an outside lamp No. CES21100132 – in effect from 17 May 2021 to 9 June 2021

d. Contracts between PREm and PRE FVE Světlík

Contract on the provision of services – servicing of photovoltaic power plants – No. M6100/O/2019/0015 – in effect from 1 January 2019 to 31 December 2022

e. Contracts between PREm and PRE VTE Částkov

Contract on the provision of services No. M5000/O/2020/0001 – in effect from 1 January 2020 to 31 December 2022
6 orders for maintenance of the wind power plant

4. REVIEW OF WHETHER THE CONTROLLED ENTITY INCURRED DAMAGE AND A REVIEW OF ITS SETTLEMENT

Neither PRE nor its controlled entities have incurred any damage from the relations with the controlling entities or the entities controlled by any of the controlling entities or from the above-mentioned contractual relationships. Transactions arising from the above-mentioned contractual relationships are agreed in prices usual for the given contract type at the place and time; no preferential treatment is provided to one party or the other.

5. ADVANTAGES AND DISADVANTAGES ARISING FROM THE RELATIONS BETWEEN THE CONTROLLED ENTITY AND THE CONTROLLING ENTITY AND BETWEEN THE CONTROLLED ENTITY AND THE ENTITIES CONTROLLED BY THE CONTROLLING ENTITY, AND THE RISKS THAT ARISE FROM THEM; INFORMATION ON THE POTENTIAL SETTLEMENT OF DAMAGE INFORMATION ON THE POSSIBLE SETTLEMENT OF DAMAGE

PRE has not incurred any damage or faced any risks beyond the degree usual in business relations between independent entities resulting from the relations with the controlling entities or the entities controlled by any of the controlling entities, or from the above-mentioned contracts.

The cooperation between PRE and the controlling entities and their controlled entities brings considerable advantages to PRE thanks to the acquired know-how and numerous synergies, which PRE can also achieve. In particular, PRE has access to the knowledge and experience of the EnBW corporate group, as well as to the technology used and the advantages it brings. There are no disadvantages arising for PRE from cooperation within the corporate group.

The Board of Directors, as the statutory body of PREdi, declares that the data contained in this Report on Relations are correct and complete and that the procedure of drawing up the Report on Relations according to Section 82 et seq. of the Business Corporations Act made full use of all the information and data which the statutory body has at its disposal and which it has ascertained acting with due diligence.

In Prague, 10 March 2022

Signed by

Pavel Elis
Chairperson of the Board of Directors

Signed by

Alexander Sloboda
Vice-chairperson of the Board of Directors

APPENDIX NO. 1 TO THE REPORT ON RELATIONS OF PRE FOR 2021

Controlled and connected entities of EnBW (as of 31 December 2021)

SALES

Fully consolidated companies

- bmp greengas GmbH, München/Germany
- BroadNet Deutschland GmbH, Köln/Germany
- ED GrünSelect GmbH, Rheinfelden/Germany
- EnBW Energy Factory GmbH, Stuttgart/Germany (formerly Watt Synergia GmbH, Frankfurt am Main/Germany)
- EnBW Mainfrankenpark GmbH, Dettelbach/Germany
- EnBW Telekommunikation GmbH, Karlsruhe/Germany (formerly EnBW Omega Zweiundfünfzigste Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
- EnBW Urbane Infrastruktur GmbH, Karlsruhe/Germany (formerly EnBW Omega Dreiundneunzigste Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
- EnBW Vertriebsbeteiligungen GmbH, Stuttgart/Germany
- ESD Energie Service Deutschland GmbH, Offenburg/Germany
- eYello CZ, k. s., Prague/Czech Republic
- G.EN. Gaz Energia Sp. z o.o., Tarnowo Podgórne/Poland
- GasVersorgung Süddeutschland GmbH, Stuttgart/Germany
- Gasversorgung Unterland GmbH, Heilbronn/Germany
- goldgas GmbH - Ö, Vienna/Austria
- goldgas GmbH, Eschborn/Germany
- HANDEN Sp. z o.o., Warschau / Poland
- HEV Hohenloher Energie Versorgung GmbH, Ilshofen/Germany
- Interconnector GmbH, Karlsruhe/Germany
- NaturEnergie+ Deutschland GmbH, Mühlacker/Germany
- NatürlichEnergie EMH GmbH, Platten / Germany
- Plusnet GmbH, Cologne/Germany
- Plusnet Infrastruktur GmbH & Co. KG, Cologne/Germany
- PREservisní, s.r.o., Prague / Czech Republic (formerly KORMAK nemovitosti s.r.o., Prague / Czech Republic)
- PREzákaznická, a.s., Prague/Czech Republic
- RBS wave GmbH, Stuttgart/Germany
- Sales & Solutions GmbH, Stuttgart/Germany
- SENEC GmbH, Leipzig / Germany (formerly Deutsche Energieversorgung GmbH, Leipzig / Germany)
- SENEC Italia s.r.l., Rome/Italy
- TRITEC AG, Aarberg/Switzerland
- Ventelo GmbH, Cologne/Germany
- VNG Austria GmbH, Gleisdorf / Austria
- VNG Energie Czech s.r.o., Prague / Czech Republic
- VNG-Erdgascommerz GmbH, Leipzig/Germany
- VOLTCOM, spol. s r.o., Prague/Czech Republic
- winsun AG, Steg-Hohtenn/Switzerland
- Yello Strom GmbH, Cologne/Germany

ZEAG Immobilien GmbH & Co. KG, Heilbronn/Germany
EnBW mobility+ AG & Co. KG, Karlsruhe/Germany
Gas-Union GmbH, Frankfurt am Main / Germany
FoxInsights GmbH, München / Germany (formerly LIV-T GmbH, München / Germany)
WTT CampusONE GmbH, Ludwigsburg/Germany
Erdgas Südwest GmbH, Karlsruhe/Germany
NetCom BW GmbH, Ellwangen/Germany
Messerschmid Energiesysteme GmbH, Bonndorf/Germany
Energieversum GmbH & Co. KG, Gütersloh/Germany
SMATRICS EnBW GmbH, Wien / Austria (formerly SMATRICS mobility+ GmbH, Wien / Austria)
BSH Netzbetriebs GmbH & Co. KG, Bad Königshofen i. Grabfeld / Germany
Solarmeisterei GmbH, Schwielowsee / Germany
Pražská energetika, a.s., Prague/Czech Republic

Related but unconsolidated companies

010052 Telecom GmbH, Cologne/Germany
010088 Telecom GmbH, Cologne/Germany
010090 GmbH, Cologne/Germany
01012 Telecom GmbH, Cologne/Germany
01052 Communication GmbH, Cologne/Germany
01098 Telecom GmbH, Cologne/Germany
Broadnet Services GmbH, Cologne/Germany
Energieversum Verwaltungs GmbH, Gütersloh / Germany
EZG Operations GmbH, Stuttgart / Germany
F&Q Netzbetriebs GmbH & Co. KG, Cologne/Germany
GIBY GmbH, Leipzig / Germany
mobility+ Beteiligungs GmbH, Karlsruhe / Germany (formerly EnBW Omega 112. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
NatürlichEnergie Projekte GmbH, Monzelfeld / Germany
NatürlichEnergie Swiss NES GmbH, Laufenburg/Switzerland
Plusnet Verwaltungs GmbH, Cologne/Germany
Q-DSL home GmbH, Cologne/Germany
Q-Süd Immobilien Verwaltungs GmbH, Heilbronn / Germany (formerly EnBW Omega 111. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
Senec Australia PTY Ltd., Sorrento / Austrálie (formerly Thinking Beyond Pty Ltd, Mount Claremount / Austrálie)
SENEC Cloud s.r.l., Řím / Italy
T & Q Netzbetriebs GmbH & Co. KG, Cologne/Germany
VNG ViertelEnergie GmbH, Leipzig/Germany
VNG-Erdgastankstellen GmbH, Leipzig/Germany
Yello Solar GmbH, Karlsruhe/Germany
ZEAG Immobilien Verwaltungsgesellschaft mbH, Heilbronn/Germany
fonial GmbH, Cologne/Germany
BEN Fleet Services GmbH, Karlsruhe/Germany
grünES GmbH, Esslingen am Neckar/Germany

Stromvertrieb Backnang Verwaltungs GmbH, Backnang/Germany

Energie- und Medienversorgung Sandhofer Straße Verwaltungs GmbH i.L., Mannheim/Germany

Companies consolidated under the equity method

Fernwärme SBH AG, Grafenhausen / Germany

MITGAS Mitteldeutsche Gasversorgung GmbH, Halle (Saale) / Germany

Joint ventures

effizienzcloud GmbH, Leipzig / Germany

AutenSys GmbH, Karlsruhe / Germany

backnangstrom GmbH & Co. KG, Backnang / Germany (formerly Stromvertrieb Backnang GmbH & Co. KG, Backnang / Germany)

CleverShuttle Düsseldorf GmbH, Düsseldorf / Germany

my-e-car GmbH, Lörrach / Germany

Regionah Energie GmbH, Munderkingen / Germany

Einhorn Energie GmbH & Co. KG, Giengen an der Brenz / Germany

Einhorn Energie Verwaltungsgesellschaft mbH, Giengen an der Brenz / Germany

iQ-Gesellschaft für integrierte Quartierslösungen mbH, Ravensburg / Germany

Stadtwerke Freiberg a.N. GmbH, Freiberg am Neckar / Germany

Gasversorgung Pforzheim Land GmbH, Pforzheim / Germany

Sautter PE GmbH, Ellhofen / Germany

Silphienergie GmbH, Ostrach / Germany (formerly Biomethangas Hahnennest GmbH, Ostrach / Germany)

caplog-x GmbH, Leipzig / Germany

Visp Infra AG, Visp / Switzerland

IDR Infrastrukturdienste Raron AG, Raron / Switzerland

espot GmbH, Stuttgart / Germany

Tempus s.r.l., Torri di Quartesolo / Italy

Energie 360 GmbH & Co. KG, Korbach / Germany (formerly Korbacher Energiezentrum GmbH & Co. KG, Korbach / Germany)

Schön Verwaltungsgesellschaft mbH, Korbach / Germany

Gemeinschaft für Energieeffizienz GmbH, Düsseldorf / Germany

BSH Verwaltungs-GmbH, Bad Königshofen i. Grabfeld / Germany

Energieagentur Heilbronn GmbH, Heilbronn / Germany

Stadt- und Überlandwerke GmbH Luckau-Lübbenau, Luckau / Germany

EDSR Energiedienste Staldenried AG, Staldenried / Switzerland

NETWORKS

Fully consolidated companies

ED Netze GmbH, Rheinfelden / Germany

EnBW Kommunale Beteiligungen GmbH, Stuttgart / Germany

EnBW Netze BW Beteiligungsgesellschaft mbH, Stuttgart / Germany (formerly EnBW Omega Siebzigste Verwaltungsgesellschaft mbH, Stuttgart / Germany)

EnBW REG Beteiligungsgesellschaft mbH, Stuttgart / Germany

EVGA Grundstücks- und Gebäudemanagement GmbH & Co. KG, Obrigheim / Germany
FRONTIER TECHNOLOGIES, s.r.o., Prague / Czech Republic
GDMcom GmbH, Leipzig / Germany
KORMAK Prague a.s., Prague / Czech Republic
Netze BW Wasser GmbH, Stuttgart / Germany
Netze ODR GmbH, Ellwangen Jagst / Germany (formerly Netzgesellschaft Ostwürttemberg DonauRies GmbH, Ellwangen Jagst / Germany)
Netze-Gesellschaft Südwest mbH, Karlsruhe / Germany
Netzgesellschaft Düsseldorf mbH, Düsseldorf / Germany
NHF Netzgesellschaft Heilbronn-Franken mbH, Heilbronn / Germany
NHL Netzgesellschaft Heilbronner Land GmbH & Co. KG, Heilbronn/Germany
NWS Grundstücksmanagement GmbH & Co. KG, Obrigheim / Germany
NWS REG Beteiligungsgesellschaft mbH, Stuttgart / Germany
ONTRAS Gastransport GmbH, Leipzig / Germany
PREdistribuce, a.s., Prague / Czech Republic
PREměření, a.s., Prague / Czech Republic
PREnetcom, a.s., Prague / Czech Republic
Q-Süd Gewerbe GmbH & Co. KG, Heilbronn/Germany
Q-Süd Wohnen GmbH & Co. KG, Heilbronn/Germany
terranets bw GmbH, Stuttgart / Germany
TransnetBW GmbH, Stuttgart / Germany
TransnetBW SuedLink GmbH & Co. KG, Stuttgart / Germany (formerly Konverter Ultranet GmbH & Co. KG, Stuttgart / Germany)
ZEAG Engineering GmbH, Heilbronn / Germany (formerly Technologie Service Heilbronn GmbH, Heilbronn / Germany)
EnBW Ostwürttemberg DonauRies AG, Ellwangen / Germany
ZEAG Energie AG, Heilbronn / Germany
Netze BW GmbH, Stuttgart / Germany
Stadtwerke Düsseldorf AG, Düsseldorf / Germany
Stromnetzgesellschaft Heilbronn GmbH & Co. KG, Heilbronn/Germany
Neckar Netze GmbH & Co. KG, Esslingen am Neckar / Germany

Related but unconsolidated companies

Batteriegesellellschaft Kupferzell GmbH & Co. KG, Kupferzell / Germany
Elektrizitätswerk Aach GmbH, Aach / Germany
Energieversorgung Gaildorf OHG der EnBW Kommunale Beteiligungen GmbH und NWS REG Beteiligungsgesellschaft mbH, Gaildorf / Germany
Energieversorgung Raum Friedrichshafen Verwaltungsgesellschaft mbH, Stuttgart / Germany
GDMcom Netze GmbH, Leipzig / Germany
GEOMAGIC GmbH, Leipzig / Germany
IBZ Bau GmbH, Zeulenroda-Triebes / Germany
IBZ Neubauer GmbH & Co. KG, Zeulenroda-Triebes / Germany
IBZ Neubauer Verwaltungs GmbH, Zeulenroda-Triebes / Germany
InfraKom GmbH, Rheinfelden Baden / Germany
MoviaTec GmbH, Leipzig / Germany
Neckar Netze Verwaltungsgesellschaft mbH, Esslingen am Neckar / Germany
Netze Regional GmbH, Stuttgart / Germany (formerly Netze BW Omega 1 GmbH, Stuttgart / Germany)

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NHL Verwaltungs-GmbH, Heilbronn / Germany

OSG ONTRAS Servicegesellschaft mbH, Leipzig / Germany

Schneider GmbH, Cavertitz / Germany

Transnet BW SuedLink Verwaltungsgesellschaft mbH, Stuttgart / Germany (formerly Konverter Ultranet Verwaltungsgesellschaft mbH, Stuttgart /Germany)

TransnetBW Ultranet GmbH & Co. KG, Stuttgart / Germany

TransnetBW Ultranet Verwaltungsgesellschaft mbH, Stuttgart / Germany

Verwaltungsgesellschaft Batteriespeicher Kupferzell mbH, Kupferzell / Germany

Wärmegesellschaft Heilbronn GmbH, Heilbronn / Germany

INFRACON Infrastruktur Service GmbH & Co. KG, Leipzig / Germany

Rieger GmbH & Co. KG, Lichtenstein, Kreis Reutlingen / Germany

Rieger Beteiligungs-GmbH, Lichtenstein, Kreis Reutlingen / Germany

Elektrizitätswerk Weißenhorn AG, Weißenhorn / Germany

Netze Pforzheim-Region GmbH & Co. KG, Pforzheim / Germany

Gasnetzgesellschaft Laupheim GmbH & Co. KG, Laupheim / Germany

Gasnetzgesellschaft Laupheim Verwaltungs GmbH, Laupheim / Germany

Netzgesellschaft Elz-Neckar GmbH & Co. KG, Obrigheim / Germany

Netzgesellschaft Elz-Neckar Verwaltungs GmbH, Obrigheim / Germany

Stromnetzgesellschaft Albershausen GmbH & Co. KG, Albershausen / Germany

Stromnetzgesellschaft Albershausen Verwaltungs GmbH, Albershausen / Germany

Stromnetzgesellschaft Heilbronn Verwaltungs-GmbH, Heilbronn / Germany

Stromnetzgesellschaft Laupheim GmbH & Co. KG, Laupheim / Germany

Stromnetzgesellschaft Laupheim Verwaltungs GmbH, Laupheim / Germany

Netze Krauchenwies Verwaltungs-GmbH, Krauchenwies / Germany (formerly EnBW Omega 117. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)

Companies consolidated under the equity method

Stadtwerke Esslingen am Neckar GmbH & Co. KG, Esslingen am Neckar / Germany

Pražská energetika Holding a.s., Prague / Czech Republic

GasLINE Telekommunikationsnetzgesellschaft deutscher Gasversorgungsunternehmen mbH & Co. Kommanditgesellschaft, Straelen / Germany

Zweckverband Landeswasserversorgung, Stuttgart / Germany

Heilbronner Versorgungs GmbH, Heilbronn / Germany

Stuttgart Netze GmbH, Stuttgart / Germany

FairEnergie GmbH, Reutlingen / Germany

Stadtwerke Hilden GmbH, Hilden / Germany

Energieversorgung Rheinfelden/Grenzach-Wyhlen GmbH & Co. KG, Rheinfelden Baden / Germany

Zweckverband Bodensee-Wasserversorgung, Stuttgart / Germany

Stadtwerke Karlsruhe GmbH, Karlsruhe / Germany

Joint ventures

Netzgesellschaft Sontheim GmbH & Co. KG, Sontheim an der Brenz / Germany

Netzgesellschaft Sontheim Verwaltungsgesellschaft mbH, Sontheim an der Brenz / Germany

Netzgesellschaft Steinheim GmbH & Co. KG, Steinheim am Albuch / Germany

Netzgesellschaft Steinheim Verwaltungsgesellschaft mbH, Steinheim am Albuch / Germany

Stromnetz Herrenberg Verwaltungsgesellschaft mbH, Herrenberg / Germany
Stromnetzgesellschaft Herrenberg mbH & Co. KG, Herrenberg / Germany
Stadtwerke Sinsheim Versorgungs GmbH & Co. KG, Sinsheim / Germany
Stadtwerke Sinsheim Verwaltungs GmbH, Sinsheim / Germany
Stromnetz Langenau GmbH & Co. KG, Langenau / Germany
Stromnetz Langenau Verwaltungs-GmbH, Langenau / Germany
e.wa riss GmbH & Co. KG, Biberach / Germany
e.wa riss Verwaltungsgesellschaft mbH, Biberach / Germany
Fränkische Wasser Service GmbH, Crailsheim / Germany
lictor GmbH, Leipzig / Germany
Netze Krauchenwies GmbH & Co. KG, Krauchenwies / Germany
Niederrheinisch-Bergisches Gemeinschaftswasserwerk GmbH, Düsseldorf / Germany
Ostalbwasser Ost GmbH, Ellwangen / Germany
Ostalbwasser Service GmbH, Aalen / Germany
Ostalbwasser West GmbH, Schwäbisch Gmünd / Germany
regioaqua Gesellschaft für Wasser und Abwasser mbH, Rheinfelden / Germany
Stadtwerke Schramberg GmbH & Co. KG, Schramberg / Germany
Stadtwerke Schramberg Verwaltungsgesellschaft mbH, Schramberg / Germany
Wasserübernahme Neuss-Wahlscheid GmbH, Neuss / Germany
EberstadtWerke GmbH & Co. KG, Eberstadt / Germany
Stadtwerke Emmendingen GmbH, Emmendingen / Germany
Stromnetz Blaubeuren GmbH, Blaubeuren / Germany
Stadtwerke Esslingen-Verwaltungsgesellschaft mbH, Esslingen am Neckar / Germany
Energie Sachsenheim GmbH & Co. KG, Sachsenheim / Germany
Energie Sachsenheim Verwaltungs-GmbH, Sachsenheim / Germany
Gemeindewerke Bodanrück GmbH & Co. KG, Allensbach / Germany
Gemeindewerke Bodanrück Verwaltungs-GmbH, Allensbach / Germany
LEO Energie GmbH & Co. KG, Leonberg / Germany
Netzgesellschaft Marbach GmbH & Co. KG, Marbach am Neckar / Germany
Rems-Murr Telekommunikation GmbH, Waiblingen / Germany
Stadtwerke Backnang GmbH, Backnang / Germany
Stadtwerke Bad Wildbad GmbH & Co. KG, Bad Wildbad / Germany
Stadtwerke Bad Wildbad Verwaltungs-GmbH, Bad Wildbad / Germany
Stadtwerke Eppingen GmbH & Co. KG, Eppingen / Germany
Energie Calw GmbH, Calw / Germany
KBB GmbH Kommunalberatung Infrastrukturentwicklung, Baden-Baden / Germany
Stadtwerke Münsingen GmbH, Münsingen / Germany
Stadtwerke Böblingen GmbH & Co. KG, Böblingen / Germany
Stadtwerke Böblingen Verwaltungs GmbH, Böblingen / Germany
Energieversorgung Südbaar GmbH & Co. KG, Blumberg / Germany
SUEnergie GmbH & Co. KG, Süßen / Germany
SUEnergie Verwaltungs GmbH, Süßen / Germany
Stadtwerke Weinheim GmbH, Weinheim / Germany
Energieversorgung Rottenburg am Neckar GmbH, Rottenburg am Neckar / Germany

EVG Grächen AG, Grächen / Switzerland
EVN Energieversorgung Nikolai AG, St. Niklaus / Switzerland
EVR Energieversorgung Raron AG, Raron / Switzerland
EVWR Energiedienste Visp - Westlich Raron AG, Visp / Switzerland
Valgrid SA, Sion / Switzerland
VED Visp Energie Dienste AG, Visp / Switzerland
Seeallianz GmbH & Co. KG, Markdorf / Germany
Taubernetze GmbH & Co. KG, Tauberbischofsheim / Germany
Taubernetze Verwaltungs-GmbH, Tauberbischofsheim / Germany
ErmstalEnergie Dettingen an der Erms GmbH & Co. KG, Dettingen an der Erms / Germany
Versorgungsbetriebe Dettingen an der Erms Verwaltungs-GmbH, Dettingen an der Erms / Germany
eneREGIO GmbH, Muggensturm / Germany
Regionalnetze Linzgau GmbH, Pfullendorf / Germany
Elektrizitätswerk Mittelbaden AG & Co. KG, Lahr / Germany
Elektrizitätswerk Mittelbaden Verwaltungsaktiengesellschaft, Lahr / Germany
Stadtwerke Bad Herrenalb GmbH, Bad Herrenalb / Germany
Energie- und Wasserversorgung Bruchsal GmbH, Bruchsal / Germany
Stadtwerke Bad Säckingen GmbH, Bad Säckingen / Germany
Albwerk GmbH & Co. KG, Geislingen an der Steige / Germany
Albwerk Verwaltungsgesellschaft mbH, Geislingen an der Steige / Germany
Energie Kirchheim unter Teck GmbH & Co. KG, Kirchheim unter Teck / Germany
Energie Kirchheim unter Teck Verwaltungs-GmbH, Kirchheim unter Teck / Germany
Energieversorgung Immenstaad GmbH & Co. KG, Immenstaad am Bodensee / Germany
Energieversorgung Strohgäu GmbH & Co. KG, Gerlingen / Germany
Energieversorgung Strohgäu Verwaltungs GmbH, Gerlingen / Germany
Filderstadt Netze GmbH, Filderstadt / Germany
Gasnetzgesellschaft Schorndorf GmbH & Co. KG, Schorndorf / Germany
Gasnetzverwaltungsgesellschaft Schorndorf GmbH, Schorndorf / Germany
Gemeindewerke Brühl GmbH & Co. KG, Brühl / Germany
Gemeindewerke Brühl Verwaltungs-GmbH, Brühl / Germany
Gemeindewerke Plüderhausen GmbH, Plüderhausen / Germany
Infrastrukturgesellschaft Plochingen GmbH & Co. KG, Plochingen / Germany
Netzgesellschaft Besigheim GmbH & Co. KG, Besigheim / Germany
Netzgesellschaft Besigheim Verwaltungs GmbH, Besigheim/Germany
Netzgesellschaft Leinfelden-Echterdingen GmbH, Leinfelden-Echterdingen / Germany
Netzgesellschaft Salach GmbH & Co. KG, Salach / Germany
Netzgesellschaft Salach Verwaltungs GmbH, Salach / Germany
Netzgesellschaft Schwetzingen GmbH & Co. KG, Schwetzingen / Germany
Netzgesellschaft Schwetzingen Verwaltungs GmbH, Schwetzingen / Germany
Netzgesellschaft Vaihingen GmbH & Co. KG, Vaihingen an der Enz / Germany
Netzgesellschaft Vaihingen Verwaltungs-GmbH, Vaihingen an der Enz / Germany
Stadtwerke Ellwangen GmbH, Ellwangen / Germany
Stadtwerke Giengen GmbH, Giengen / Germany
Stadtwerke Schwäbisch Gmünd GmbH, Schwäbisch Gmünd / Germany

Stadtwerke Stockach GmbH, Stockach / Germany
Stadtwerke Weinstadt Energieversorgung GmbH, Weinstadt / Germany
Stadtwerke Wiesloch - Strom - GmbH & Co. KG, Wiesloch / Germany
Stromgesellschaft March GmbH & Co. KG, March / Germany
Stromnetzgesellschaft Ebersbach GmbH & Co. KG, Ebersbach an der Fils / Germany
Stromnetzgesellschaft Ebersbach Verwaltungs GmbH, Ebersbach an der Fils / Germany
Stromnetzgesellschaft Östlicher Schurwald GmbH & Co. KG, Rechberghausen / Germany
Stromnetzgesellschaft Östlicher Schurwald Verwaltungs GmbH, Rechberghausen / Germany
Technische Werke Schussental GmbH & Co. KG, Ravensburg / Germany
Technische Werke Schussental Verwaltungsgesellschaft mbH, Ravensburg / Germany
tktVivax GmbH, Backnang / Germany
Stromversorgung Sulz am Neckar GmbH, Sulz am Neckar / Germany
Netzeigentumsgesellschaft Rheinstetten GmbH & Co. KG, Rheinstetten / Germany
Stadtwerke Schopfheim GmbH, Schopfheim / Germany
Stadtwerke Wehr GmbH & Co. KG, Wehr / Germany
Stadtwerke Wehr Verwaltungs-GmbH, Wehr / Germany
Energieversorgung Oberes Wiesental GmbH, Todtnau / Germany
Netzgesellschaft Edingen-Neckarhausen GmbH & Co. KG, Edingen-Neckarhausen / Germany
ENRW Energieversorgung Rottweil GmbH & Co. KG, Rottweil / Germany
ENRW Verwaltungs-GmbH, Rottweil / Germany
Stadtwerke Sindelfingen GmbH, Sindelfingen / Germany
Versorger-Allianz 450 Beteiligungs GmbH & Co. KG, Bonn / Germany

RENEWABLE SOURCES

Fully consolidated companies

Aletsch AG, Mörel / Switzerland
AWISTA Logistik GmbH, Düsseldorf / Germany
BALANCE Erneuerbare Energien GmbH, Leipzig / Germany
Barre Energie SARL, Montpellier / France
Biogas Produktion Altmark GmbH, Hohenberg-Krusemark / Germany
Bliekevare Nät AB, Falkenberg / Sweden
Cambert Énergie SARL, Montpellier / France
Centrale Photovoltaïque de Saint Quentin la Tour SAS, Montpellier / France
Centrale Solaire d'Exideuil SARL, Montpellier / France
Centrale Solaire de Châteauvert SARL, Montpellier / France
Centrale Solaire de Coste Cuyère SARL, Montpellier / France
Centrale Solaire de Maine SARL, Montpellier / France
Centrale Solaire de Montegut SARL, Montpellier / France
Centrale Solaire de Severac SARL, Montpellier / France
Centrale Solaire des Terres Rouges SARL, Montpellier / France
Centrale Solaire du Sycala SARL, Montpellier / France
Centrale Solaire du Tea Fleury-Merogis SARL, Montpellier / France

Centrale Solaire EMA Solar SARL, Montpellier / France
Centrales Solaires de l'Isle sur la Sorgue SAS, Montpellier / France
Connected Wind Services A/S, Balle / Denmark
Connected Wind Services Danmark A/S, Balle / Denmark
Connected Wind Services Deutschland GmbH, Rantrum / Germany
Connected Wind Services France SAS, Dijon / France
Connected Wind Services Refurbishment A/S, Balle / Denmark
Couffrau Energie SARL, Montpellier / France
Deves Énergie SARL, Montpellier / France
EnBW Biogas GmbH, Stuttgart / Germany
EnBW Biomasse GmbH, Karlsruhe / Germany
EnBW Etzel Speicher GmbH, Karlsruhe / Germany
EnBW France GmbH, Stuttgart / Germany (formerly EnBW Omega Vierundfünfzigste Verwaltungsgesellschaft mbH, Stuttgart / Germany)
EnBW Grundstücksverwaltung Rheinhafen GmbH, Karlsruhe / Germany
EnBW He Dreiht GmbH, Varel / Germany
EnBW Holding A.S., Gümüssuyu-Istanbul / Turkey
EnBW Kraftwerk Lippendorf Beteiligungsgesellschaft mbH, Stuttgart / Germany
EnBW NAG-Beteiligungsgesellschaft mbH, Stuttgart / Germany
EnBW Offshore 1 GmbH, Stuttgart / Germany
EnBW Offshore 2 GmbH, Stuttgart / Germany
EnBW Offshore 3 GmbH, Stuttgart/Germany
EnBW Offshore Service GmbH, Klausdorf / Germany
EnBW Renewables International GmbH, Stuttgart / Germany (formerly EnBW Omega Sechsundneunzigste Verwaltungsgesellschaft mbH, Stuttgart / Germany)
EnBW Rückbauservice GmbH, Stuttgart / Germany
EnBW Solar GmbH, Stuttgart / Germany
EnBW Solarpark Alttrebbin GmbH & Co. KG, Stuttgart / Germany
EnBW Solarpark Gottesgabe GmbH, Stuttgart / Germany
EnBW Solarpark Tuningen GmbH, Stuttgart / Germany
EnBW Solarpark Weesow-Willmersdorf GmbH, Stuttgart / Germany (formerly EnBW Solarpark Weesow-Willmersdorf GmbH, Cottbus / Germany)
EnBW Sverige AB, Falkenberg / Sweden
EnBW Wind Onshore 1 GmbH, Stuttgart / Germany
EnBW Wind Onshore Instandhaltungs GmbH, Karlsruhe / Germany
EnBW Windkraftprojekte GmbH, Stuttgart / Germany
EnBW Windpark Eisenach II GmbH, Stuttgart / Germany
EnBW Windpark Hemme GmbH, Stuttgart / Germany (formerly Windpark Rot am See Infrastruktur GmbH, Stuttgart / Germany)
EnBW Windpark Prötzel GmbH, Stuttgart / Germany
Energiedienst AG, Rheinfelden / Germany
ENERGIEUNION GmbH, Schwerin / Germany
Ferme Éolienne de la Bessière SARL, Montpellier / France
Ferme Éolienne de Puech de Cambert SARL, Montpellier / France
Ferme Éolienne de Puech de l'Homme SARL, Montpellier / France
Gemeinschaftsheizkraftwerk Fortuna GmbH, Düsseldorf / Germany (formerly energie NRW GmbH, Düsseldorf / Germany)
Gesellschaft für nukleares Reststoffrecycling mbH, Neckarwestheim / Germany
Gramentes Énergie SAS, Montpellier / France

Grünwerke GmbH, Düsseldorf / Germany
Heizkraftwerk Stuttgart GmbH, Stuttgart / Germany
Kernkraftwerk Obrigheim GmbH, Obrigheim / Germany
Kraftwerk Lötschen AG, Steg / Switzerland
La Société des Monts de Lacaune SAS, Montpellier / France
Le Val Energie SARL, Montpellier / France
Leipziger Biogasgesellschaft mbH, Leipzig / Germany
MSE Mobile Schlammentwässerungs GmbH, Karlsbad-Ittersbach / Germany
Parc Éolien de la Vallée de Belleuse SARL, Montpellier / France
Parc Éolien de Marendeuil SARL, Montpellier / France
Parc Éolien du Mont de Maisnil SARL, Montpellier / France
PRE FVE Nové Sedlo, s.r.o., Prague / Czech Republic
PRE FVE Světlík, s.r.o., Prague / Czech Republic
Röbergsfjället Nät AB, Falkenberg / Sweden
Socpe de Champs Perdus SARL, Montpellier / France
SOLARINVEST - GREEN ENERGY, s.r.o., Prague / Czech Republic
SPIGAS S.r.l., La Spezia / Italy
Svenska Connected Wind Services AB, Falkenberg / Sweden
TAE Thermische Abfallentsorgung Ansbach GmbH, Ansbach / Germany
TPLUS GmbH, Karlsruhe / Germany
TWS Kernkraft GmbH, Gemmrigheim / Germany
u-plus Umweltservice GmbH, Karlsruhe / Germany
Valeco SAS, Montpellier / France
VNG Gasspeicher GmbH, Leipzig / Germany
VNG Handel & Vertrieb GmbH, Leipzig / Germany
VNG Italia S.r.l., Bologna / Italy
Windpark „Auf der Weißen Trisch“ GmbH, Zweibrücken / Germany
Windpark Breitenbach GmbH, Düsseldorf / Germany
Windpark Obhausen/Nemsdorf GmbH & Co. KG, Stuttgart / Germany
Windpark Rot am See GmbH, Ellwangen Jagst / Germany
EE Bürgerenergie Braunsbach GmbH & Co. KG, Braunsbach / Germany
BürgerEnergie Königheim GmbH & Co. KG, Königheim / Germany
EE BürgerEnergie Forchtenberg GmbH & Co. KG, Forchtenberg / Germany
EnBW Kernkraft GmbH, Obrigheim / Germany
EnAlpin AG, Visp / Switzerland
Valeco Solar SARL, Montpellier / France
EE BürgerEnergie Möckmühl GmbH & Co. KG, Möckmühl / Germany
EE BürgerEnergie Jagsthausen GmbH & Co. KG, Jagsthausen / Germany
Bürgerenergie Widdern GmbH & Co. KG, Widdern / Germany
Südwestdeutsche Nuklear-Entsorgungsgesellschaft mbH, Stuttgart / Germany
EE Bürgerenergie Hardthausen GmbH & Co. KG, Hardthausen am Kocher / Germany
Langenburg Infrastruktur GmbH, Stuttgart / Germany
Neckar Aktiengesellschaft, Stuttgart / Germany
EE BürgerEnergie Boxberg GmbH & Co. KG, Boxberg / Germany

Zentraldeponie Hubbelrath GmbH, Düsseldorf / Germany
JatroSolutions GmbH, Stuttgart /Germany
Geothermie-Gesellschaft Bruchsal GmbH, Bruchsal / Germany
Saint Laurent Solar SAS, Montpellier / France
Energiedienst Holding AG, Laufenburg / Switzerland
Centrale Solaire de la Durance SARL, Montpellier / France
Parc Éolien de Bel Air SAS, Montpellier / France
EE Bürgerenergie Ilshofen GmbH & Co. KG, Ilshofen / Germany
EnBW Windpark Aalen-Waldhausen GmbH, Stuttgart / Germany (formerly EnBW Omega 109. Verwaltungsgesellschaft mbH, Stuttgart / Germany)
Rheinkraftwerk Neuhausen AG, Neuhausen / Switzerland
EnBW Solarpark Ingoldingen GmbH, Stuttgart / Germany (formerly EnBW Omega 110. Verwaltungsgesellschaft mbH, Stuttgart /Germany)
Erneuerbare Energien Neckarwestheim GmbH & Co. KG, Neckarwestheim / Germany
AWISTA Gesellschaft für Abfallwirtschaft und Stadtreinigung mbH, Düsseldorf / Germany
Centrale Solaire de Saint Mamet SARL, Montpellier / France
Solarpark Berghülen GmbH, Stuttgart / Germany
Solarpark Leutkirch GmbH & Co. KG, Leutkirch im Allgäu / Germany
Solarpark Riedlingen-Zwiefaltendorf GmbH, Stuttgart / Germany
KNG Kraftwerks- und Netzgesellschaft mbH, Rostock / Germany
EnBW Baltic 1 GmbH & Co. KG, Biberach an der Riß / Germany (formerly EnBW Baltic 1 GmbH & Co. KG, Stuttgart / Germany)
EnBW Albatros GmbH & Co. KG, Biberach an der Riß / Germany
EnBW Hohe See GmbH & Co. KG, Biberach an der Riß / Germany
EnBW Baltic 2 GmbH & Co. KG, Biberach an der Riß / Germany
EnBW WindInvest GmbH & Co. KG, Stuttgart / Germany
EnBW Windpark Buchholz III GmbH, Stuttgart / Germany (formerly Windpark Freckenfeld GmbH, Stuttgart / Germany)
Windenergie Tautschbuch GmbH, Riedlingen / Germany
EnBW Onshore Portfolio GmbH, Stuttgart / Germany
Energie Renouvelable du Languedoc SARL, Montpellier / France
Joncels Energie SARL, Montpellier / France
PRE VTE Částkov, s.r.o., Prague / Czech Republic

Proportionately consolidated companies

Friedeburger Speicherbetriebsgesellschaft mbH „Crystal“, Friedeburg / Germany
Rheinkraftwerk Iffezheim GmbH, Iffezheim / Germany
Rhonewerke AG, Ernen / Switzerland

Related but unconsolidated companies

BALANCE Management GmbH, Leipzig / Germany
Biogas Trelder Berg 1 GmbH, Buchholz / Germany
Biogas Trelder Berg 2 GmbH, Buchholz / Germany
Biogas Trelder Berg 3 GmbH, Buchholz / Germany
Biosphärenwindpark Schwäbische Alb GmbH, Stuttgart / Germany
CarbonBW (Thailand) Ltd., Bangkok / Thailand

CAS de la Plaine SAS, Montpellier / France
Centernach Énergie SARL, Montpellier / France
Centrale Photovoltaïque Agroénergie SARL, Montpellier / France
Centrale Photovoltaïque de Bionne SARL, Montpellier / France
Centrale Photovoltaïque de Castelle SARL, Montpellier / France
Centrale Photovoltaïque de la demi-lune SARL, Montpellier / France
Centrale Photovoltaïque de la Forêt Baignollais SARL, Montpellier / France
Centrale Photovoltaïque de la ZA de Gaudet SARL, Montpellier / France
Centrale Photovoltaïque de Labastide SARL, Montpellier / France
Centrale Photovoltaïque de Pavailler SARL, Montpellier / France
Centrale Photovoltaïque de Sirius SARL, Montpellier / France
Centrale Photovoltaïque des Coteaux de la Braye SARL, Montpellier / France
Centrale Photovoltaïque des Gravières SARL, Montpellier / France
Centrale Photovoltaïque Domitita SAS, Montpellier / France
Centrale Photovoltaïque du Perche Ornais SARL, Montpellier / France
Centrale Photovoltaïque Pont du Casse SARL, Montpellier / France
Centrale Photovoltaïque Retour sur l'Isle SARL, Montpellier / France
Centrale Sol. de la Foret au Maitre SAS, Montpellier / France
Centrale Solaire d'Algosud SARL, Montpellier / France
Centrale Solaire de Beauce SARL, Montpellier / France (formerly Centrale Photovoltaïque des Quatre Vents SARL, Montpellier / France)
Centrale Solaire de Biltagarbi SARL, Montpellier / France
Centrale Solaire de Bors de Montmoreau SARL, Montpellier / France
Centrale Solaire de Cap Delta SARL, Montpellier / France
Centrale Solaire de Carré Sud SARL, Montpellier / France
Centrale Solaire de Catreille SARL, Montpellier / France
Centrale Solaire de Châteauperouse SARL, Montpellier / France
Centrale Solaire de Clave SARL, Montpellier / France (formerly Centrale Solaire des Crouzilloux SARL, Montpellier / France)
Centrale Solaire de Colombiers SARL, Montpellier / France
Centrale Solaire de Josse SARL, Montpellier / France
Centrale Solaire de la Fourchale SAS, Montpellier / France
Centrale Solaire de la Tastère SARL, Montpellier / France
Centrale Solaire de les Leches SAS, Montpellier / France
Centrale Solaire de Leyritz-Moncassin SAS, Montpellier / France
Centrale Solaire de Lunel SARL, Montpellier / France
Centrale Solaire de MAGNAC-LAVAL SAS, Montpellier / France
Centrale Solaire de Marignac SARL, Montpellier / France
Centrale Solaire de Nohanent SARL, Montpellier / France
Centrale Solaire de Peregrine SARL, Montpellier / France
Centrale Solaire de Roubian SARL, Montpellier / France
Centrale Solaire de Saint Leger de Balson SARL, Montpellier / France
Centrale Solaire de Saint-Just SAS, Montpellier / France
Centrale Solaire de Saumejan SAS, Montpellier / France
Centrale Solaire de Til Chatel 2 SARL, Montpellier / France
Centrale Solaire de Til Chatel SARL, Montpellier / France

Centrale Solaire des Calottes SARL, Montpellier / France
Centrale Solaire des Coëvrons SARL, Montpellier / France
Centrale Solaire des Moulins Lodevois SARL, Montpellier / France
Centrale Solaire du Bois Comte SARL, Montpellier / France
Centrale Solaire du Caussanel SARL, Montpellier / France
Centrale Solaire du Lido SARL, Montpellier / France
Centrale Solaire du Tertre SAS, Montpellier / France
Centrale Solaire d´Aguessac SAS, Montpellier / France (formerly Centrale Solaire d´Aguessac SARL, Montpellier / France)
Centrale Solaire EuroPrimeur SARL, Montpellier / France
Centrale Solaire Gesim Beau Ciel SARL, Montpellier / France
Centrale Solaire la Charme SARL, Montpellier / France (formerly Centrale Solaire de Massane SARL, Montpellier / France)
Centrale Solaire la Vidalle SARL, Montpellier / France
Centrale Solaires des Oceans SAS, Montpellier / France
Centrales Solaires d'Hyperion SARL, Montpellier / France
Centrales Solaires de Iouanacera SARL, Montpellier / France
Centrales Solaires de Quirinus SARL, Montpellier / France
Centrales Solaires de Salles-la-Source SARL, Montpellier / France
Centrales Solaires de Terreneuve SARL, Montpellier / France (formerly Centrales Solaires d´Hemera SARL, Montpellier / France)
Centrales Solaires des Terres Rouges 3 SAS, Montpellier / France
Centrales Solaires du Languedoc SARL, Montpellier / France
CP D'ORVAL SASU, Montpellier / France
CS DE COURTENAY SASU, Montpellier / France
CS DE LA GROLLE SASU, Montpellier / France
CS DE MAGNY SUR TILLE SASU, Montpellier / France
CS LAS SERETTES SASU, Montpellier / France
EnBW Albatros Management GmbH, Biberach an der Riß / Germany
EnBW Asia Pacific Ltd, Taipeh / Taiwan
EnBW Baltic 1 Verwaltungsgesellschaft mbH, Biberach an der Riß / Germany (formerly EnBW Baltic 1 Verwaltungsgesellschaft mbH, Stuttgart / Germany)
EnBW Baltic 2 Management GmbH, Biberach an der Riß / Germany (formerly EnBW Omega 101. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Baltic Windpark Verwaltungsgesellschaft mbH, Stuttgart / Germany
EnBW Bürgerbeteiligung Wind 1 GmbH, Stuttgart / Germany (formerly EnBW Windpark Langenburg GmbH, Stuttgart / Germany)
EnBW Hohe See Management GmbH, Biberach an der Riß / Germany
EnBW Holm Vind AB, Falkenberg / Sweden
EnBW Neue Energien GmbH, Stuttgart / Germany (formerly EnBW Umweltdienstleistungen GmbH, Stuttgart / Germany)
EnBW North America Inc., Wilmington, Delaware / USA
EnBW Norway AS, Oslo / Norsko
EnBW Offshore Service Denmark ApS, Balle / Denmark (formerly EnBW Denmark ApS, Balle / Denmark)
EnBW Solar Verwaltungsgesellschaft mbH, Stuttgart / Germany (formerly EnBW Omega 116. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Solarpark Birkenfeld GmbH, Stuttgart / Germany (formerly EnBW Omega 119. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Solarpark Gickelfeld GmbH & Co. KG, Stuttgart / Germany
EnBW Wind Onshore Portfolio 2019 GmbH, Stuttgart / Germany
EnBW Wind Onshore Verwaltungsgesellschaft mbH, Stuttgart / Germany
EnBW WindInvest Management GmbH, Stuttgart / Germany (formerly EnBW Omega Hundertste Verwaltungsgesellschaft mbH, Stuttgart / Germany)

EnBW Windpark Kleinliebringen GmbH, Stuttgart / Germany
EnBW Windpark Ober-Ramstadt GmbH, Ober-Ramstadt / Germany (formerly EnBW Omega 115. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnergieFinanz GmbH, Schwerin / Germany
Ferme Éolienne Beaucamps-le-Jeune SARL, Montpellier / France
Ferme Éolienne de Donzère SARL, Montpellier / France
Ferme Éolienne de la Ferrière-de-Flée SARL, Montpellier / France
Ferme Éolienne de la Vallée de Valenne SARL, Montpellier / France
Ferme Éolienne de Plo d'Amoures SAS, Montpellier / France
Ferme Éolienne de Saint Jean de Pourcharesse SARL, Montpellier / France
Ferme Éolienne de Thalis SAS, Montpellier / France
Grünwerke Verwaltungs GmbH, Düsseldorf / Germany
Mistral SAS, Aix-en-Provence / France
Mélagues Energie SAS, Montpellier / France
NatürlichSonne Trogen GmbH & Co. KG, Monzelfeld / Germany
NatürlichSonne Trogen Verwaltungs GmbH, Ettlingen / Germany (formerly EnBW Omega Zweiundsiebzigste Verwaltungsgesellschaft mbH, Karlsruhe / Germany)
Parc Éolien d'Amfreville-les-Champs SARL, Montpellier / France
Parc Éolien d'Argillières SARL, Montpellier / France
Parc Éolien d'Hilvern SARL, Montpellier / France
Parc Éolien de Barbezières-Lupsault SARL, Montpellier / France
Parc Éolien de Bellenoie SAS, Montpellier / France
Parc Éolien de Bornay 2 SARL, Montpellier / France
Parc Éolien de Bornay SARL, Montpellier / France
Parc Éolien de Boussais SARL, Montpellier / France
Parc Éolien de Breuillac SARL, Montpellier / France
Parc Éolien de Champ Serpette SARL, Montpellier / France
Parc Éolien de Champs Perdus 2 SARL, Montpellier / France
Parc Éolien de Chan des Planasses SARL, Montpellier / France
Parc Éolien de Chasseneuil SARL, Montpellier / France
Parc Éolien de Combaynart SARL, Montpellier / France
Parc Éolien de Houarn SAS, Montpellier / France
Parc Éolien de Keranflech SARL, Montpellier / France
Parc Éolien de Kerimard SARL, Montpellier / France
Parc Éolien de l'Epinette SARL, Montpellier / France
Parc Éolien de la Bussière SARL, Montpellier / France
Parc Éolien de la Cote du Moulin SARL, Montpellier / France
Parc Éolien de la Cressionnière SARL, Montpellier / France
Parc Éolien de la Fougère SARL, Montpellier / France
Parc Éolien de la Haute Charmoie SARL, Montpellier / France
Parc Éolien de la Lanques-sur-Rognon SARL, Montpellier / France (formerly Parc Éolien de Causses et Rivières SARL, Montpellier / France)
Parc Éolien de la Lorie SAS, Montpellier / France
Parc Éolien de la Naulerie SARL, Montpellier / France
Parc Éolien de la Pezille SARL, Montpellier / France

Parc Éolien de la Queille SARL, Montpellier / France
Parc Éolien de la Roche SARL, Montpellier / France
Parc Éolien de la Vallée Berlure SARL, Montpellier / France
Parc Éolien de la Vingeanne SARL, Montpellier / France
Parc Éolien de le Quesnel SARL, Montpellier / France
Parc Éolien de Lupsault SARL, Montpellier / France
Parc Éolien de l´Etourneau SARL, Montpellier / France (formerly Parc Éolien de Broquièrs SARL, Montpellier / France)
Parc Éolien de Mandres la Cote SAS, Montpellier / France (formerly Parc Éolien des Renouillères SARL, Montpellier / France)
Parc Éolien de Monsures SARL, Montpellier / France
Parc Éolien de Mouterre-Silly SARL, Montpellier / France
Parc Éolien de Nongée SARL, Montpellier / France
Parc Éolien de Noroy SARL, Montpellier / France
Parc Éolien de Picoud SARL, Montpellier / France
Parc Éolien de Pistole SARL, Montpellier / France
Parc Éolien de Prinquies SAS, Montpellier / France (formerly Parc Éolien de Prinquies SARL, Montpellier / France)
Parc Éolien de Pugny SARL, Montpellier / France
Parc Éolien de Ravery SARL, Montpellier / France
Parc Éolien de Revelles SAS, Montpellier / France
Parc Éolien de Ribemont SARL, Montpellier / France
Parc Éolien de Saint-Fraigne SARL, Montpellier / France
Parc Éolien de Sery-les-Mezières SARL, Montpellier / France
Parc Éolien de Severac d'Aveyron SARL, Montpellier / France
Parc Éolien de Thennes SARL, Montpellier / France
Parc Éolien de Vellexon SARL, Montpellier / France
Parc Éolien de Vervant et Lea SARL, Montpellier / France
Parc Éolien de Warlus SARL, Montpellier / France
Parc Éolien des Bouiges SARL, Montpellier / France
Parc Éolien des Brandes de l'Ozon Sud SARL, Montpellier / France
Parc Éolien des Cours SAS, Montpellier / France
Parc Éolien des Ecoulottes SARL, Montpellier / France
Parc Éolien des Gaudines SARL, Montpellier / France
Parc Éolien des Gours SARL, Montpellier / France
Parc Éolien des Moussières SARL, Montpellier / France
Parc Éolien des Navarros SARL, Montpellier / France
Parc Éolien des Quatre Chemins SARL, Montpellier / France
Parc Éolien des Rapailles SARL, Montpellier / France
Parc Éolien des Rieux SARL, Montpellier / France
Parc Éolien des Saules SARL, Montpellier / France
Parc Éolien des Smermesnil SAS, Montpellier / France
Parc Éolien des Terres de Caumont SARL, Montpellier / France
Parc Éolien du Bel Essart SARL, Montpellier / France
Parc Éolien du Bois de la Motte SARL, Montpellier / France
Parc Éolien du Bois du Piné SARL, Montpellier / France

Parc Éolien du Bois du Raz SAS, Montpellier / France
Parc Éolien du Commandeur SARL, Montpellier / France
Parc Éolien du Fresnay SARL, Montpellier / France
Parc Éolien du Frestoy SARL, Montpellier / France
Parc Éolien du Houssais SARL, Montpellier / France
Parc Éolien du Mecorbon SARL, Montpellier / France
Parc Éolien du Mont de l'Echelle SARL, Montpellier / France
Parc Éolien du Moulin a Vent SARL, Montpellier / France
Parc Éolien du Puy Peret SARL, Montpellier / France
Parc Éolien du Vallon de Sancey SARL, Montpellier / France
Parc Éolien le Mont du Bouillet SAS, Montpellier / France
PE Alexandre Millerand SAS, Montpellier / France
PE de Brion SAS, Montpellier / France
PE DES LANDES DE LA GRENOUILLERE SASU, Montpellier / France
PE DES LAVIERES SAS, Montpellier / France (formerly Parc Éolien des Hauts Poirièrs SARL, Montpellier / France)
PE des Paqueriès SAS, Montpellier / France
PE du Bois Breton SAS, Montpellier / France
P² Plant & Pipeline Engineering GmbH, Essen / Germany
Sepe de la Gare SAS, Montpellier / France
Solarpark Gickelfeld Verwaltungsgesellschaft mbH, Stuttgart / Germany (formerly EnBW Omega 114. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
SP XIV GmbH & Co. KG, Cottbus / Germany
SP XV GmbH & Co. KG, Cottbus / Germany
Valeco Énergie Québec Inc., Montréal / Canada
ZEAG Erneuerbare Energien GmbH, Heilbronn / Germany
Valeco Energía México S.A. de C.V., Mexico-Stadt / Mexico
JATROSELECT-Paraguay Sociedad de Responsabilidad Limitada, Volendam / Paraguay
EE BürgerEnergie Krautheim GmbH & Co. KG, Krautheim / Germany
EE BürgerEnergie Adelsheim GmbH & Co. KG, Adelsheim / Germany
EE Bürgerenergie Bühlerzell GmbH & Co. KG, Bühlerzell / Germany
EE Bürgerenergie Frankenhardt GmbH & Co. KG, Franken / Germany
EE Bürgerenergie Hardheim GmbH & Co. KG, Hardheim / Germany
EE Bürgerenergie Höpfingen GmbH & Co. KG, Höpfingen / Germany
EE BürgerEnergie Neudenau GmbH & Co. KG, Neudenau / Germany
EE BürgerEnergie Roigheim GmbH & Co. KG, Roigheim / Germany
EE BürgerEnergie Rosenberg GmbH & Co. KG, Rosenberg / Germany
EE Bürgerenergie Sulzbach-Laufen GmbH & Co. KG, Sulzbach-Laufen / Germany
Neue Energie Billigheim GmbH & Co. KG, Billigheim / Germany
Erneuerbare Energien Tauberbischofsheim GmbH & Co. KG, Tauberbischofsheim / Germany
EnPV GmbH, Karlsruhe / Germany
Parc Éolien de Saint-Ygeaux SAS, Montpellier /France (formerly Parc Éolien de Saint-Ygeaux SARL, Montpellier / France)
Holzkraft Plus GmbH i.L., Düsseldorf / Germany
Parc Éolien des Bruyères SAS, Montpellier / France (formerly Parc Éolien des Bruyères SARL, Montpellier / France)
Parc Éolien de Brebières SAS, Montpellier / France

Parc Éolien de la Celle Saint CYR SAS, Montpellier / France

JatroGreen S.A.R.L., Antananarivo /Madagascar

Powderis SARL, Montpellier / France

Nahwärme Düsseldorf GmbH, Düsseldorf / Germany

Labruguière Énergies SAS, Montpellier / France

Hydro Léman SARL, Montpellier / France

Alb-Windkraft Verwaltungs GmbH, Geislingen an der Steige / Germany

Solarpark Leutkirch Verwaltungsgesellschaft mbH, Leutkirch im Allgäu / Germany

Kemberg Windpark Management GmbH & Co. Betriebsgesellschaft KG, Düsseldorf / Germany

Proportionately consolidated companies under the at equity method

Valeco Ren SAS, Montpellier / France

Borusan EnBW Enerji yatırımları ve Üretim Anonim Şirketi, Istanbul / Turkey

Elektrizitätswerk Rheinau AG, Rheinau / Switzerland

Erdgasspeicher Peissen GmbH, Halle (Saale) / Germany

Fernwärme Ulm GmbH, Ulm / Germany

Mona Offshore Wind Holdings Limited, London / United Kingdom

Morgan Offshore Wind Holdings Limited, London / United Kingdom

Schluchseewerk Aktiengesellschaft, Laufenburg Baden / Germany

REMONDIS Rhein-Wupper GmbH & Co. KG, Düsseldorf / Germany

Bayerische-Schwäbische Wasserkraftwerke Beteiligungsgesellschaft mbH, Gundremmingen / Germany

Grosskraftwerk Mannheim AG, Mannheim / Germany

KW Ackersand I AG, Stalden / Switzerland

Companies with

Netzanschlussgesellschaft Windparks Ostercappeln/Bohmte mbH, Kirchdorf / Germany

UW Obhausen GmbH & Co. OHG, Stuttgart / Germany

BALANCE EnviTec Bio-LNG GmbH, Ahrensfelde / Germany

Aranea Battery Solutions GmbH, Stuttgart / Germany (formerly Kraftwerksbatterie Heilbronn GmbH, Stuttgart / Germany)

biogasNRW GmbH i.I., Düsseldorf / Germany

Centrale Electrique Rhénane de Gambsheim SA, Gambsheim / France

Centrale Solaire Lac Bedorede SAS, Montpellier / France

EnergyIncore GmbH, Schwerin / Germany

Holding de la Montagne Noire SARL, Montpellier / France

KDM Kompostierungs- und Vermarktungsgesellschaft für Stadt Düsseldorf/Kreis Mettmann mbH, Ratingen / Germany

Kraftwerk Aegina A.G., Obergoms / Switzerland

Kraftwerk Reckingen AG, Reckingen / Germany

Parc Éolien des Quintefeuilles SAS, Montpellier / France

Parc Éolien Vallée de l'Escrebieux SAS, Montpellier / France

Powerment GmbH & Co. KG, Ettlingen / Germany

REEFUELERY GmbH, Bakum / Germany

Rheinkraftwerk Säckingen AG, Bad Säckingen / Germany
RheinWerke GmbH, Düsseldorf / Germany
Wasserkraftwerk Hausen GbR, Hausen im Wiesental / Germany
WKM Wasserkraftwerke Maulburg GmbH, Maulburg / Germany
KW Jungbach AG, St. Niklaus / Switzerland
MOWA Mobile Waschanlagen GmbH, Neunkirchen-Seelscheid / Germany
Projektentwicklung Waldeck-Frankenberg GmbH & Co. KG, Korbac / Germany
Projektentwicklung Waldeck-Frankenberg Verwaltungs GmbH, Korbach / Germany
REMONDIS Rhein-Wupper Verwaltungs GmbH, Düsseldorf / Germany
Norseman Wind AS, Oslo / Norsko
HWM Holzwärme Müllheim GmbH, Müllheim / Germany
Centrale Solaire de la Petite Vicomté SAS, Montpellier / France
Obere Donau Kraftwerke AG, München / Germany
Segalasses Énergie SARL, Toulouse / France
TWKW Trinkwasserkraftwerke Niedergesteln AG, Niedergesteln / Switzerland
Untergrundspeicher- und Geotechnologie-Systeme Gesellschaft mit beschränkter Haftung, Mittenwalde / Germany
Kraftwerk Ryburg-Schwörstadt AG, Rheinfelden / Switzerland
MIOGAS & LUCE S.r.l., Rozzano / Italy
Parc Éolien de Montelu SAS, Montpellier / France
Parc Éolien des Gassouillis SAS, Montpellier / France
GEIE Exploitation Minière de la Chaleur, Kutzenhausen / France
Windpark Hemme Infrastrukturgesellschaft GmbH & Co. KGGermany, Walddorfhäslach / Germany
Windpark Prützke II GmbH & Co. KG, Düsseldorf / Germany
Beteiligungsgesellschaft der EVU an der Kerntechnischen Hilfsdienst GmbH - GbR, Karlsruhe / Germany
KWT Kraftwerke Törbel-Moosalp AG, Törbel / Switzerland
Baltic Windpark Beteiligungen GmbH & Co. KG, Stuttgart / Germany
Kraftwerke Gougra AG, Sierre / Switzerland
EE Bürgerenergie Heilbronn GmbH & Co. KG, Heilbronn/Germany
Parc Éolien de Lavacquerié SAS, Montpellier / France
Windpark Lindtorf GmbH, Rheine / Germany
Alb-Windkraft GmbH & Co. KG, Geislingen an der Steige / Germany
Haiding One International Investment Co., Ltd., Taipeh / Taiwan
Haiding Three International Investment Co., Ltd., Taipeh / Taiwan
Haiding Two International Investment Co., Ltd., Taipeh / Taiwan
ANOG Anergienetz Obergoms AG, Obergoms / Switzerland
KWOG Kraftwerke Obergoms AG, Obergoms / Switzerland
CANARBINO S.p.A., Mailand / Italy (formerly CANARBINO S.p.A., Sarzana / Italy)
Ferme Éolienne de Muratel SAS, Montpellier / France
Kooperation Erneuerbare Energien im Landkreis Rottweil GmbH, Schramberg / Germany
Montagnol Energie SAS, Montpellier / France
Tauriac Energie SAS, Montpellier / France
Wasserkraftwerk Pfinztal GmbH & Co. KG, Pfinztal / Germany
Éolienne de Murasson SAS, Montpellier / France

OTHER

Fully consolidated companies

Der neue Stöckach GmbH & Co KG, Obrigheim / Germany
ED Immobilien GmbH & Co. KG, Rheinfelden / Germany
ED Immobilien Verwaltungsgesellschaft mbH, Rheinfelden / Germany
EnBW Betriebs- und Servicegesellschaft mbH, Karlsruhe / Germany (formerly E-City Immobilienverwaltungs GmbH, Karlsruhe / Germany)
EnBW Central and Eastern Europe Holding GmbH, Stuttgart / Germany (formerly EnBW Omega Fünfundfünfzigste Verwaltungsgesellschaft mbH, Stuttgart / Germany)
EnBW City GmbH & Co. KG, Obrigheim / Germany
EnBW Immobilienbeteiligungen GmbH, Karlsruhe / Germany
EnBW International Finance B.V., Amsterdam / Netherlands
EnBW New Ventures GmbH, Karlsruhe / Germany
EnBW Perspektiven GmbH, Karlsruhe/Germany
Facilma Grundbesitzmanagement und -service GmbH & Co. Besitz KG, Obrigheim / Germany
Neckarwerke Stuttgart GmbH, Stuttgart / Germany
NWS Finanzierung GmbH, Karlsruhe / Germany
symbiotic services GmbH, Karlsruhe / Germany
MURVA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG, Grünwald / Germany
VNG AG, Leipzig / Germany (formerly VNG-Verbundnetz Gas Aktiengesellschaft, Leipzig / Germany)
ED Kommunal GmbH, Rheinfelden / Germany
EnBW VersicherungsVermittlung GmbH, Stuttgart / Germany

Related but unconsolidated companies

EnBW Bürgerbeteiligung Solar 1 GmbH, Stuttgart / Germany (formerly EnBW Omega 106. Verwaltungsgesellschaft mbH, Stuttgart / Germany)
EnBW France SAS, Boulogne Billancourt / France
EnBW Omega 103. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Omega 104. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Omega 105. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Omega 107. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Omega 108. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Omega 121. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Omega 122. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Omega 123. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Omega 124. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Omega 125. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Omega 126. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Omega 127. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Omega 128. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Omega 129. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Omega 130. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Omega Dreiundsiebzigste Verwaltungsgesellschaft mbH, Karlsruhe / Germany

EnBW Omega Fünfundneunzigste Verwaltungsgesellschaft mbH, Karlsruhe / Germany

EnBW Omega Neunundachtzigste Verwaltungsgesellschaft mbH, Karlsruhe / Germany

EnBW Omega Sechsundachtzigste Verwaltungsgesellschaft mbH, Karlsruhe / Germany

EnBW Omega Vierundneunzigste Verwaltungsgesellschaft mbH, Karlsruhe / Germany

EnBW Real Estate GmbH, Obrigheim / Germany

EnBW Senergi Immobilien GmbH, Karlsruhe / Germany

EnBW UK Limited, London / United Kingdom

EnBW vernetzt Beteiligungsgesellschaft mbH, Stuttgart / Germany (formerly EnBW Omega Zweiundneunzigste Verwaltungsgesellschaft mbH, Karlsruhe / Germany)

EnPulse Ventures GmbH, Karlsruhe / Germany (formerly EnBW Omega Achtundachtzigste Verwaltungsgesellschaft mbH, Karlsruhe / Germany)

KMS Verwaltungsgesellschaft mbH, Stuttgart / Germany

MGMTree GmbH, Leipzig / Germany

Regionalnetze Verwaltungs-GmbH, Stuttgart / Germany (formerly EnBW Omega 120. Verwaltungsgesellschaft mbH, Karlsruhe / Germany)

Rheintal PE GmbH & Co. KG, Bad Homburg v. d. Höhe / Germany

VNG Innovation Consult GmbH, Leipzig / Germany

VNG Innovation GmbH, Leipzig / Germany

GDiesel Technology GmbH, Leipzig / Germany

DZ-4 GmbH, Hamburg / Germany

Joint ventures

UnigestionFLEX SCS SICAV RAIF, Luxemburg / Luxemburg

WP Global Germany Private Equity L.P., Wilmington, Delaware / USA

Sirius EcoTech Fonds Düsseldorf GmbH & Co. KG i.L., Düsseldorf / Germany

ID Quadrat Verwaltungsgesellschaft mbH, Düsseldorf / Germany

Innovative Immobilien Duisburg Düsseldorf ID Quadrat GmbH & Co. Betriebsgesellschaft KG, Düsseldorf / Germany

Intelligent Energy System Services GmbH, Ludwigsburg / Germany

Neuss-Düsseldorfer Häfen GmbH & Co. KG, Neuss / Germany

Neuss-Düsseldorfer Häfen Verwaltungs-GmbH, Neuss / Germany

regiodata GmbH, Lörrach / Germany

EFR Europäische Funk-Rundsteuerung GmbH, München / Germany

GasLINE Telekommunikationsnetz-Geschäftsführungsgesellschaft deutscher Gasversorgungsunternehmen mbH, Straelen

vialytics GmbH, Stuttgart / Germany

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This document is an unsigned English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.

Independent Auditor's Report to the Shareholders of Pražská energetika, a.s.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Pražská energetika, a.s. ("the Company") and its subsidiaries ("the Group"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Group is set out in Note "General information" to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Consolidated

Financial Statements section of our report. We are independent of the Group 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Classification of Commodity Contracts

See Note 3, section "Derivatives", and Note 32 of the Consolidated Financial Statements.

Description of the Key Audit Matter

As part of its business activity, the Group enters into contracts to buy or sell electric energy and gas (commodities). These transactions may be settled in a form of a physical delivery or settled net in cash. They can be entered by the Group to secure a future supply of commodity to end customers, or with the purpose of speculation in changes in market prices. The appropriate classification of a given transaction has a major impact on the accounting treatment – contracts which are expected to be physically delivered to end customers (the own-use portfolio) are regarded as executory contracts and not measured at their fair value at each reporting date. Other contracts, in turn, are measured at their fair value either in the income statement or in other comprehensive income, if cash flow hedge accounting is applied. Due to a large number of contracts and the significant impact of their designation to an appropriate portfolio on the resulting accounting treatment, this area required our increased attention in the audit and as such we considered it to be a key audit matter.

Auditor's Approach to the Key Audit Matter

Audit procedures performed by us included, among others:

- we evaluated the design and implementation of the relevant selected key controls over the designation of contracts to appropriate portfolios of contracts, including control preventing subsequent transfers between these portfolios;
- on a sample of contracts, we assessed whether the initial designation of the contract to a specific portfolio was not subsequently changed to a different portfolio of contracts;
- in cooperation with our own valuation specialists we assessed whether the relevant contracts were measured at fair value at the reporting date and, where applicable, that the adequate hedge documentation exists for contracts accounted for using hedge accounting;
- we evaluated the appropriateness of the initial designation of contracts to relevant portfolios by comparing volumes designated to the own-use and hedging portfolios, respectively with volumes that the Group intended to supply to end customers. We carried out this testing prospectively for contracts concluded as at the balance sheet date and also retrospectively for contracts settled in 2021.

Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the consolidated annual report other than the separate and the consolidated financial statements and our auditor's report. The statutory body is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and the consolidated 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 laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those 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 matters that are also presented in the separate and the consolidated financial statements is, in all material respects, consistent with the separate and the consolidated financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

In addition, our responsibility is to report, based on the knowledge and understanding of the Group 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 Statutory Body and Supervisory Board for the Consolidated Financial Statements

The statutory body is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the statutory body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the statutory body is responsible for assessing the Group'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 statutory body either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 the 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 consolidated financial statements.

As part of an audit in accordance with the above regulations, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

Report on the Audit of the Separate Financial Statements

Opinion

We have audited the accompanying separate financial statements of Pražská energetika, a.s. ("the Company"), prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which comprise the separate statement of financial position as at 31 December 2021, and the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Company is set out in Note "General Information" to the separate financial statements.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

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, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Classification of Commodity Contracts
See Note 3, section "Derivatives", and Note 32 of the Separate Financial Statements.

Description of the Key Audit Matter

As part of its business activity, the Company enters into contracts to buy or sell electric energy and gas (commodities). These transactions may be settled in a form of a physical delivery or settled net in cash. They can be entered by the Company to secure a future supply of commodity to end customers, or with the purpose of speculation in changes in market prices. The appropriate classification of a given transaction has a major impact on the accounting treatment – contracts which are expected to be physically delivered to end customers (the own-use portfolio) are regarded as executory contracts and not measured at their fair value at each reporting date. Other contracts, in turn, are measured at their fair value either in the income statement or in other comprehensive income, if cash flow hedge accounting is applied. Due to a large number of contracts and the significant impact of their designation to an appropriate portfolio on the resulting accounting treatment, this area required our increased attention in the audit and as such we considered it to be a key audit matter.

Audit procedures performed by us included, among others:

- we evaluated the design and implementation of the relevant selected key controls over the designation of contracts to appropriate portfolios of contracts, including control preventing subsequent transfers between these portfolios;
- on a sample of contracts, we assessed whether the initial designation of the contract to a specific portfolio was not subsequently changed to a different portfolio of contracts;
- in cooperation with our own valuation specialists we assessed whether the relevant contracts were measured at fair value at the reporting date and, where applicable, that the adequate hedge documentation exists for contracts accounted for using hedge accounting;
- we evaluated the appropriateness of the initial designation of contracts to relevant portfolios by comparing volumes designated to the own-use and hedging portfolios, respectively with volumes that the Group intended to supply to end customers. We carried out this testing prospectively for contracts concluded as at the balance sheet date and also retrospectively for contracts settled in 2021.

Responsibilities of the Statutory Body and Supervisory Board for the Financial Statements

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as the statutory body 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 statutory body 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 statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

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 the 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 regulations, 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 statutory body.
- Conclude on the appropriateness of the statutory body's 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 those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Relations

We have reviewed the factual accuracy of the information disclosed in the report on relations of Pražská energetika, a.s. ("the Company") for the year ended 31 December 2021. The responsibility for the preparation and factual accuracy of this report rests with the Company's statutory body. Our responsibility is to express our view on the report on relations based on our review.

We conducted our review in accordance with Auditing Standard No. 56 of the Chamber of Auditors of the Czech Republic. This standard requires that we plan and perform the review to obtain limited assurance as to whether the report on relations is free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures and examination, on a test basis, of the factual accuracy of information, and thus provides less assurance than an audit. We have not performed an audit of the report on relations and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that would lead us to believe that the report on relations of Pražská energetika, a.s. for the year ended 31 December 2021 contains material factual misstatements.

Statutory Auditor Responsible for the Engagement

Petr Kuna is the statutory auditor responsible for the audit of the consolidated financial statements of Pražská energetika, a.s. as at 31 December 2021, based on which this independent auditor's report has been prepared.

Prague
22 April 2022

Signed by

KPMG Česká republika Audit, s.r.o.
Registration number 71

Signed by

Petr Kuna
Associate Partner
Registration number 2476

Consolidated financial statements

Consolidated financial statements of Pražská energetika, a.s., as at 31 December 2021
Prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU

Consolidated income statement (TCZK)

	Note	2021	2020
Revenue from electricity produced		444,368	442,235
Revenue from electricity and gas sold		22,312,516	20,884,949
Cost of electricity and gas sold		(15,819,628)	(14,358,241)
Gross profit from the sale of commodities	(4)	**6,937,256**	**6,968,943**
Other operating revenue	(4)	586,118	581,623
Personnel expenses	(6)	(1,683,084)	(1,607,550)
Amortisation and depreciation	(15, 16)	(1,379,411)	(1,315,987)
Amortisation of the right-of-use	(17)	(154,943)	(151,998)
Cost of purchased services, material and energy	(7)	(1,419,174)	(1,419,571)
Borrowing costs	(8)	(87,808)	(108,401)
Capitalisation	(9)	284,374	331,525
Impairment gains (losses) for financial assets	(10)	40,777	(112,409)
Other gains and losses	(11)	4,570	(4,966)
Profit before tax		**3,128,675**	**3,161,209**
Income tax	(12)	(605,830)	(613,012)
Profit after tax		**2,522,845**	**2,548,197**
Basic and diluted earnings per share attributable to ordinary shares (CZK)	(14)	652	659

Consolidated statement of comprehensive income (TCZK)

		2021	2020
Profit after tax		**2,522,845**	**2,548,197**
Items that cannot be subsequently reclassified to profit or loss:			
Revaluation of net payables from defined benefits	(28)	33,412	(7,140)
Items that may be subsequently reclassified to profit or loss:			
Cash flow hedges, net of tax	(30)	1,457,061	100,483
Total other comprehensive income after tax		**1,490,473**	**93,343**
Comprehensive income attributable to the parent company's shareholders		**4,013,318**	**2,641,540**

Consolidated statement of financial position (balance sheet) (TCZK)

Assets	Note	2021	2020 Adjusted*
Property, plant and equipment	(15)	25,763,401	25,136,698
Intangible assets	(16)	522,848	491,329
Right-of-use	(17)	1,731,964	1,595,025
Trade and other receivables	(21)	172,157	270,014
Receivables from the revaluation of derivatives	(20)	411,803	66,387
Deferred tax asset	(12)	45,736	44,270
Non-current assets		**28,647,909**	**27,603,723**
Inventories	(22)	344,214	115,171
Contract assets	(19)	674,102	484,258
Tax assets	(12)	100,455	61,786
Receivables from the revaluation of derivatives	(20)	3,676,383	460,476
Trade and other receivables	(21)	4,189,842	1,798,698
Cash and cash equivalents	(23)	1,984,827	1,895,661
Current assets		**10,969,823**	**4,816,050**
Total assets		**39,617,732**	**32,419,773**

Equity and liabilities			
Share capital	(29)	3,869,443	3,869,443
Reserves	(30)	2,663,983	1,173,510
Retained earnings		15,178,666	14,328,599
Equity attributable to the parent company's shareholders		**21,712,092**	**19,371,552**
Loans	(24)	3,100,000	3,100,000
Contract liabilities	(25)	1,648,095	1,640,464
Payables from the revaluation of derivatives	(26)	636,149	112,937
Trade and other payables	(27)	9,932	166,056
Lease liabilities	(17)	1,608,916	1,507,575
Provisions	(28)	322,886	370,984
Deferred tax liability	(12)	2,610,545	2,157,949
Non-current liabilities		**9,936,523**	**9,055,965**
Loans	(24)	1,236,667	671,738
Contract liabilities	(25)	1,393,175	1,111,825
Tax liabilities	(12)	13,344	3,301
Payables from the revaluation of derivatives	(26)	3,103,882	419,830
Trade and other payables	(27)	1,846,363	1,450,696
Lease liabilities	(17)	181,935	128,420
Provisions	(28)	193,751	206,446
Current liabilities		**7,969,117**	**3,992,256**
Total liabilities		**39,617,732**	**32,419,773**

*) Comparative information was adjusted as described in Note 3 in the "Comparative information" section.

Consolidated statement of changes in equity (TCZK)

	Share capital	Reserves and other funds	Retained profits	Equity attributable to the parent company's shareholders
Balance at 31 December 2019	3,869,443	1,080,167	13,545,789	18,495,399
Dividends and directors' fees paid	--	--	(1,765,387)	(1,765,387)
Other comprehensive income	--	93,343	--	93,343
Net profit for 2020	--	--	2,548,197	2,548,197
Balance at 31 December 2020	3,869,443	1,173,510	14,328,599	19,371,552
Dividends and directors' fees paid	--	--	(1,672,778)	(1,672,778)
Other comprehensive income	--	1,490,473	--	1,490,473
Net profit for 2021	--	--	2,522,845	2,522,845
Balance at 31 December 2021	3,869,443	2,663,983	15,178,666	21,712,092

Consolidated statement of cash flows (TCZK)

	Note	2021	2020
Opening balance of cash and cash equivalents	(23)	1,895,661	1,976,245
Operating activities			
Accounting profit from ordinary activity, before tax		**3,128,675**	**3,161,209**
Amortisation and depreciation	(15, 16, 17)	1,534,354	1,467,985
Write-offs of doubtful debts	(10)	15,751	19,202
Change in loss allowances and provisions		(78,722)	94,679
Gains (losses) from the sale and disposal of fixed assets	(11)	10,183	32,418
Interest charged to profit or loss	(8, 11)	83,715	104,562
Foreign exchange rate gains (losses)		79,711	(137,511)
Settlement of hedging derivatives		1,181,408	163,193
Remeasurement of financial instruments		263,374	(21,019)
Net operating cash flow before changes in working capital		**6,218,449**	**4,884,718**
Change in trade receivables and transitional accounts	(21)	(2,444,709)	(150,411)
Change in trade payables and transitional accounts	(27)	543,232	(4,625)
Change in inventories	(22)	(229,827)	23,523
Net operating cash flow before tax and interest		**4,087,145**	**4,753,205**
Interest paid		(84,174)	(112,894)
Interest received		2,374	4,046
Income tax paid		(533,115)	(641,309)
Net cash flow from operating activities		**3,472,230**	**4,003,048**
Investing activities			
Acquisition of fixed assets	(15, 16)	(2,046,031)	(1,914,241)
Acquisition of subsidiaries	(18)	(18,048)	(3,600)
Proceeds from the sale of fixed assets		3,428	5,004
Net cash flow from investing activities		**(2,060,651)**	**(1,912,837)**
Financing activities			
External loans repaid	(24)	(666,062)	(2,176,357)
External loans received	(24)	1,230,803	1,766,062
Lease payments	(17)	(137,195)	(132,414)
Dividends, profit shares and directors' fees paid	(13)	(1,674,322)	(1,762,200)
Net cash flow from financing activities		**(1,246,776)**	**(2,304,909)**
Change in cash and cash equivalents		164,803	(214,698)
Effect of foreign exchange rate movements		(75,637)	134,114
Closing balance of cash and cash equivalents	(23)	**1,984,827**	**1,895,661**

CONTENTS OF THE NOTES TO THE FINANCIAL STATEMENTS

(1) General information

Pražská energetika, a.s., (hereinafter “PRE” or the “Company”) was established as a joint-stock company in the Czech Republic and was entered in the Commercial Register held by the District Court of Prague 1 on January 1994.

The Company’s registered office is located at Na Hroudě 1492/4, Praha 10, 100 05, ID No.: 60193913.

The principal activities of PRE and its subsidiaries (hereinafter the “PRE Group” or the “Group”) include the supply of electricity in the Czech Republic and distribution of electricity in the region of the Capital City of Prague and Roztoky, covering an area of approximately 505 km^2. These activities generate a major part of the Group’s revenue. The Group also strengthens its activities related to renewable energy generation.

In 2012, the Group expanded its principal activities to include gas supplies and started to offer supplies of electricity and gas to households and small businesses under the Yello trademark (Yello Energy until 2019).

Electricity is distributed in public interest and rights and obligations relating to this activity, as well as trading with, and supplies of, electricity and gas, except for general legal regulations, are stipulated in Energy Act No. 458/2000 Sb., as amended, and the related implementation guidance.

PRE’s principal shareholders	2021	2020
Pražská energetika Holding a.s. (PREH)	58.05%	58.05%
EnBW Central and Eastern Europe Holding GmbH (EnBW)	41.40%	41.40%
Other	0.55%	0.55%
Total	100.00%	100.00%

PREH is under joint control of the Capital City of Prague (with an equity investment of 51%) and EnBW (with an equity investment of 49%).

EnBW owns 41.40% of PRE’s share capital. Under Section 79 of the Business Corporations Act, PRE operates on the Czech energy market as part of the EnBW group. EnBW is the parent company as well as the ultimate controlling party of PRE.

PRE is controlled and managed by EnBW through its representatives on the board of directors and the supervisory board. Based on shareholders’ agreements, the control through the controlling companies PREH and EnBW is performed on the level of PRE and primarily relates to PRE’s activities.

(2) Adoption of new and amended International Financial Reporting Standards

Standards and interpretations effective in the current period

The following amendments to the current standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current period:

- **IFRS 4 “Insurance Contracts” - Extension of Temporary Exemption from Applying IFRS 9** (effective from 1 January 2021);
- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform” Phase 2** (effective for annual periods beginning on or after 1 January 2021).

According to the Group’s estimates, compliance with these standards has no significant impact on the financial statements.

Standards and interpretations issued by the IASB and adopted by the EU but not yet effective

- **Amendments to IFRS 3 “Reference to the Conceptual Framework”** (effective for annual periods beginning on or after 1 January 2022);
- **Amendments to IAS 16 “Property, Plant and Equipment”** (effective for annual periods beginning on or after 1 January 2022);
- **IFRS 17 “Insurance contracts” and Amendments to IFRS 17** (effective for annual periods beginning on or after 1 January 2023); The new standard introduces principles for the recognition, measurement, presentation and disclosure of insurance contracts, replacing IFRS 4 “Insurance Contracts”;
- **Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”** (effective for annual periods beginning on or after 1 January 2022);
- **Annual Improvements to IFRS 2018–2020 Cycle** The Annual Improvements contain amendments to four standards – IFRS 1, IFRS 9, IFRS 16 and IAS 41 (effective for annual periods beginning on or after 1 January 2022); For now, without an impact on PRE.

The Company decided not to apply these standards before their effective dates

New standards, interpretations and amendments to the current standards issued by the IASB but not yet adopted by the EU

- **Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”** (effective for the annual IFRS financial statements for annual periods beginning on or after 1 January 2023);
- **Amendments to IAS 1 “Presentation of Financial Statements and Statement of Compliance”** (effective for the annual IFRS financial statements for annual periods beginning on or after 1 January 2023);
- **Amendments to IAS 8 “Definition of Accounting Estimates”** (effective for the annual IFRS financial statements for annual periods beginning on or after 1 January 2023);
- **Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”** (effective for the annual IFRS financial statements for annual periods beginning on or after 1 January 2023);
- **Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”** (the effective date is yet to be stipulated);

The Group anticipates that the adoption of these new standards, amended standards and interpretations will have no material impact on the financial statements of the Group in the period of their first time adoption.

(3) Significant accounting policies

Statement of compliance

The financial statements are prepared and presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Basis of the preparation of financial statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments described in Note 32. The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and its subsidiaries. The Group exercises control over its subsidiaries and it is the Group's intention to exercise it in the following year. The financial statements of the subsidiaries are included in the consolidated financial statements from the effective date of acquisition. A subsidiary is an enterprise which the acquirer (parent company) has obtained control of in business combination.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All significant intra-group transactions, balances, revenue and expenses are eliminated in full on consolidation.

Business combinations

Business combinations are accounted for using the acquisition method. The acquisition cost of the business combination corresponds to the sum of the consideration transferred measured at purchase-date fair value. The identifiable assets acquired, and the liabilities assumed are recognised at their fair value. Purchase-related costs are recognised in profit or loss as incurred.

Upon the acquisition of an entity, the Group assesses whether the financial assets acquired, and the liabilities assumed are classified and defined as appropriate in accordance with their contractual, economic and other relevant conditions as of the purchase date. Among others, the Group assesses the separation of embedded derivatives from host contracts.

Goodwill is initially measured as the excess of the sum of the consideration transferred and the amount of any non-controlling interests over the net amounts of the identifiable assets acquired and the liabilities assumed. If the fair value of the acquiree's net assets exceeds the consideration ("negative goodwill"), the Group first assesses whether the acquiree's identifiable assets, liabilities and contingent liabilities have been correctly defined and measured and the purchase price correctly determined. If, after the assessment, any potential differences remain, they are recognised directly in profit or loss.

Revenue recognition

Accounting for the main categories of revenues from contracts with customers is described in Note 4.

Revenue from leasing (primarily fibre-optics) is recognised evenly over the lease period.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts any estimated future cash flows over the expected life of the financial asset to that asset's net carrying amount as at the date of its first-time recognition.

Dividend yield is recognised when the right to receive the payment arises.

Foreign currency translation

The financial statements of each Group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). Czech crowns are the functional currency of all Group entities and the presentation currency for the consolidated financial statements.

During the year, transactions in currencies other than Czech crowns are recorded at the rates of exchange announced by the Czech National Bank and prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates announced by the Czech National Bank prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange rate gains and losses are recognised in profit or loss in the period in which they arise except for exchange rate differences arising from cash flow hedges where changes in fair value are posted directly to equity.

Borrowing costs

The Group capitalises borrowing costs related to the construction of qualifying assets in line with IAS 23. A qualifying asset is an asset that takes a substantial period of time during the investment construction to get ready for its intended use. The amount of capitalised borrowing costs is determined as the product of the capitalisation rate and the balances on the assets under construction account (including pre-payments) as at the end of the relevant month. The capitalisation rate is the average interest rate from external loans.

Other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Income tax

Income tax expense reported in the income statement represents the sum of the tax currently payable and a change in the deferred tax balance.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of revenue or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax liability also includes tax overpayments or additional tax charges from previous periods. The Group's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is determined at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised. The calculated tax is recognised in profit or loss except when associated with items charged directly to equity in which case it is dealt with in equity.

Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost reduced by accumulated depreciation and recognised impairment loss. Cost includes the purchase price and costs associated with acquisition.

The cost of internally produced tangible assets includes direct and indirect costs directly related to the production of the asset.

Depreciation of plant and equipment is charged to profit or loss.

Properties in the course of construction for production or administrative purposes are carried at cost, less any recognised impairment loss. The cost includes professional services fees. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The estimated useful lives and depreciation are reviewed at the end of each reporting period and impacts of any changes in estimates are accounted for prospectively.

Depreciation is charged so as to write off the cost or valuation of assets, other than freehold land and properties under construction, over their estimated useful lives, using the straight-line method:

Asset category	Depreciation period in years
Buildings, halls and other construction	7, 10, 15, 20, 30, 40, 50, 70
Cable tunnels, cable and overhead power lines	30, 40, 70
Fibre-optics	30
Power structures	15, 30
Working machinery and equipment	2, 4, 5, 8, 10, 12, 20, 29, 30
Telecommunication equipment	3-28
Appliances and special technology equipment, communication cables	2, 4, 5, 8, 10
Motor vehicles	4, 5, 6, 8, 10
Electricity meters	14, 15
Fixtures and fittings	3, 4, 5, 6, 8, 10
Hardware	3, 4, 5
Photovoltaic power plants – construction part *)	20
Photovoltaic power plants – technology *)	10, 20

*) The depreciation period is calculated from bringing the photovoltaic power plant into operation

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Goodwill arising on business acquisitions is reported at cost as determined at the business acquisition date net of cumulative impairment losses, if any. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are amortised using the straight-line method over the following estimated useful lives:

Asset category	Amortisation period in years
Software	4
Other intangible assets	4, 6

Impairment of non-financial assets (except for the deferred tax asset)

At each balance sheet date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). In circumstances where the relevant asset does not generate cash inflows separately, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Impairment of goodwill

Within the Group, goodwill is allocated to two cash-generating units – renewable energy manufacturers which include photovoltaic power plants and wind power plants, and to electrical assembly companies.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods, despite it being indicated.

Right-of-use and lease liabilities

As part of the lease relationship, the Group shall decide whether the lease contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Therefore the Group , as a lessee, recognises the asset – right-of-use asset – representing its rights to use the underlying asset and the lease liability representing its liability to pay the lease payments.

The right-of-use asset is initially measured at acquisition cost and subsequently at acquisition cost reduced by accumulated depreciation and impairment loss adjusted by lease liabilities remeasurement primarily arising from lease modification or indexation. Right-of-use asset is depreciated on a straight-line basis throughout the term of use of the asset or until the end of the lease, whichever is sooner.

The lease liability is initially measured at fair value of the lease payments due as at the day of application, discounted using the incremental borrowing rate set by the Group.

The lease liability is then increased by the interest expense and reduced by lease payments paid. Remeasurement occurs in case the future lease payments change due to changes in indexation or rates, change in the estimate of the expected payment from the residual value guarantee, or due to change in assessment whether the option to extend the lease is certain (incl. extension of the expected term of lease indefinitely).

The Group estimates the term of the lease for lease contracts in which it acts as the lessee and which include option to renew or to terminate early, or which are concluded for indefinite period. Assessment whether the Group is sufficiently sure that it will use this option affects the term of the lease which in turn affects the values of reported lease liabilities and right-of-use assets. In the case the lessee and lessor can both terminate the lease without more than insignificant penalty, the lease period in such case shall mean the notice period. In this case, penalisation means not only a penalty for early termination but also the cost of moving or providing an alternative lease relationship or other economic losses connected with the termination of the lease relationship.

The Group decided to apply the exemption offered by the standard related to the non-recognition of right-of-use assets and lease liabilities for short-term leases and low-value underlying assets leases. Short-term leases are leases under 12 months. Leases with low-value underlying assets include primarily IT and office equipment leases.

The Group separates lease and non-lease components and applies the practical simplification of not separating lease components only for cars, where it accounts only single lease component.

The Group does not record any significant lease contracts in which it would act as a lessor.

Government grants

The Group participates in state development projects, namely in e-mobility and energy network management, and utilises government grants in compliance with individual project terms and conditions.

In the Group's financial statements, government grants are reported at the moment it is sufficiently clear the grant will be accepted and the Group is able to fulfil the project terms and conditions. The grants accepted are settled in the period in which the Group reports related expenses.

Returnable government grant is reported as a change in net book estimate.

Grants relating to assets

Grants relating to non-current assets acquisition are presented and recognised as grants relating to assets. Grants received reduce the non-current asset acquisition cost. Grants received are recognised in profit or loss throughout the term of the depreciated asset as a reduced depreciation expense. In case the grant is returned, the carrying amount of the asset will be immediately increased by this refund. At the same time, an impairment loss of the new carrying amount value is tested. Depreciation, which would be reported in profit or loss in case there were no grants, are recognised in profit or loss immediately.

Grants for expenses

All grants except grants for non-current assets acquisition are recognised ad grants for expenses. Received grants are recognised together with related expenses and decrease their amount. In case the grant is returned, the refund is immediately recognised in profit or loss.

Inventories

Inventories, with the exception of commodity inventories acquired for the purpose of selling them in the near future for a profit based on market price movements are stated at the lower of cost determined using the weighted arithmetic average and the net realisable value. The cost includes the purchase price of the material, customs duties and in-transit storage and freight costs incurred to deliver the inventories. The net realisable value represents the estimated selling price for inventories less all estimated costs of marketing, sale and distribution.

Commodity inventories acquired for the purpose of selling them in the near future for a profit based on market price movements are measured at fair value less cost of sale. The change in fair value is recognised in profit or loss in the period in which the change was made.

Provisions

Provisions are recognised in the balance sheet when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is equal to the present value of those cash flows.

Financial assets (except for derivatives)

Financial assets are recognised in the Group's balance sheet at the moment the Group becomes bound by a contractual provision relating to the financial asset. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or the financial asset transfers to a third party. The classification of a financial asset arises from an entity's business model for managing financial assets and the characteristics of contractual cash flows following from the given financial asset. After initial recognition, financial assets are subsequently measured depending on the classification implemented.

Financial assets are classified into the following categories: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss.

Financial assets measured at amortised cost (FAAC)

FAAC include financial assets held within a business model whose objective is to hold financial assets to collect contractual cash flows, whilst these contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through other comprehensive income (FVOCI)

Financial assets at FVOCI include financial assets held within a business model whose objective is to hold financial assets to collect contractual cash flows and to sell financial assets, whilst the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets at FVTPL include financial assets that do not meet the criteria for measuring at amortised cost or at FVOCI and also those financial assets that could meet the criteria for measuring at amortised cost or at FVOCI, but their measurement at other than fair value through profit and loss would cause measurements of financial assets and financial liabilities on different bases and give rise to recognition inconsistencies.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses from financial assets classified as FAAC and financial assets at FVOCI depending on the expected credit loss model (impairment model) applied. A simplified model is applied for trade receivables and lease receivables.

Impairment model

The new impairment model is applied to financial assets measured at amortised cost, financial assets measured at FVOCI and contract assets. Compared to IAS 39, impairment losses are recognised earlier. In accordance with IFRS 9, the Group calculates a loss allowance for financial assets with regard to the development of credit risk, which is reflected in the stage of impairment (stage 1-3), at an amount a) equal to 12-month expected credit losses (stage 1), or b) corresponding with the lifetime expected credit losses on the financial asset (stage 2-3). If compared with the initial recognition the credit risk has significantly increased, the financial asset will be classified in stage 2. If a counterparty default is identified with a financial asset, this financial asset will be classified as stage 3.

The Group calculates loss allowances for trade receivables in the amount corresponding with the lifetime expected credit losses on the financial asset.

In respect of cash and cash equivalents and loans granted, the Group calculates loss allowances equal to 12-month expected credit losses, if the related credit risk has not increased significantly since initial recognition or no counterparty default has been identified.

In assessing whether the credit risk associated with a financial asset has increased significantly, the Group compares the risk of default of the financial instrument as at the date of recognition with the risk as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort and shows a significant increase in credit risk. The Group primarily relies on its own historical experience, available information and market analyses, including current macroeconomic indicators and forward-looking information. Regardless of these analyses, the Group considers situations where the financial asset is more than 30 days past due to indicate significant increases in credit risk. In case of cash and cash equivalents, these include situations where the external credit rating of the counterparty, based on renowned external rating agencies (Moody's, Standard & Poor's and Fitch), decreases from an investment level to speculative (non-investment) level. Default is a situation where the financial asset is more than 90 days past due; in case of cash and cash equivalents, it is a situation where the external credit rating of a counterparty based on renowned external rating agencies decreases to a risk level.

The expected credit losses are calculated as the weighted average of credit losses with the respective risks of a default occurring as the weights. The credit losses are calculated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Impairment losses for financial assets, including contract assets, are newly recognised on a separate line as impairment losses for financial assets in the income statement.

Financial liabilities (except for derivatives)

Financial liabilities are recognised in the Group's balance sheet at the moment the Group becomes bound by a contractual provision relating to the financial liability. Financial liabilities are derecognised when the financial liability extinguishes, i.e. in case the obligation specified in the contract is fulfilled, cancelled or its validity expires. After initial recognition, financial liabilities are subsequently measured depending on the classification implemented.

Financial liabilities are classified into the following categories: financial liabilities measured at amortised cost and financial liabilities measured at fair value through profit or loss.

Financial liabilities measured at amortised cost (FLAC)

FLAC include financial liabilities that are not measured at fair value through profit or loss.

Financial liabilities measured at fair value through profit or loss (FLTPL)

FLTPL include derivatives that do not function as effective hedging instruments and those derivatives whose measurement at other than fair value through profit and loss would cause the measurement of financial assets and financial liabilities on different bases and give rise to recognition inconsistencies.

Initial recognition of financial assets and financial liabilities

In regular evaluation of business models for holding financial assets, the Group relies on basic activities generating cash flows and representing financial assets. The main part of revenues and cash flow constitute activities connected with the supply and distribution of electricity and gas in the Czech Republic. Other significant revenues of the Group include in particular the following activities: trading on the market with commodities, generation of solar energy and energy services.

In determining the business model, the Group considers risks affecting the given financial assets and the method of their management, the evaluation of the individual significant financial assets' profitability and performance as part of specific activities.

The Group determines whether contractual cash flows from financial assets are solely payments of principal and interest on the principal amount outstanding based on an analysis and evaluation of contractual financial conditions pertaining to the given financial instrument. The Group also takes into consideration events that could impact the amount or timing of contractual cash flows and the amount of advances received.

At initial recognition of individual investments in equity instruments that are not held for trading and would otherwise be measured at FVTPL, the Group may make an irrevocable decision to present subsequent changes at FVOCI. This decision is performed separately for each individual investment.

All other financial assets that are not subsequently measured at amortised cost or at FVOCI are measured at FVTPL.

At initial recognition, the Group may irrevocably designate a financial asset or financial liability to the category measured at FVTPL, if doing so eliminates or significantly reduces a measuring or accounting mismatch that could otherwise arise in measuring assets or liabilities or recognising relevant profits or losses on different bases.

Except for trade receivables that do not have a significant financing component, at initial recognition, financial assets and financial liabilities are measured at FVTPL. In respect of financial assets or financial liabilities not included in the FVTPL category, the fair value is increased or decreased by transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Trade receivables that do not have a significant financing component are measured at their transaction price at initial recognition.

The Group performs subsequent measurement of individual categories of financial assets and liabilities in accordance with the initial classification and the given instruments are included in current or non-current assets or liabilities, depending on the period in which they are settled.

Derivatives

The Group hedges its future transactions, risk management and cash flows using financial and commodity derivative contracts. With most purchases and sales of electricity and gas in form of term contracts carried out by the Group, their physical delivery with subsequent consumption or sale as part of the Group's regular activities is expected. Such contracts are not covered by IFRS 9 and therefore not measured (own use contracts).

The Group considers transactions concluded with the aim to balance the volumes of purchases and sales of a commodity to be a part of its regular activities, therefore these contracts also do not come under IFRS 9.

In terms of derivatives concluded in line with the selected risk management strategy, the Group applies hedge accounting based on the rules of IAS 39, because the Group applied transition provisions of IFRS 9 and follows and will continue to follow IAS 39 in respect of current and newly defined hedging relationships. The Group designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges).

As part of its trading portfolio, the Group also enters into commodity derivatives transactions to derive profit from the short-term movements of prices.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance sheet date. In respect of derivatives traded as part of its trading portfolio, the resulting gain or loss is recognised directly in the profit or loss for the current year.

The fair value of derivatives is classified as a non-current receivable or a non-current liability if the derivative is settled in more than 12 months, or as a current receivable or a current liability if the derivative is settled within 12 months.

Apart from commodity derivatives, the Group also uses currency and interest rate derivative instruments.

Hedge accounting

The Group designates certain hedging instruments as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Movements in the hedging reserve in equity are also detailed in the statement of changes in equity.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts reported in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. An adjustment of the carrying amount of the hedged item arising from the hedged risk is realised into profit or loss from the date of the relevant adjustment.

Offsetting financial instruments

Financial assets and liabilities are mutually offset and the net amount is reported in the balance sheet, if a legally enforceable right exists to offset recognised amounts, as well as the intention to perform settlement on a net basis or realise the receivable and at the same time settle the liability. The legally enforceable right must not be dependent on future events and must be executable as part of regular business activities also in case of default, insolvency or bankruptcy of the Group or the counterparty.

Employee benefits expense

The Group makes contributions to the health insurance and pension insurance schemes and the state employment policy scheme at the level required by law and effective in the relevant year by reference to the employees' gross salary. The insurance and social security expenses are charged to profit or loss in the same period as the relating payroll expenses.

The Group also makes contributions to its employees' retirement benefit plans. These contributions are expensed in the period in which employees are entitled to receive contributions based on the services that they provide to the Group.

The Group provides other bonuses under the Collective Agreement (the defined benefit plan, refer to the Note "Provisions"). The relevant provisions are measured at the present value of anticipated future payments using actuarial assumptions.

Statement of cash flows

The Group prepares its statement of cash flows using the indirect method.

Significant accounting estimates

The presentation 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 revenue and expenses during the reporting period. The Group's management has made these estimates and assumptions on the basis of all the relevant information available to it. Nevertheless, pursuant to the nature of estimates, the actual results and outcomes in the future may differ from these estimates.

The Group considers the determination of the uninvoiced energy amount with customers whose actual consumption is not read on a monthly basis to be a key area subject to the use of estimates. This amount is determined using the balance approach as a difference between the aggregate electricity input and output, where certain inputs of this accounting equation must be estimated (e.g., grid losses or own consumption in the relevant period, average price of energy supplied). The Group subsequently reviews the total closing amount using a control calculation in the customer system.

The Group also receives investment contributions based on contracts on connection to the power grid. Based on an analysis and in line with valid legislation, the Group defers these investment contributions over a period of 20 years, because the contract on connection includes the initial connection to the grid and also maintenance of the given connection over the term of the contract that is concluded for an indefinite period of time. In determining the above assumption, the Group relied on its own analysis of the duration of contracts on the connection of individual collection points and also took into account relevant legislation relating to investment contributions. At the same time, the selected methodology is in compliance with the parent company's accounting policies and similar approaches are implemented by other European companies in comparable sectors.

Moreover, the Group applied its own judgement, acting as a principal in respect of revenue from distribution services. Based on its own assessment, the Group is in the position of a principal in providing distribution services, mainly due to its significant integration of distribution services and electricity supplies for its customers. From the point of view of the Group's customers, distribution and supply thus represent one performance obligation. Another factor justifying the position of a principal is the fact that the Group reviews necessary inputs for the provision of an integrated service (distribution) until the control over delivery is transferred to the customer.

Right-of-use asset and lease liabilities measurement in contracts for indefinite period is based on the estimated term of the lease relationship. For these leases, the Group considers whether the contract is enforceable beyond the notice period, i.e. whether the lessor or the lessee has the option to terminate the lease contract without more than insignificant sanction. If they do not have this termination option, the contract is enforceable beyond the notice period. In such cases, the Group determines the lease term as the period over which the Group is reasonably certain to continue with the lease, while considering economic factors such as the specificity of the asset and the availability of alternatives, location, termination costs, existence of technical improvements, etc.

Comparative information

VIn 2021, the recognition of the following items of the consolidated statement of financial position was adjusted in accordance with IAS 1: Current and non-current receivables from the revaluation of derivatives were removed from the "Trade and other receivables" line and are now presented on a separate "Receivables from the revaluation of derivatives" line.

Comparative figures were adjusted as follows: Within non-current assets, the "Trade and other receivables" line decreased from TCZK 336 401 to TCZK 270 014. Within current assets, the "Trade receivables and other receivables" line decreased from TCZK 2,259,174 to TCZK 1,798,698.

Further, current and non-current payables from the revaluation of derivatives were removed from the "Trade and other payables" line and are now presented on a separate "Payables from the revaluation of derivatives" line. Within non-current payables, the "Trade and other payables" line decreased from TCZK 278,993 to TCZK 166,056. Within current payables, the "Trade and other payables" line was reduced from TCZK 1,870,526 to TCZK 1,450,696. The Company does not deem the impact of the balance sheet adjustment as at 1 January 2020 material, and therefore does not present an additional statement as required by IAS 1.10(f).

(4) Revenues and costs related to the supply and distribution of commodities (TCZK)

Revenue and expenses relating to the sale of electricity and gas	2021	2020
Revenue from electricity produced	465,735	462,511
Payment for solar energy	(21,367)	(20,276)
Total revenue from electricity production	**444,368**	**442,235**
Sales of electricity B2B	5,136,872	5,031,814
Sales of distribution and system services B2B	4,466,041	4,297,920
Sales of electricity B2C	4,113,149	3,608,021
Sales of distribution and system services B2C	7,028,187	7,046,389
Sales of electricity to dealers	719,328	322,128
Revenue from electricity and fuels sold	6,294	1,733
Total sales of electricity	**21,469,871**	**20,308,005**
Revenue from the sales of gas B2B and B2C	777,985	539,868
Revenue from the sales of gas to dealers	78,628	42,426
Total sales of gas	**856,613**	**582,294**
Margin on trading	(13,968)	(5,350)
Total revenues from electricity and gas sold	**22,312,516**	**20,884,949**
Costs of purchases of sold electricity	(8,756,167)	(7,740,892)
Costs of purchases of distribution and system services	(6,303,432)	(6,112,018)
Costs of electricity and distribution services for fuel	(6,141)	(1,828)
Costs of purchases of gas	(753,888)	(503,503)
Total costs	**(15,819,628)**	**(14,358,241)**
Gross profit from the sale of commodities	**6,937,256**	**6,968,943**

Other operating revenue	2021	2020
Revenue from provided services	384,516	378,602
Investment contributions	182,860	184,501
Compensation for unauthorised consumption	1,157	5,895
Other	17,585	12,625
Total	**586,118**	**581,623**

Information about the nature, method and timing of typical satisfaction of performance obligations from contracts with customers, including significant payment terms and the revenue recognition method under IFRS 15

Revenue from electricity produced: This includes revenue from electricity produced in photovoltaic and wind power plants; the price of electricity is regulated by the Energy Regulatory Office and according to the valid legislation it is guaranteed for the period of twenty years from obtaining a licence. Revenue is currently generated in form of a so-called green bonus. Revenue is recognised at the moment the commodity is delivered.

Sales of electricity, gas and distribution services B2B: As part of the B2B segment, the Group recognises revenue arising from contracts on supplies of electricity, gas and distribution services with end major corporate customers. A characteristic feature for this customer segment is the regular monthly reading of consumption meters and the subsequent invoicing for supplies in the given month. Terms of the contracts on supplies of electricity or gas are individual, taking into consideration customer requirements and needs. Revenue is recognised at the moment the commodity is delivered; this revenue is recognised on an ongoing basis with a fixed price.

Sales of electricity, gas and distribution services B2C: As part of the B2C segment, the Group recognises revenue arising from contracts on supplies of electricity, gas and distribution services with end customers comprising small entrepreneurs and households. A characteristic feature for this customer segment is the annual reading of consumption meters and the subsequent invoicing for supplies in the given period. Contracts are usually concluded for a period of 24 months; with regard to contractual penalties, a termination notice is not expected. B2C customers usually provide regular advance payments determined based on the expected quantity delivered. Revenue is recognised at the moment the commodity is delivered; this revenue is recognised on an ongoing basis with a fixed price. With regard to the annual character of the consumption meter reading and annual invoicing of the actual consumption, the Group estimates the amount of electricity or gas consumed but not yet invoiced on an ongoing basis and this estimate enters revenue recognition.

Sales of electricity and gas to dealers: Revenue from trading with wholesale partners is connected with the sales on the wholesale market that the Group carries out in transactions serving to hedge the purchase price of the commodity, performed through commodity term contracts with physical delivery of the commodity, and with the sales of surpluses when balancing the planned withdrawal diagram at moments immediately preceding the actual delivery to end customers. Contractual conditions are individual; however, they are determined to a large extent by a standard EFET contract or trade conditions on the market managed by the Czech market operator. Revenue is recognised at the moment the commodity is sold to a wholesale partner. In the case of hedging transactions, the price is fixed, and in the case of transactions connected with the diagram balancing, it is determined by the development on the short-term (spot) commodity market. Invoicing is performed in the month following the month when the commodity is delivered to the dealer. No advance payments are made.

Revenue from provided services: These include in particular services provided to external customers, such as IT support, reading of heat and gas meters, maintenance of public lighting and electrical assembly work. Prices and payment terms arise under individual contracts concluded.

Investment contributions: The Group receives investment contributions based on contracts on connection to the power grid. Based on an analysis and in line with valid legislation, the Group defers these investment contributions over a period of 20 years, because the contract on connection includes the initial connection to the grid and also maintenance of the given connection over the term of the contract that is concluded for an indefinite period of time.

Revenue relating to performance obligations that were not satisfied or partly satisfied as at 31 December 2021

Contractual revenue	2022	2023	2024	2025	2026
Supplies of electricity	17,249,524	6,540,697	1,759,185	47	--
Supplies of gas	967,008	346,643	43,874	2	--
Other revenue	63,648	21,942	19,535	16,094	59,598
Total	**18,280,180**	**6,909,282**	**1,822,594**	**16,143**	**59,598**

Supplies of electricity and gas: Contractual revenue comprises the equivalent of supply fixed by a contract, measured at a contractual price. In respect of customers whose supply is not fixed, the supply is estimated over the notice period and measured at the average planned price. The Group used practical expedients and revenue arising from contracts whose originally expected term of the contract was less than one year, was not included as part of the above expected revenue.

Other revenue: This includes contractual revenue in particular from the provision of energy and telecommunication services.

Other hedged revenue (not included in the table) is revenue from the following regulated activities: distribution of electricity, electricity generation from renewable energy sources and revenue from investment contributions:

Distribution of electricity: This activity is regulated by the Energy Regulatory Office ("the ERO") which determines so called allowed revenues using the revenue cap method. Allowed revenues are derived from the product of operating expenses, depreciation and reasonable profit (WACC x RAB), where the RAB (regulatory asset base) is the carrying amount of assets recognised by the regulator and the WACC is the weighted average cost of capital expressing the rate of return. Regulatory parameters determining the resulting allowed revenues for the upcoming year are always published by the ERO in November of the previous year – in 2022, the allowed revenues are set at MCZK 5,179.

Revenue from electricity produced: The price of electricity is regulated by the ERO and according to the valid legislation it is guaranteed for the period of twenty years from obtaining a licence (i.e., in respect of the PRE Group until 2029, or 2030). Revenue is currently generated in the form of a so-called green bonus; in 2022, the revenue of MCZK 436 is expected.

Investment contributions: Revenue relating to unsatisfied or partly satisfied performance obligations in respect of investment contributions totals TCZK 1,823,987 and its division into current and non-current is shown in contract liabilities under Note 25 Contract liabilities. The Group used practical expedients and revenue arising from contracts whose originally expected term of the contract was less than one year, was not included as part of the above expected revenue.

Contractual balances	2021	2020
Receivables included in trade and other receivables *)	1,567,835	1,488,306
Contract assets *)	674,102	484,258
Contract liabilities *)	3,041,270	2,752,289

*) See Notes 19, 21 and 25

Revenues from customer relationship comprise total sales and other revenues.

Incremental costs for obtaining a contract amount to TCZK 133,701 (at 31 December 2020: TCZK 102,818), relate to the commissions paid for attracting new customers, are reported in trade and other receivables and written-off for 46 months in the cost of purchased services, material and energy.

(5) Segment reporting (TCZK)

The Group's activities are divided into Trade, Distribution and Other segments. The structure of information on segments corresponds with the structure of principal business activities and the structure of managerial information in the Group. Transfer pricing between entities in the Group is arranged in the same amount as if arranged between independent entities in ordinary business relations. The Group regularly prepares transfer pricing documentation and always once every three years asks the tax authority for a binding assessment of the pricing method. The current binding assessment is valid until 2023.

The Trade segment – supply of electricity and gas (commodities) and trading in electricity

Ensures the purchase and sale of commodities, including connected activities. The segment's revenue according to the type of business relationship (see the following paragraph) is either only proceeds from the sold commodity or proceeds from the sold commodity and distribution service.

Customers have the right to choose a commodity supplier. If they choose a supplier whose territory of supply is not in the place of the physical collection of the commodity, they pay only for the delivered commodity to this supplier. They subsequently pay to the distributor, in whose territory of supply the collection is located, for distribution and system services (hereinafter only services) related to the commodity supply. The customer can conclude a contract on combined supply services with the supplier and in such case the supplier also arranges the supply of distribution services.

The commodity price is contractual (non-regulated), while the service price is regulated. The price of distribution services is regulated by the Energy Regulatory Office.

The Distribution segment

The Distribution segment ensures the physical transmission of electricity from suppliers to customers in the required quantity and quality. The segment's principal revenue is internal revenue from the trade segment for the quantity of energy transmitted in individual voltage levels, or external revenue from customers with whom the segment is in direct business relation.

The Other segment

The segment's principal activity is the generation of electricity using solar and wind energy. In addition, it provides the reading, purchases and sale, review and assembly of meters. It provides and further develops an external services package which includes assembly work at the customer's collection point, the servicing of photovoltaic power plants, energy audits of buildings, inspection and cleaning of transformer stations, installation of lighting systems, decentralised energy services and EPC, etc. It offers services in the turnkey assembly of photovoltaic power plants. To a lesser extent, the Group sells selected electrical appliances in its company store.

	Trade		Distribution		Other		Elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Electricity and gas/distribution										
External revenue	18,645,334	17,261,047	3,667,182	3,623,902	444,368	442,235	--	--	22,756,884	21,327,184
Inter-segment revenue	297,816	442,011	5,827,938	5,752,101	--	--	(6,125,754)	(6,194,112)	--	--
External expenses	(11,527,403)	(10,225,972)	(4,292,225)	(4,132,269)	--	--	--	--	(15,819,628)	(14,358,241)
Inter-segment expenses	(5,816,838)	(5,741,256)	(297,816)	(442,011)	--	--	6,114,654	6,183,267	--	--
Gross profit	**1,598,909**	**1,735,830**	**4,905,079**	**4,801,723**	**444,368**	**442,235**	**(11,100)**	**(10,845)**	**6,937,256**	**6,968,943**
Other external operating revenue	39,302	36,483	282,995	306,043	263,821	239,097	--	--	586,118	581,623
Other inter-segment operating revenue	979,146	941,136	23,193	19,442	261,281	256,989	(1,263,620)	(1,217,567)	--	--
Personnel expenses	(782,834)	(748,626)	(656,474)	(632,184)	(243,776)	(226,740)	--	--	(1,683,084)	(1,607,550)
Amortisation and depreciation of non-current assets	(263,826)	(258,437)	(1,066,730)	(1,033,051)	(203,798)	(176,497)	--	--	(1,534,354)	(1,467,985)
Cost of purchased services, material and energy	(683,780)	(630,682)	(1,626,096)	(1,654,269)	(388,534)	(365,677)	1,279,236	1,231,057	(1,419,174)	(1,419,571)
Capitalisation	40,286	21,530	244,088	309,995	--	--	--	--	284,374	331,525
Impairment losses for assets	35,915	(107,740)	5,287	(4,125)	(425)	(544)	--	--	40,777	(112,409)
Other gains and losses less interest received	58,672	52,250	(135,877)	(134,468)	86,291	79,897	(4,516)	(2,645)	4,570	(4,966)
Operating performance of the segment	**1,021,790**	**1,041,744**	**1,975,465**	**1,979,106**	**219,228**	**248,760**	**--**	**--**	**3,216,483**	**3,269,610**
Revenues from dividends and interest received	1,582,370	1,774,209	175	71	421	52	(1,582,966)	(1,774,332)	--	--
Borrowing costs	(56,691)	(71,804)	(169,158)	(158,010)	(22,925)	(30,919)	160,966	152,332	(87,808)	(108,401)
Current income tax	(165,351)	(234,104)	(286,053)	(275,361)	(53,003)	(52,077)	--	--	(504,407)	(561,542)
Deferred income tax	(47,572)	8,922	(61,313)	(70,132)	7,462	9,739	--	--	(101,423)	(51,470)
Financial performance of the segment	**2,334,546**	**2,518,967**	**1,459,116**	**1,475,674**	**151,183**	**175,555**	**(1,422,000)**	**(1,622,000)**	**2,522,845**	**2,548,197**
Other information										
Total assets	**28,741,049**	**21,813,477**	**26,221,734**	**25,216,789**	**1,910,432**	**2,035,319**	**(17,255,483)**	**(16,645,812)**	**39,617,732**	**32,419,773**
Additions to tangible assets *)	293,641	224,311	1,896,733	1,669,427	27,174	25,993	--	--	2,217,548	1,919,731
Additions to intangible assets *)	125,828	102,484	2,456	11,461	--	360	--	--	128,284	114,305
Liabilities	13,257,559	8,480,412	20,729,346	19,910,921	1,174,218	1,302,700	(17,255,483)	(16,645,812)	17,905,640	13,048,221

*) Additions include additions from business combinations and additions from right-of-use in line with IFRS 16.

(6) Personnel expenses (TCZK)

	2021	2020
	Staff including management	Staff including management
Average headcount	1,638	1,600
Salaries	1,018,950	962,209
Salaries paid depending on the fulfilment of the plan	64,288	76,361
Social security and health insurance	401,329	386,891
Remuneration to the members of the Group's bodies	69,646	69,356
Other social expenses *)	128,871	112,733
Total	**1,683,084**	**1,607,550**

*) Primarily expenses relating to severance pays and employee benefits defined by the Collective Agreement, specifically catering contributions, bonuses paid to employees in relation to work or life anniversaries, retirement, contributions to additional pension insurance and medical care.

Personnel expenses were reduced by the grant provided under the Dflex project ("Verifying the flexibility for the operation and control of the electrification system") and the Antivirus project totalling TCZK 3,492 (2020: TCZK 6,415).

(7) Cost of purchased services, material and energy (TCZK)

	2021	2020
Material and own consumed energy	259,106	267,136
Subcontracts and freight costs *)	195,250	285,233
Repairs of property, plant and equipment	282,458	261,110
Consulting services	47,725	60,636
Lease payments	53,985	47,423
Postage and telecommunication fees	49,327	43,170
IT support	144,469	136,010
Marketing	154,870	116,334
Personnel services and employee development	55,582	46,087
Other **)	176,402	156,432
Celkem	**1 419 174**	**1 419 571**

*) The item includes subcontracts and freight costs as part of the services primarily in respect of KORMAK Praha a.s. and VOLTCOM, spol. s r.o., which are engaged in the repairs and construction of new assets, and PREměření, a.s., which provides electrical assembly work.

**) Expenses incurred on cleaning services, security guard services, storage fees and other services. Moreover, the item includes the costs of the fees to the statutory auditor.

The purchased services, material and energy were reduced by the grant provided under the Dflex project ("Verifying the flexibility for the operation and control of the electrification system") and the "Improving the region's resilience against the threat of global electrical blackout using new technologies and management" project and the grant for covid-19 self-tests totalling TCZK 1,456 (2020: TCZK 1,124).

Costs of fees payable to the statutory auditor (TCZK)

	PRE	PREdi	PREm	eYello	PREzak	PREs	Celkem
Audit	1,635	990	270	200	195	195	3,485
Consulting services and other review services	424	713	95	--	--	--	1,232
Total for 2021	**2,059**	**1,703**	**365**	**200**	**195**	**195**	**4,717**
Audit	1,635	990	270	200	195	195	3,485
Consulting services and other review services	813	--	--	--	--	--	813
Total for 2020	**2,448**	**990**	**270**	**200**	**195**	**195**	**4,298**

KPMG Česká republika Audit, s.r.o., is the statutory auditor.

(8) Borrowing costs (TCZK)

	2021	2020
Interest on loan *)	36,192	57,250
Interest expense on employee benefits	3,446	2,241
Interest on leases	48,170	48,910
Total	**87,808**	**108,401**

*) A portion of the borrowing costs of TCZK 13,273 (2020: TCZK 9,962) was capitalised in line with IAS 23. The capitalisation rate was 1.56% p. a. (2020: 1.42% p. a.).

(9) Asset capitalisation (TCZK)

	2021	2020
First-time assembly and branding of electricity meters	38,703	40,649
Internally produced assets (production of distribution assets)	245,671	290,876
Total	**284,374**	**331,525**

(10) Impairment profit (loss) for financial assets (TCZK)

	2021	2020
Write-offs of doubtful debts	15,751	19,202
Creation and release of loss allowances for receivables	(61,960)	78,353
Creation and release of loss allowances for contract assets	5,432	15,645
Creation and release of loss allowances for cash and cash equivalents	--	(791)
Total	**(40,777)**	**112,409**

(11) Other gains and losses (TCZK)

	2021	2020
Taxes and charges	(6,180)	(5,582)
Insurance premium	(10,412)	(9,504)
Foreign exchange rate gains (losses)	3,800	32,955
Interest received outside of the Group	4,093	3,839
Gain (loss) from the sale and disposal of assets	(10,183)	(32,418)
Gain (loss) from the sale and disposal of inventories	17,705	11,474
Other	5,747	(5,730)
Total	**4,570**	**(4,966)**

(12) Income tax (TCZK)

The current income tax is calculated at 19% of the estimated taxable profit. Deferred tax is calculated using the income tax rate anticipated in future periods, i.e., 19%.

	2021	2020
Current tax	504,407	561,542
Deferred tax	101,423	51,470
Total income tax	**605,830**	**613,012**

Effective tax rate		**2021**		**2020**
Profit before tax	**3,128,675**		**3,161,209**	
Income tax using the effective income tax rate	594,448	19.00%	600,630	19.00%
Impact of items that are permanently tax non-deductible	11,382	0.36%	12,382	0.39%
Total income tax/effective tax rate	**605,830**	**19.36%**	**613,012**	**19.39%**

Deferred tax assets (-) and liabilities (+) recorded in the balance sheet relate to the following items:

	2021	Recorded in profit or loss	Recorded in other comprehensive income	2020	Recorded in profit or loss	Recorded in other comprehensive income	Changes in business combinations	2019
Non-current assets	2,297,390	61,596	--	2,235,794	69,591	--	23,310	2,142,893
Inventories	30,239	30,239	--	--	--	--	--	--
Provisions	(7,071)	650	--	(7,721)	129	--	--	(7,850)
Loss allowances for receivables	(20,786)	11,112	--	(31,898)	(15,437)	--	--	(16,461)
Loss allowances for inventories	(268)	(149)	--	(119)	(17)	--	--	(102)
Obligation under the Collective Agreement	(84,415)	(2,025)	7,927	(90,317)	(2,796)	(1,764)	--	(85,757)
Cash flow hedge	349,720	--	341,780	7,940	--	23,571	--	(15,631)
Total deferred tax liability	**2,564,809**	**101,423**	**349,707**	**2,113,679**	**51,470**	**21,807**	**23,310**	**2,017,092**

The total deferred tax is reported in the balance sheet as a deferred tax asset of TCZK 45,736 (2020: TCZK 44,270) and a deferred tax liability of TCZK 2,610,545 (2020: TCZK 2,157, 949).

The estimated current income tax for 2021 of TCZK 507,866 was reduced by income tax prepayments of TCZK 594,975 and the net difference is reported in tax receivables in the amount of TCZK 100,455 and in tax liabilities in the amount of TCZK 13,344. In 2020, the estimated current income tax for 2020 of TCZK 562,287 was reduced by income tax prepayments of TCZK 620,772 and the net difference is reported in tax receivables in the amount of TCZK 61,786 and in tax liabilities in the amount of TCZK 3,301.

(13) Dividends (TCZK)

The following amounts were recognised as distribution of profit to shareholders in the relevant period:

	2021	2020
Final dividend for 2020 of CZK 423 (2019: CZK 445) per share	1,635,033	1,723,256

The proposed dividend for 2021 must be approved by the shareholders at the regular general meeting. It has not been included in liabilities in these financial statements.

(14) Earnings per share (TCZK)

Earnings per share are calculated from the net profit for distribution of TCZK 2,522,845 (2020: TCZK 2,548,197) attributable to 3,869,443 shares, i.e., the earnings per share amount to CZK 652 (2020: CZK 659). The Group has no issued instruments diluting the basic earnings per share.

(15) Property, plant and equipment (MCZK)

	Land	Power structures	Cables and overhead power lines	Telecom-munication technolo-gies and IT	Admini-strative buildings	Power plants – renewable resources	Electricity meters	Other	Under con-struction	Total
Cost										
At 31 December 2019	**912.2**	**15,150.1**	**16,858.7**	**2,899.9**	**1,847.3**	**2,309.1**	**1,650.2**	**726.6**	**609.0**	**42,963.1**
Additions *)	13.7	302.7	814.8	98.2	24.2	--	69.0	48.1	435.0	1,805.7
Disposals	(1.5)	(125.3)	(70.1)	(19.5)	(2.0)	(7.7)	(116.6)	(16.4)	(29.0)	(388.1)
Transfers	0.3	68.6	105.4	76.0	9.4	0.9	22.3	9.6	(292.5)	--
Allocation of purchase price of last year's acquisitions	--	--	--	--	--	129.6	--	--	--	129.6
At 31 December 2020	**924.7**	**15,396.1**	**17,708.8**	**3,054.6**	**1,878.9**	**2,431.9**	**1,624.9**	**767.9**	**722.5**	**44,510.3**
Accumulated depreciation										
At 31 December 2019	**(0.6)**	**(7,340.4)**	**(6,056.6)**	**(2,081.6)**	**(617.0)**	**(782.9)**	**(1,174.7)**	**(445.3)**	**--**	**(18,499.1)**
Depreciation expense	--	(375.0)	(416.7)	(96.5)	(44.8)	(169.8)	(77.6)	(39.7)	--	(1,220.1)
Loss allowances	--	--	--	--	--	--	--	--	--	--
Disposals	--	121.4	70.1	19.5	3.3	0.7	116.6	14.0	--	345.6
At 31 December 2020	**(0.6)**	**(7,594.0)**	**(6,403.2)**	**(2,158.6)**	**(658.5)**	**(952.0)**	**(1,135.7)**	**(471.0)**	**--**	**(19,373.6)**
Net book value 2019	911.6	7,809.7	10,802.1	818.3	1,230.3	1,526.2	475.5	281.3	609.0	24,464.0
Net book value 2020	**924.1**	**7,802.1**	**11,305.6**	**896.0**	**1,220.4**	**1,479.9**	**489.2**	**296.9**	**722.5**	**25,136.7**

	Land	Power structures	Cables and overhead power lines	Telecommunication technologies and IT	Administrative buildings	Power plants – renewable resources	Electricity meters	Other	Under construction	Total
Cost										
At 31 December 2020	924.7	15,396.1	17,708.8	3,054.6	1,878.9	2,431.9	1,624.9	767.9	722.5	44,510.3
Additions *)	19.9	347.0	814.2	129.5	28.3	0.3	8.5	88.5	487.4	1,923.6
Disposals	(0.3)	(99.8)	(71.6)	(162.1)	--	(83.7)	(106.0)	(23.9)	(2.1)	(549.5)
Transfers	37.2	229.5	55.6	60.6	37.3	0.4	20.8	45.3	(486.7)	--
At 31 December 2021	981.5	15,872.8	18,507.0	3,082.6	1,944.5	2,348.9	1,548.2	877.8	721.1	45,884.4
Accumulated depreciation										
At 31 December 2020	(0.6)	(7,594.0)	(6,403.2)	(2,158.6)	(658.5)	(952.0)	(1,135.7)	(471.0)	--	(19,373.6)
Depreciation expense	--	(377.2)	(435.0)	(108.9)	(41.1)	(196.2)	(77.0)	(47.3)	--	(1,282.7)
Loss allowances	0.1	--	--	--	--	--	--	--	--	0.1
Disposals	--	99.4	71.6	162.1	--	73.6	106.0	22.5	--	535.2
At 31 December 2021	(0.5)	(7,871.8)	(6,766.6)	(2,105.4)	(699.6)	(1,074.6)	(1,106.7)	(495.8)	--	(20,121.0)
Net book value 2020	924.1	7,802.1	11,305.6	896.0	1,220.4	1,479.9	489.2	296.9	722.5	25,136.7
Net book value 2021	**981.0**	**8,001.0**	**11,740.4**	**977.2**	**1,244.9**	**1,274.3**	**441.5**	**382.0**	**721.1**	**25,763.4**

*) Increase in investments was reduced in 2021 by the promised grant from projects for the construction of vehicle charging stations totalling MCZK 46 (2020: MCZK 17).

None of the Company's property, plant and equipment were pledged or used as collateral. In 2022, the Group anticipates incurring total capital expenditures of approximately MCZK 2,026. As at the date of preparation of the financial statements, approximately MCZK 1,090 of all planned expenditure had been contracted.

(16) Intangible assets (MCZK)

	Software	Goodwill	Other	Under construction	Total
Cost					
At 31 December 2019	**787.6**	**313.7**	**46.2**	**77.4**	**1,224.9**
Additions	16.7	--	15.5	81.9	114.1
Disposals	--	--	(1.3)	(0.1)	(1.4)
Transfers	76.8	--	--	(76.8)	--
Allocation of purchase price of last year's acquisitions	--	(99.5)	--	--	(99.5)
At 31 December 2020	**881.1**	**214.2**	**60.4**	**82.4**	**1,238.1**
Accumulated amortisation					
At 31 December 2019	**(613.6)**	**--**	**(38.6)**	**--**	**(652.2)**
Amortisation expense	(90.7)	--	(5.2)	--	(95.9)
Disposals	--	--	1.3	--	1.3
Transfers	--	--	--	--	--
At 31 December 2020	**(704.3)**	**--**	**(42.5)**	**--**	**(746.8)**
Net book value 2019	174.0	313.7	7.6	77.4	572.7
Net book value 2020	**176.8**	**214.2**	**17.9**	**82.4**	**491.3**

	Software	Goodwill	Other	Under construction	Total
Cost					
At 31 December 2020	**881.1**	**214.2**	**60.4**	**82.4**	**1,238.1**
Additions	11.7	--	7.2	109.3	128.2
Disposals	(370.0)	--	--	--	(370.0)
Transfers	78.3	--	0.4	(78.7)	--
At 31 December 2021	**601.1**	**214.2**	**68.0**	**113.0**	**996.3**
Accumulated amortisation					
At 31 December 2020	**(704.3)**	**0.0**	**(42,5)**	**0.0**	**(746.8)**
Amortisation expense	(91.1)	--	(5.6)	--	(96.7)
Disposals	370.0	--	--	--	370.0
Transfers	--	--	--	--	--
At 31 December 2021	**(425.4)**	**0.0**	**(48.1)**	**0.0**	**(473.5)**
Net book value 2020	176.8	214.2	17.9	82.4	491.3
Net book value 2021	**175.7**	**214.2**	**19.9**	**113.0**	**522.8**

The Group has no intangible assets developed internally.

None of the Group's intangible assets are pledged or used as collateral.

In 2022, the Group anticipates incurring total capital expenditures of approximately MCZK 89. As at the date of preparation of the financial statements, approximately MCZK 31 of all planned expenditure had been contracted.

(17) Right-of-use and lease liabilities (MCZK)

The Group holds cable conduits for ultra-high voltage and high voltage lines and non-residential premises for high- and low-voltage transformers, motor vehicles, warehouses and land under operating leases.

The lease contracts for cable conduits have usually been concluded for an indefinite period of time. The Group estimated the lease period for 20 years. This period reflects the average remaining useful life of the Group's assets laid in the cable conduits and the historical experience with similar leases, considering other economic factors such as asset specificity, costs of finding an alternative and others. The average period of notice with these agreements is six months, however, termination notice is not expected due to the specific use of the underlying assets and significant penalisation in the form of cost of alternative means of laying the relevant cable infrastructure of the Group.

Leases of non-residential premises for transformer stations include lease contracts for definite period of time under which the Group considers the term of the contract as the lease period, and for indefinite period under which the Group uses its own judgement and, similarly to cable conduits, applied the 20-years lease period. This period reflects the useful life of the Group's assets and the historical experience with similar leases, considering other economic factors such as asset specificity, costs of finding an alternative and others. The average period of notice with these agreements is three months, however, termination notice is not expected due to the specific use of the underlying assets and more than insignificant penalisation in the form of cost of alternative means of ensuring energy distribution for the region.

The Group also leases offices and storage facilities (term of lease corresponds with the term of contractual relationship), and land for photovoltaic power plants (term of lease is based on the term of the contractual relationship which corresponds to the photovoltaic power plant's useful life). The Group leases personal and utility motor vehicles, usually for a period of three to six years.

Right-of-use	Cars	Offices and storage facilities	Land	Conduits	Premises for transformer stations	Total
Net book value at 31 December 2019	**96**	**83**	**28**	**1,087**	**340**	**1,634**
Additions	39	4	--	30	40	113
Amortisation expense	(41)	(22)	(2)	(58)	(29)	(152)
Net book value at 31 December 2020	**94**	**65**	**26**	**1,059**	**351**	**1,595**
Additions	58	13	--	186	35	292
Amortisation expense	(41)	(24)	(2)	(60)	(28)	(155)
Net book value at 31 December 2021	**111**	**54**	**24**	**1,185**	**358**	**1,732**

Lease liability	2021	2020
Current lease liabilities	182	128
Non-current lease liabilities	1,609	1,508
Total lease liabilities	**1,791**	**1,636**
Lease liability at 1 January	**1,636**	**1,655**
Lease payments	(137)	(132)
Interest paid	(48)	(49)
Total cash flows	**(185)**	**(181)**
Lease increase and modifications	292	113
Interest expense	48	49
Total non-cash flows	**340**	**162**
Lease liability at 31 December	**1,791**	**1,636**

As at 31 December 2021 and in relation to the application of IFRS 16, the Group reported the following in its income statement:

	2021	2020
Amortisation of the right-of-use	155	152
Interest expense	48	49
Short-term lease expense	3	3
Expenses for leases where the Group applies the exemption for lease with low-value underlying assets.	4	4

In 2021, the total cash flows relating to leases was MCZK 185 (2020: CZK 181). As at 31 December 2021, the Group applied interest rate from 0.84% to 3.64% depending on the length of the contractual relation and the underlying asset (as at 31 December 2020: from 1.83% to 3.46%). The Group is not exposed to significant future expenses arising from contracts where the lease did not start as at the balance sheet date, residual value guarantees, or variable lease payments. The Group does not record any significant unrecognised liabilities relating to short-term leases.

The Group does not lease any leased assets to third persons. For the analysis of maturity of lease liabilities refer to Note 32.

(18) Subsidiaries (MCZK)

Company	Principal activity	2021	2020
PREdistribuce, a.s.	Distribution of electricity in Prague and Roztoky	100%	100%
eYello CZ, k.s.	Electricity and gas trading	100%	100%
PREměření, a.s.	Electro-installation activities, meter reading and generation of solar energy	100%	100%
KORMAK Praha a.s.	Construction and repairs of distribution facilities	100%	100%
PREservisní, s.r.o.	Lease of real estate, apartments and non-residential premises and services for other entities of the PRE Group	100%	100%
PREzákaznická, a.s.	Customer service for other entities of the PRE Group	100%	100%
PRE FVE Světlík, s.r.o.	Generation of electricity using solar energy	100%	100%
PREnetcom, a.s.	Communication grid administration	100%	100%
SOLARINVEST – GREEN ENERGY, s.r.o.	Construction of turnkey photovoltaic projects and electrical assembly work	100%	100%
FRONTIER TECHNOLOGIES, s.r.o.	Production and supply of professional lighting systems	100%	100%
VOLTCOM, spol. s r.o.	Construction and repairs of distribution facilities	100%	100%
PRE VTE Částkov, s.r.o.	Generation of electricity from renewable resources	100%	100%
PRE FVE Nové Sedlo, s.r.o.	Construction and operation of solar energy production plant	100%	--

The Group exercises control over its subsidiaries, i.e., it has the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities.

The financial statements of the subsidiaries are included in the consolidated financial statements using the full consolidation method.

On 6 October 2021, PRE FVE Nové Sedlo, s.r.o. was established with the aim of preparing, constructing, and operating a solar energy production plant. PREměření, a.s. has a 100% interest in PRE FVE Nové Sedlo, s.r.o.

In 2020, the purchase price associated to the acquisition of PRE VTE Částkov, s.r.o was allocated. The originally reported goodwill of MCZK 101 was reduced by MCZK 100. At the same time, property, plant and equipment (Power plants – renewable sources) were remeasured at MCZK 130, business risks at MCZK 7 and deferred tax at MCZK 23.

On the acquisition of subsidiaries, goodwill was created as the paid consideration included additional sums relating to the benefits from expected revenues from services, and savings on repairs and distribution network building. These benefits are not reported separate from goodwill as independent assets as they do not meet the criteria for recognition as identified intangible assets.

Net cash flows upon the acquisition of subsidiaries	2021	2020
Consideration transferred upon the acquisition of subsidiaries	--	--
Cash equivalents of the subsidiaries over whom control has been acquired	--	--
Balance of outstanding amount of purchase price *)	(18)	(4)
Net cash outflows upon the acquisition of subsidiaries	**(18)**	**(4)**

*) Includes retentions and deferred (conditional) payments arising from the contract. Deferred payments represent an additional payment of the purchase price which is dependent on the future achievement of selected financial indicators acquired by the company (profit before tax).

The goodwill which arose upon the allocation of the purchase price is not tax relevant. Within the Group, goodwill is allocated to two cash-generating units – renewable energy manufacturers which include photovoltaic power plants and wind power plants, and to electrical assembly companies.

Goodwill	**2021**	**2020**
Balance at 1 January	214	314
Additions from business combinations performed during the year	--	--
Change in goodwill following the purchase price allocation	--	(100)
Balance at 31 December	**214**	**214**

Goodwill after the companies	**2021**	**2020**
FVE Dačice, s.r.o.	34	34
FVE Pozořice, s.r.o.	5	5
KORMAK Praha a.s. and PREservisní, s.r.o.	57	57
PRE FVE Světlík, s.r.o.	10	10
SOLARINVEST – GREEN ENERGY, s.r.o.	17	17
FRONTIER TECHNOLOGIES, s.r.o.	41	41
VOLTCOM, spol. s r.o.	49	49
PRE VTE Částkov, s.r.o.	1	1
Balance at 31 December	**214**	**214**

In compliance with the accounting policies, an impairment test was conducted in respect of goodwill, during which no impairment indicators were identified.

	Renewable energy manufacturers	**Electrical assembly companies**	**Total**
Goodwill (gross) as at 31 December 2019	**150**	**164**	**314**
Additions	--	--	--
Change in goodwill following the purchase price allocation	(100)	--	(100)
Goodwill (gross) as at 31 December 2020 2020	**50**	**164**	**214**
Impairment losses as at 31 December 2019	**--**	**--**	**--**
Additions	--	--	--
Disposals	--	--	--
Impairment losses as at 31 December 2020	**--**	**--**	**--**
Goodwill (net) as at 31 December 2019	**150**	**164**	**314**
Goodwill (net) as at 31 December 2020	**50**	**164**	**214**

The Group does not record any movements in goodwill in 2021.

Annually at the balance sheet date, the Group sets the value of the recoverable sum for each of the cash-generating units to which goodwill is attributable. In this case, the recoverable amount is set as the higher of the value in use or the fair value reduced by the cost of sale.

Due to the fact the value in use is higher for all cash-generating units to which goodwill is allocated than their carrying amount as at the balance sheet date, the recoverable amount of each cash-generating unit is based on its value in use, and the fair value reduced by the cost of sale is not calculated.

Setting the value in use for renewable energy manufacturers

The value in use of cash-generating units from the group of renewable energy manufacturers is based on the following key expectations which form the basis of the cash flow plans of individual renewable energy manufacturers. This comprises:

1. Future production of renewable energy manufacturers, i.e., the amount of electricity each individual renewable energy manufacturer produces;
2. Future price of electricity delivery to the distribution grid, i.e., the price for which each individual renewable energy manufacturer is able to sell its future production; and
3. Useful life, i.e., the period during which the individual renewable energy manufacturer is able to produce electricity and sell it for the price set in item 2 above.

In the first case scenario, the Group sets the future production of each individual renewable energy manufacturer as the arithmetic average of its production starting with the first full year of putting the power plant into operation and ending on the last day of the current accounting period. For photovoltaic power plants, the Group in its prediction expects gradual degradation of solar panels resulting in annual production decrease of 0.8%; for wind power plants no production decrease is considered.

In the second case scenario, the Group sets the future price for electric energy delivery into the grid in accordance with the price decision No. 3/19 of the Energy Regulatory Office.

In the third case scenario, the Group sets the useful life at 20 and 25 years from the day of putting each individual renewable energy manufacturer into operation.

Due to the rather low complexity of photovoltaic and wind power plants, the Group creates the cash flows plan for their whole useful life and expects revenue and expenses indexation in line with the long-term inflation objective of the Czech National Bank of 2% p.a.

The discount rate before tax is between c/a 9.5% and 12.1% p.a., depending on the manufacturer (as at 31 December 2020, between c/a 6.2% and 7.5% p.a.). In determining the amount of the discount rate in 2021, the Group also took into account the expected legislative changes concerning photovoltaic power plants.

Setting the value in use for electrical assembly companies

The value in use of cash-generating units from the group of electrical assembly companies is based on the following key expectations which form the basis of the cash flow plans of individual electrical assembly companies which are part of the Company's consolidated economic plan. This comprises:

1. Future turnover, i.e., the estimate of future sale of goods, products and services generated by each individual company;
2. Future margin, i.e., the profitability from the sale of goods, products and services reduced by direct cost of these services and production overhead;
3. Period of business activity, i.e., the period in which each company operates its business activities.

In the first case scenario, the Group sets the future sales of each electrical assembly company with regard to its historical performance and growth trend, business concept and development activities and expected market trends.

In the second case scenario, the Group sets the future margin for each electrical assembly company mostly according to its historical margin taking into account the expected market development.

In the third case scenario, the Group set the term of business activity at the next 10 years and the Group considers this period a very conservative estimate based rather on the prudence principle than on the real estimate of the operating efficiency of current business activities.

The Group creates the cash flows plan for the above-mentioned period of 10 years, and for the period not included in the Group's mid-term business plan, i.e., from 2024 onwards, the Group expects revenues and expenses indexation in line with the long-term inflation objective of the Czech National Bank of 2% p.a.

The discount rate before tax is between c/a 10.9% and 13.4% p.a., depending on the manufacturer (as at 31 December 2020, between c/a 11.1% and 12.2% p.a.).

Impact of changes in key expectations on the recoverable amount

The Group analysed the impact of changes in key expectations on the recoverable amount. The Group did not identify any reasonably feasible change in key expectation which would result in the carrying amount of the cash-generating unit significantly exceeding the recoverable amount.

(19) Contract assets (TCZK)

Contract assets comprise the Group's right for payment for supplies already carried out and uninvoiced, based on contracts with customers, at the selling price reduced by advances received, in case the value of supply is higher than the value of advances received. A contract asset becomes a receivable at the moment the unconditional right for payment is acquired; this unconditional right arises from invoicing after meter reading. The usual invoice payment deadline for end customers is 30 days.

Current contract assets	2021	2020
Uninvoiced supplies of electricity and gas – gross	4,379,403	3,922,070
Less: Advances received	(3,742,000)	(3,476,000)
Uninvoiced supplies of electricity and gas – net	637,403	446,070
Uninvoiced distribution of electricity – gross	388,864	580,443
Less: Advances for distribution received	(366,377)	(560,726)
Uninvoiced distribution of electricity – net	22,487	19,717
Uninvoiced orders	14,212	18,471
Total	**674,102**	**484,258**

Balance of contract assets at 31 December 2019	**489,435**
Invoicing of recognised contract assets during 2020	(493,235)
Uninvoiced supplies of 2020, less advances received	503,703
Impairment in compliance with IFRS 9 requirements	(15,645)
Balance of contract assets at 31 December 2020	**484,258**
Invoicing of recognised contract assets during 2021	(503,703)
Uninvoiced supplies of 2021, less advances received	698,979
Impairment in compliance with IFRS 9 requirements	(5,432)
Balance of contract assets at 31 December 2021	**674,102**

Impairment of contract assets in compliance with IFRS 9	
Balance at 31 December 2019	**3,800**
Additions and release in the current year	15,645
Balance at 31 December 2020	**19,445**
Additions and release in the current year	5,432
Balance at 31 December 2021	**24,877**

(20) Receivables from the revaluation of derivatives (TZCK)

Receivables from the revaluation of non-current derivatives	2021	2020
Receivables from the revaluation of commodity derivatives for trading	--	46,932
Receivables from the revaluation of hedging commodity derivatives	251,782	19,160
Receivables from the revaluation of hedging foreign exchange derivatives	--	295
Receivables from the revaluation of hedging interest rate derivatives	160,021	--
Total	411,803	66,387

Receivables from the revaluation of current derivatives	2021	2020
Receivables from the revaluation of commodity derivatives for trading	2,179,080	381,614
Receivables from the revaluation of hedging commodity derivatives	1,456,615	74,964
Receivables from the revaluation of hedging foreign exchange derivatives	--	3,898
Receivables from the revaluation of hedging interest rate derivatives	40,688	--
Total	3,676,383	460,476

(21) Trade and other receivables (TCZK)

Non-current trade and other receivables	2021	2020
Principal amounts paid, primarily for electricity trading	68,749	188,370
Advances paid	22,439	22,440
Other non-financial assets	80,969	59,204
Total	172,157	270,014

Current trade and other receivables	2021	2020
Receivables from electricity and gas supplies	1,403,906	1,338,068
Receivables related to supplies of distribution services	94,738	91,597
Other trade receivables	69,191	58,641
Margin deposits with the power exchanges	1,043,702	105,204
Other receivables – gross	1,514,440	436,638
Less: Advances provided	(459,592)	(354,984)
Other receivables – net	1,054,848	81,654
Other tax receivables	370,152	6,027
Other non-financial assets	153,305	117,507
Total	4,189,842	1,798,698

Compared to the initial recognition, the credit risk did not increase significantly. In respect of non-current and current principals and margin deposit, the following loss allowances were established for expected credit losses at an amount of 12-month credit losses (stage 1 of the impairment model):

Loss allowances for other receivables	
Balance at 31 December 2019	**3,189**
Additions and release in the current year	(368)
Balance at 31 December 2020	**2,821**
Additions and release in the current year	(2,017)
Balance at 31 December 2021	**804**

Of the current trade receivables, gross receivables past their due date totalled TCZK 427,775 (2020: TCZK 449,514). Outstanding portions usually bear no interest. The following loss allowances were created for the current trade receivables:

Loss allowances for current trade receivables	
Balance at 31 December 2019	**352,940**
Additions and utilisation in the current year	78,721
Balance at 31 December 2020	**431,661**
Additions and utilisation in the current year	(59,943)
Balance at 31 December 2021	**371,718**

*) The balance of loss allowances of SOLARINVEST – GREEN ENERGY, s.r.p. of TCZK 428 was added to the balance at 31 December 2019.

In considering the recoverability of receivables, the Group takes into account any changes in the recoverability of trade receivables from the date of their origination through the balance sheet date.

The carrying amount of trade and other receivables corresponds to their fair value. Receivables are considered credit impaired if they are more than 3 months past due.

			2021	
	% of loss allowance	Gross	Loss allowance	Net
Receivables within due date	2	1,511,778	29,489	1,482,289
Receivables up to 1 month past due	4	70,674	2,827	67,847
Receivables between 1 and 3 months past due	25	11,756	2,939	8,817
Receivables between 4 and 6 months past due	60	8,659	5,195	3,464
Receivables between 7 and 12 months past due	86	15,282	13,143	2,139
Receivables over 12 months past due	99	321,404	318,125	3,279
Total trade receivables		**1,939,553**	**371,718**	**1,567,835**

	2020			
	% of loss allowance	Gross	Loss allowance	Net
Receivables within due date	5	1,470,453	78,339	1,392,114
Receivables up to 1 month past due	10	75,445	7,544	67,901
Receivables between 1 to 3 months overdue	27	23,643	6,317	17,326
Receivables between 4 and 6 months past due	60	13,315	7,989	5,326
Receivables between 7 and 12 months past due	86	17,499	15,049	2,450
Receivables over 12 months past due	99	319,612	316,423	3,189
Total trade receivables		**1,919,967**	**431,661**	**1,488,306**

(22) Inventories (TCZK)

	2021	2020
Material	112,569	81,134
Work in progress	--	659
Products	1,476	1,985
Goods *)	230,169	31,393
Total	**344,214**	**115,171**

*) Of which gas supply at fair value of TCZK 218,888. The fair value is determined by a valuation model using inputs at stage 2 (the market price index of an organised short-term commodity market).

Cost of purchased material, services and energy and other gains and losses in the income statement include costs of sold and consumed inventories of TCZK 280,814 (2020: TCZK 287,168).

Given their limited use, inventories were written down to their net realisable value as follows:

Balance at 31 December 2019	**537**
Additions and utilisation in the current year	92
Balance at 31 December 2020	**629**
Additions and utilisation in the current year	784
Balance at 31 December 2021	**1,413**

The adjustment to the net realisable value is reported in “Other gains and losses”.

(23) Cash and cash equivalents (TCZK)

Cash and cash equivalents include cash in hand, deposits payable upon request and other highly liquid financial assets that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Loss allowances are not recognised due to their immateriality.

	2021	2020
Current bank accounts	1,978,464	1,889,717
Cash in hand	3,219	3,234
Stamps and vouchers	3,144	2,710
Total	**1,984,827**	**1,895,661**

At the Company request, banks issued payment bank guarantees of MCZK 7 in favour of APCS Power Cleaning and Settlement AG (2020: MCZK 10 in favour of ČEPRO, a.s., and APCS Power Clearing and Settlement AG).

(24) Loans (TCZK)

This note summarises the information about the contractual conditions of received interest bearing loans and borrowings. For more information about the Group's exposure to interest rate risks refer to "Financial instruments".

			2021			2020
	Amount	Interest rate	Due date	Amount	Interest rate	Due date
Loan 1	1,000,039	Fix 1.40%	1 Jul 2024	1,000,039	Fix 1.40%	1 Jul 2024
Loan 2	1,005,615	Fix 1.16%	8 Jul 2022	1,005,615	Fix 1.16%	8 Jul 2022
Loan 3	550,070	6M PRIBOR+0.30%	18 Nov 2027	550,010	6M PRIBOR+0.30%	18 Nov 2027
Loan 4	550,070	6M PRIBOR+0.25%	18 Nov 2027	550,010	6M PRIBOR+0.25%	18 Nov 2027
Loan 5	630,070	Fix 4.10%	3 Jan 2022	150,003	Fix 0.60%	4 Jan 2021
Authorised overdraft of current accounts						
ČSOB	431,062	O/N PRIBOR+0.35%, at least 0.00%	--	440,042	O/N PRIBOR+0.35%, at least 0.00%	--
Česká spořitelna	169,741	O/N PRIBOR+0.30%, at least 0.00%	--	76,019	O/N PRIBOR+0.30%, at least 0.00%	--
Total	**4,336,667**			**3,771,738**		
Non-current loans	3,100,000			3,100,000		
Current loans	1,236,667			671,738		
Total	**4,336,667**			**3,771,738**		

	31 December 2020	Cash flows Utilisation	Cash flows Repayment	Other	31 December 2021
Total loans	3,771,738	1,230,803	(666,062)	188	4,336,667

	31 December 2019	Cash flows Utilisation	Cash flows Repayment	Other	31 December 2020
Total loans	4,188,767	1,766,062	(2,176,357)	(6,734)	3,771,738

To hedge interest rate, the Company uses interest rate swaps that are accounted for as cash flow hedges.

The banks do not require loan collateral with regard to the Group's credit rating. As at 31 December 2021, undrawn loan facilities amounted to MCZK 1,989 (as at 31 December 2020: MCZK 2,554).

Loans are carried at their amortised cost. The fair value of loans 1, 2, 3 and 4 differs from their amortised cost by MCZK 235, and this value amounts to MCZK 2,871. In 2020, the fair value of loans 1, 2, 3 and 4 a differed from their amortised cost by MCZK 9, and this value amounted to MCZK 3,097. In respect of other loans, their amortised cost does not differ from their fair value in particular due to their short-term character.

The fair value was calculated by discounting contractual cash flows using the current yield curve. Fair value comes under stage 3 as a result of using inputs that cannot be directly derived from data acquired on the active market, such as own credit risk.

The Group capitalises borrowing costs using the capitalisation rate in line with IAS 23.

(25) Contract liabilities (TCZK)

The contract liability relates to advances received and invoicing that has already been performed (e.g., in the case of investment contributions), as part of contracts with customers, reduced by the value of supplies that have not yet been invoiced, and from which revenue is recognised on an ongoing basis or will be recognised directly after the balance sheet date as part of the satisfaction of a performance obligation.

Non-current contract liabilities	2021	2020
Investment contributions	1,648,095	1,640,464
Total	**1,648,095**	**1,640,464**

Current contract liabilities	2021	2020
Advances received for the supply of electricity and gas from customers – gross	4,937,214	4,413,927
Less: Uninvoiced supplies	(3,742,000)	(3,476,000)
Advances received for the supply of electricity and gas from customers – net	1,195,214	937,927
Advances received for the supply of distribution services – gross	388,446	561,424
Less: Uninvoiced distribution services	(366,377)	(560,726)
Advances received for the supply of distribution services – net	22,069	698
Investment contributions	175,892	173,200
Total	**1,393,175**	**1,111,825**

Balance of contract liabilities at 31 December 2019	**2,797,473**
Increase in contract liabilities in the current year (investment contributions received, advance payments, partial invoicing)	1,120,221
Recognition of contract liabilities in revenues in the current year	(1,165,405)
Balance of contract liabilities at 31 December 2020	**2,752,289**
Increase in contract liabilities in the current year (investment contributions received, advance payments, partial invoicing)	1,400,806
Recognition of contract liabilities in revenues in the current year	(1,111,825)
Balance of contract liabilities at 31 December 2021	**3,041,270**

The amount of TCZK 1,111,825 recorded as a contract liability in 2020 was reported in revenue in the period ended 31 December 2021 (a contract liability of TCZK 1,165,405 reported as at 31 December 2019 was reported as revenue in the period ended 31 December 2020).

The Group has no revenue relating to the satisfaction or partial satisfaction of performance obligations in prior accounting periods.

(26) Payables from the revaluation of derivatives (TZCK)

Payables from the revaluation of non-current derivatives	2021	2020
Payables from the revaluation of commodity derivatives for trading	406,859	57,349
Payables from the revaluation of hedging commodity derivatives	229,290	24,462
Payables from the revaluation of hedging foreign exchange derivatives	--	490
Payables from the revaluation of hedging interest rate derivatives	--	30,636
Total	636,149	112,937

Payables from the revaluation of current derivatives	2021	2020
Payables from the revaluation of commodity derivatives for trading	2,024,025	359,626
Payables from the revaluation of hedging commodity derivatives	959,099	28,761
Payables from the revaluation of hedging foreign exchange derivatives	120,758	16,253
Payables from the revaluation of hedging interest rate derivatives	--	15,190
Total	3,103,882	419,830

(27) Trade and other payables (TCZK)

Non-current trade and other payables	2021	2020
Other financial liabilities	1,732	17,857
Other non-financial liabilities	8,200	148,199
Total	9,932	166,056

Current trade and other payables	2021	2020
Uninvoiced supplies of electricity and gas from suppliers – gross	468,877	358,406
Less: Advances provided for the supply of electricity and gas	(459,592)	(354,984)
Uninvoiced supplies of electricity and gas from suppliers – net	9,285	3,422
Trade payables	948,040	811,635
Payables to employees *)	68,594	61,471
Social security and health insurance liabilities	38,733	38,223
Other tax payables **)	133,560	251,818
Other financial liabilities	313,829	127,800
Other non-financial liabilities	334,322	156,327
Total	1,846,363	1,450,696

*) Includes December wages paid in January of the following year

**) The item comprises mostly payables relating to value added tax, tax on electricity and gas.

The Group reports overdue trade payables of TCZK 1,725 (2020: TCZK 500). All overdue payables were settled during January 2022.

In respect of liabilities that are carried at amortised cost, this value corresponds with their fair value.

(28) Provisions (TCZK)

	2021	2020
Employee benefits	294,273	341,404
Other provisions	222,364	236,026
Total	**516,637**	**577,430**
Non-current provisions	322,886	370,984
Current provisions	193,751	206,446
Total	**516,637**	**577,430**

The provision for employee benefits represents liabilities pursuant to the Collective Agreement arising from bonuses paid to employees upon retirement and work and life jubilees.

	Employee benefits	Business risks	Salaries	Total
Balance at 31 December 2019	**309,085**	**101,736**	**154,085**	**564,906**
Additions in the current year	66,532	29,306	148,895	244,733
Utilisation in the current year	(26,429)	--	(142,653)	(169,082)
Purchase price allocation	--	7,000	--	7,000
Release in the current year	(7,784)	(50,911)	(11,432)	(70,127)
Balance at 31 December 2020	**341,404**	**87,131**	**148,895**	**577,430**
Additions in the current year	75,111	7,608	165,198	206,578
Utilisation in the current year	(34,256)	(322)	(129,739)	(164,317)
Release in the current year	(87,986)	(37,251)	(19,156)	(103,054)
Balance at 31 December 2021	**294,273**	**57,166**	**165,198**	**516,637**
Non-current liabilities – provisions	265,720	57,166	--	322,886
Current liabilities – provisions	28,553	--	165,198	193,751
Total	**294,273**	**57,166**	**165,198**	**516,637**

The **provision for salaries** includes salaries paid depending on the fulfilment of the plan.

The **provisions for business risks** arise from the operation of fixed assets.

The **provision for employee benefits** represents liabilities pursuant to the Collective Agreement arising from bonuses paid to employees upon retirement and work and life jubilees and liabilities to personal accounts drawn by employees for optional benefits. In respect of work jubilees and bonuses upon retirement, the amount of benefit depends on the hours that the employee has worked in the Group; in case of life jubilees, the bonus is paid to the employee on reaching the age of 50. After employees retire, no other benefits are provided to them.

To calculate the provision, a projected unit credit method is used - i.e., for each period worked, the employee is entitled to a proportion of the present value of the benefit. In addition, the calculation takes into account the time value of money and the probability that the benefit will not be paid out.

The discount rate is derived based on market yields of Czech state bonds in the currency of the liability, i.e., CZK, with the maturity date corresponding with the maturity of the liability. It is determined as a single discount factor for all benefits together.

The probability of continuance (payment) includes the anticipated retirement, the probability of leaving the Group, the mortality and the invalidity rate. The anticipated retirement is determined for individual employees using legislation valid in the respective country. Staff turnover, mortality, and invalidity rates are determined based on the Group's historical data analysis.

Basic assumptions used for actuarial valuation:

	2021	2020
Discount rate	2.85%	1.43%
Average retirement age (years)	64.9	64.8
Probability of continuance	0.71	0.67

Significant actuarial assumptions for determining the liability include the discount rate and probability of continuance. The sensitivity analyses below were determined based on possible changes in the parameters described, at the end of the accounting period, whilst all other assumptions remained constant.

	Basis	(1) p.p.	Net	1 p.p.	Net
Sensitivity of the provision to the change in discount rate	294,273	325,687	31,414	267,543	(26,730)

	Basis	(0.10)	Difference	0.10	Difference
Sensitivity of the provision to the change in probability of continuance	294,273	262,177	(32,096)	312,409	18,136

The creation of provisions for employee benefits includes interest expense of TCZK 3,446 (2020: TCZK: 2,241), running cost relating to these benefits of TCZK 71,665 (2020: 55,388), and revaluation of the liabilities from defined benefits reported in other comprehensive income of TCZK 8,903. The release of provisions in 2021 then primarily comprises the revaluation of provisions for employee benefits due to a change in assumptions (in particular the discount rate), of which TCZK 41,339 is recorded in other comprehensive income. The utilisation of provisions then comprises the payments of employee benefits.

(29) Share capital (TCZK)

Share capital

There are 3,869,443 registered shares in the nominal value of CZK 1,000 per share (2020: 3,869,443 shares). These shares are in the book-entry form and carry no right for the regular payment of dividends.

The Company's share capital has been paid in full.

(30) Reserves and other funds (TCZK)

	2021	2020
Reserve fund	773,889	773,889
Other reserves	382,711	382,711
Cash flow hedge	1,490,908	33,847
Revaluation of net payables from defined benefits	16,475	(16,937)
Total	**2,663,983**	**1,173,510**

The Group's reserve fund has been created in the amount of 20% (TCZK 773 889) of the share capital and no further increase is to be made. The general meeting decides on the use of the reserve fund and this fund is used to settle the Company's loss.

Other reserves represent part of the capital of the former state enterprise, the legal predecessor of the Company. As a result of the privatisation project, the state enterprise's capital was divided into share capital, reserve fund and capital funds as at the date of incorporation of the joint stock company (1 January 1994). As at that date, the balance of the capital funds was TCZK 390,390. The board of directors decides on the use of the balance of this fund based on the rules for fund management approved by the general meeting. Subject to the approval of the general meeting, the Company may establish other discretionary funds.

Cash flow hedge and revaluation of payables from defined benefits comprises:

	2021	2020
Revaluation of hedging commodity derivatives	1,778,766	119,867
Effect of deferred tax	(337,966)	(22,775)
Revaluation of hedging foreign exchange derivatives	(138,848)	(32,253)
Effect of deferred tax	26,381	6,128
Revaluation of hedging interest rate derivatives	200,710	(45,827)
Effect of deferred tax	(38,135)	8,707
Revaluation of payables from defined benefits	20,340	(20,999)
Effect of deferred tax	(3,865)	4,062
Total	**1,507,383**	**16,910**

(31) Government grants (TCZK)

The Group records grant commitments of TCZK 169,773 (2020: TCZK 159,242), which are not accounted for in compliance with the accounting policy in Note 3, because as at the date of the financial statements it is not entirely certain these grants will be provided to the Group.

(32) Financial instruments (TCZK)

Categories of financial instruments

Financial assets (net)	Cat.:	2021	2020
(a) Receivables from the revaluation of commodity derivatives for trading	iii.	2,179,080	428,546
(b) Receivables from the revaluation of hedging commodity derivatives	ii.	1,708,397	94,124
(c) Receivables from the revaluation of hedging foreign exchange derivatives	ii.	--	4,193
(d) Receivables from the revaluation of hedging interest rate derivatives	ii.	200,709	--
(e) Cash and cash equivalents	i.	1,984,827	1,895,661
(f) Margin deposit	i.	1,043,702	105,204
(g) Trade and other receivables, except for the above	i.	2,691,432	1,758,330

Financial liabilities	Cat.:	2021	2020
(i) Payables from the revaluation of commodity derivatives for trading	iii.	2,430,884	416,975
(j) Payables from the revaluation of hedging commodity derivatives	ii.	1,188,389	53,223
(k) Payables from the revaluation of hedging foreign exchange derivatives	ii.	120,758	16,743
(l) Payables from the revaluation of hedging interest rate derivatives	ii.	--	45,827
(m) Loans received	iv.	4,336,667	3,771,738
(n) Lease liabilities	iv.	1,790,851	1,635,995
(o) Financial liabilities carried at amortised cost, except for the above	iv.	1,272,886	960,714

Categories of financial instruments:

i. Financial assets measured at amortised cost
ii. Financial assets measured at fair value through other comprehensive income
iii. Financial assets and financial liabilities measured at fair value through profit or loss
iv. Financial liabilities at amortised cost

Financial assets and liabilities (ii., iii.) were valued using valuation models with market data (stage 2), such as forward curves of underlying commodities, spot and forward foreign exchange rates and interest rate curves.

Gains and losses from financial instruments reported in the current period		2021	2020
Gain/loss from the revaluation of commodity derivatives in the trading portfolio *)	(a, i)	(13,968)	(5,350)
Interest received outside of the Group	(e)	4,093	3,839
Borrowing costs (except for the interest on employee benefits)	(m, n)	(84,362)	(106,160)
Loss allowances for trade receivables and other financial assets	(e, f, g)	56,528	(93,207)
Write-offs of doubtful debts	(g)	(15,751)	(19,202)
Hedge ineffectiveness	(b, j)	(4,340)	4,730

*) Included in “Margin on trading”

Hedge accounting *)		2021	2020
Creation of the equity fund from the cash flow hedge	(b,c,d,j,k,l)	1,709,031	87,181
Reversal of the fund from cash flow hedge in the income statement *)	(b,c,d,j,k,l)	89,809	36,874

*) Included in "Costs of purchased electricity"

Capital risk

The Group manages its capital to ensure an optimal financial position from the long-term perspective while maximising the long-term return to shareholders. The capital is the value of equity from the balance sheet.

	2021	2020
Total assets	39,617,732	32,419,773
Equity	21,712,092	19,371,552
Equity/total assets	55%	60%

Market risk

In view of its activities, the Group is predominantly exposed to the market risk related to the changing prices of commodities (electricity and gas), currency risk and the risk of changes in interest rates.

For the hedging of market risks, the Group uses the following non-derivative financial assets and financial instruments:

..... commodity forwards and futures to hedge the changes in prices of these commodities;
..... currency forwards to hedge the changes in exchange rates;
..... interest rate swaps to hedge the interest expense amount for external loans received;
..... funds denominated in EUR acquired by a spot purchase on the money market to hedge exchange rates.

The Group's exposure to market risks is measured using various methods, the most important being the sensitivity analysis which reflects potential impacts of changes in prices defined in individual scenarios on the Group's results. The VaR methodology (Value at Risk) is used to measure short-term business exposure. The Group's exposure to market risks is monitored on a regular basis and its approach to managing these risks has not significantly changed as compared to the prior period.

There is no concentration of market risks in the Group.

Currency risk

The Group is exposed to the risk of changes in exchange rates. A significant exposure to the risk of changes in exchange rates arises only when settling transactions in foreign currency (EUR) made to procure electricity or gas for the Group's customers. The Group's strategy is to minimise the risk of undesirable effects of exchange rate fluctuations on cash flows. The risks of such changes in exchange rates are measured using defined scenarios for exchange rate development. The open exposure is established based on the annual plan of exchange currency requirements and the amount of agreed hedging.

SThe Group hedges a significant portion of its future planned foreign currency cash flows for the purchase of electricity and gas against the risk related to exchange rates, using currency forwards and a spot purchase of EUR with subsequent holding period until the determined date of usage; these transactions are accounted for in accordance with the hedge accounting principles that the Group applies.

The Group monitors hedge effectiveness under hedge accounting. The hedging has been effective. Due to the fact that the characteristics of the hedging instrument and the hedged item tally, no sources of ineffectiveness, with the exception of the counterparty's credit risk, have been identified. The counterparty's credit risk is insignificant. The credit rating of PRE and the counterparty of the hedging instrument is high. The effect of the credit risk does not dominate the changes in value that result from the economic relationship. The hedge ratio is set at 1: 1.

The economic relationship between the hedged item and the hedging instrument has been tested:

1) Qualitative analysis: based on the comparison of the characteristics of the hedging instrument and the hedged item, the Group concluded that they are balanced.

2) Quantitative analysis: using the simple method of scenario analysis, the Group examined and further monitors any changes in the fair value of the hedging instrument and the hedged item as a result of changes in the underlying variable, comprising the EUR/CZK exchange rate. The changes in the fair value of the hedged item and the hedging instrument move in opposite directions and the change in the fair value of the hedging instrument fully compensates the change in the fair value of the hedged item.

The carrying amount of foreign currency assets and liabilities:

	Assets (TCZK)		Liabilities (TCZK)	
	2021	2020	2021	2020
Receivables and payables from the revaluation of commodity derivatives for trading	2,179,080	428,546	2,430,884	416,975
Receivables and payables from the revaluation of hedging commodity derivatives	1,708,397	94,124	1,188,389	53,223
Receivables and payables from the revaluation of hedging foreign exchange derivatives	--	4,193	120,758	16,743
Non-derivative financial assets for currency risk management (cash)	795,520	1,390,985	--	--
Cash and cash equivalents	188,619	214,625	--	--
Margin deposit	1,043,702	105,204	--	--
Trade receivables and payables and other receivables and payables	169,012	198,286	567,962	359,338
Total in EUR	**6,084,330**	**2,435,963**	**4,307,993**	**846,279**
Other currencies	155	141	--	--
Total	**6,084,485**	**2,436,104**	**4,307,993**	**846,279**

Currency derivatives and non-derivative financial assets open at the balance sheet date:

	Average exchange rate CZK/EUR		Value (TEUR)		Value (TCZK)		Fair value (in TCZK)	
Purchase of EUR through currency derivatives	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Purchase of EUR up to 1 month	25.63	26.18	40,050	5,000	1,026,474	130,908	(29,489)	364
Purchase of EUR from 1 to 3 months	25.57	26.30	121,000	34,100	3,094,339	896,940	(65,333)	(642)
Purchase of EUR from 3 to 12 months	25.72	26.57	56,000	65,250	1,440,217	1,733,822	(25,936)	(12,077)
Purchase of EUR over 12 months	--	26.56	--	5,050	--	134,134	--	(195)
Total			**217,050**	**109,400**	**5,561,030**	**2,895,804**	**(120,758)**	**(12,550)**

	Average exchange rate CZK/EUR		Value (TEUR)		Value (TCZK)		Revaluation (in TCZK)	
Cash in EUR used to hedge currency risk	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
EUR used up to 1 month	25.44	27.25	6,000	5,000	152,630	136,250	(3,470)	(4,700)
EUR used from 1 to 3 months	25.39	27.25	2,000	5,000	50,770	136,250	(1,050)	(4,700)
EUR used from 3 to 12 months	25.43	26.47	24,000	43,000	610,210	1,138,188	(13,570)	(7,125)
Total			**32,000**	**53,000**	**813,610**	**1,410,688**	**(18,090)**	**(16,525)**

Currency risk – sensitivity analysis

The Group performed a sensitivity analysis to identify the potential impact of the change in the value of these assets and liabilities on the level of profit or equity as a result of a 1% decrease in the CZK/EUR exchange rate.

	2021	**2020**
Profit/(loss)	5,821	1,715
Equity	(33,096)	(11 698)

Interest rate risk

Medium- and long-term external funds of the Group include loans maturing in less than a year, three and six years. The loan maturing in 2020 will be fully refinanced with a maturity of seven years in accordance with the Group's medium-term plan. The loans have a fixed and floating interest rates with a six-month fixation, with the loans being fully hedged through interest rate swaps as the Group is the payer of a fixed payment from the interest rate swap. As at 31 December 2021, the Group concluded interest rate swaps to hedge external loans of MCZK 2,100 repayable in 2027 a 2029. Changes in market interest rates thus do not affect the pre-agreed amount of repayments of these loans, which effectively reduces the risk of changes in interest rates. In this context, the Group has introduced hedge accounting. The Group monitors the hedge effectiveness in hedge accounting. Hedging is and has been effective. The characteristics of the hedging instrument and the hedged item coincide with the exception of the existence of an embedded interest rate option in the hedged loan. In addition to the credit risk of the counterparty, the source of hedging ineffectiveness is also the embedded floor option for the hedged item, which will cause the hedging inefficiency when the level of CZK interest rates falls to negative values. The credit risk of the counterparty and the Company is insignificant. The credit rating of PRE and the counterparty of the hedging instrument is high. The impact of credit risk is not a decisive factor for changes in value that result from an economic relationship. The hedge ratio is set at 1: 1.

The economic relationship between the hedged item and the hedging instrument has been tested:

1) Qualitative analysis: based on the comparison of the characteristics of the hedging instrument and the hedged item, the Group concluded that they are balanced.

2) Quantitative analysis: using the simple method of scenario analysis, the Group examined and further monitors any changes in the fair value of the hedging instrument and the hedged item as a result of changes in the underlying variable, comprising the rate of the commodity. The changes in the fair value of the hedged item and the hedging instrument move in opposite directions and the change in the fair value of the hedging instrument compensates the change in the fair value of the hedged item due to the hedged risk.

Changes in interest rates may only affect the costs of hedging short-term sources of funding. However, the impact of this risk on the Company, if any, is immaterial, therefore, the Company does not manage it and does not apply hedge accounting. Lease liabilities are not included in the table as they are not sensitive to changes in interest rate unless the lease relationship is modified.

The carrying amount of assets and liabilities which is dependent on the interest rate:

	Assets (TCZK)		Liabilities (TCZK)	
	2021	2020	2021	2020
Receivables and payables from the revaluation of hedging interest rate derivatives	200,709	--	--	45,826
Receivables and payables from the revaluation of hedging foreign exchange derivatives	--	4,193	120,758	16,743
Total	**200,709**	**4,193**	**120,758**	**62,569**

Interest rate risk – sensitivity analysis

The Group performed a sensitivity analysis to identify the potential impact of the change in the value of these assets and liabilities on the level of profit or equity as a result of a +0.25% p.a. increase in the interest rate.

	2021	2020
Profit/(loss)	--	--
Equity	20,953	15,449

Risk of changing prices of commodities

The Group is exposed to the risk related to the development of electricity and gas prices, which can have an impact on the expected profit margin. The Group's strategy is to minimise the risk of undesirable effects of price changes on cash flows.

Electricity and gas for end customers is purchased in order to achieve the optimisation of purchase prices within the position limited in terms of volume. Exposure management is based on limits for the maximum permissible size of outstanding exposures, the possible financial impact is derived from defined scenarios for price developments. The commodity risk management strategies are primarily based on the structure of the Group's end customers and distinguish between customers with individual rates (the B2B customer segment) and customers receiving common price-list rates (the B2C customer segment). As the price is set at different times for each segment, the commodity hedging method varies for the two customer groups as well. In the case of the B2B customer segment, back-to-back hedging is used, i.e., the commodity is acquired as soon as the offer is accepted by the customer. For the B2C customer segment, gradual hedging is used, i.e., the commodity is acquired over time for a large number of small customers, taking into account market liquidity and minimising market price volatility for customers.

In implementing the above strategies, a range of tools, procedures and techniques are used to ensure that the commodity is delivered at the specified time, in the specified place and at the optimum purchase price.

A significant portion of the commodity delivered to the domestic market is hedged using forward contracts with physical delivery in the Czech Republic. The 'own-use' exemption allowed by IFRS 9 applies to such forward contracts. In 2020, as a result of the reduced volume of expected electricity consumption caused by the covid-19 pandemic, the Group was forced to reduce its planned purchases, thus realising sales term contracts with physical delivery in the Czech Republic in the volume of approximately 3% or the planned purchases.

In the event of momentarily insufficient liquidity in the domestic commodity market with the physical delivery of the commodity, the Group hedges the purchase price and mitigates the risk of price development via transactions in external commodity markets connected with the Czech transmission system. So far, primarily the German market has been involved, due to its sufficient liquidity and high degree of price correlation with the Czech market. The 'own-use' exemption does not apply to these transactions, and in these cases, the Group applies hedge accounting. The objective of commodity risk management is to hedge cash flows connected with the future purchase of a commodity for the end customer on the domestic market. The Group hedges against the risk of price changes by purchasing an OTC commodity forward or stock exchange futures on the external market, thus substantially ensuring the required purchase price. At the moment of sufficient liquidity on the Czech market, the Group purchases the commodity on the domestic OTC market and at the same time closes the position on the external market with an inverse contract. Hedging is thus terminated. Any gain or loss from hedging to a large extent compensates the movement of price on the domestic market between the moment the Group wanted to purchase the commodity for the end customer, but could not do so due to low liquidity, and the moment of subsequent purchase. The 'own-use' exemption allowed by IFRS 9 applies to the purchase on the domestic market. The Group monitors hedge effectiveness under hedge accounting. The hedge has so far been highly effective. The characteristics of the hedging instrument and the hedged item tally. Apart from the counterparty's credit risk, a source of hedge ineffectiveness is also the degree of correlation between external and domestic commodity markets, expressed by the spread development between markets. The correlation across both markets is very high in the medium term (more than 98%). The counterparty's credit risk is insignificant. The credit rating of PRE and the counterparty of the hedging instrument is high. The effect of the credit risk does not dominate the changes in value that result from the economic relationship. The hedge ratio is set at 1:1.

The economic relationship between the hedged item and the hedging instrument has been tested:

1) Qualitative analysis: based on the comparison of the characteristics of the hedging instrument and the hedged item, PRE concluded that they are balanced.

2) Quantitative analysis: using the simple method of scenario analysis, the Group examined and further monitors any changes in the fair value of the hedging instrument and the hedged item as a result of changes in the underlying variable, comprising the rate of the commodity. The changes in the fair value of the hedged item and the hedging instrument move in opposite directions and the change in the fair value of the hedging instrument considerably compensates the change in the fair value of the hedged item.

Another possibility to solve temporary market illiquidity is to hedge the price of future spot purchase of a commodity, using commodity futures on the domestic market without physical delivery. At the moment of low liquidity on the domestic market with physical delivery, the Group agrees to the purchase of domestic commodity futures. The Group holds these futures until expiration. When the derivative expires, hedging is terminated. Any gain or loss from hedging, expressed by the paid or collected variation margin, fully compensates the movement of price on the domestic market between the moment the Group wanted to purchase the commodity for the end customer but could not do so due to low liquidity and the moment of purchase on the spot market. The Group monitors hedge effectiveness under hedge accounting. The hedge has been highly effective. The characteristics of the hedging instrument and the hedged item tally. Due to the fact that the characteristics of the hedging instrument and the hedged item tally, no sources of ineffectiveness, with the exception of the counterparty's credit risk, have been identified. The counterparty's credit risk is insignificant. The credit rating of PRE and the counterparty of the hedging instrument is high. The effect of the credit risk does not dominate the changes in value that result from the economic relationship. The hedge ratio is set at 1:1.

The economic relationship between the hedged item and the hedging instrument has been tested:

1) Qualitative analysis: based on the comparison of the characteristics of the hedging instrument and the hedged item, the Group concluded that they are balanced.

2) Quantitative analysis: using the simple method of scenario analysis, the Group examined and further monitors any changes in the fair value of the hedging instrument and the hedged item as a result of changes in the underlying variable, comprising the rate of the commodity. The changes in the fair value of the hedged item and the hedging instrument move in opposite directions and the change in the fair value of the hedging instrument considerably compensates the change in the fair value of the hedged item.

As part of its business activities, the Group carries out trading transactions with commodity derivatives. As at 31 December 2021, the Group recorded an open trading position, thus being exposed to the risk of a change in the commodity price.

The carrying amount of assets and liabilities which depends on the commodity price:

	Assets (TCZK)		Liabilities (TCZK)	
	2021	2020	2021	2020
Receivables and payables from the revaluation of commodity derivatives for trading	2,179,080	428,546	2,430,884	416,975
Receivables and payables from the revaluation of hedging commodity derivatives	1,708,397	94,124	1,188,389	53,223
Total	3,887,477	522,670	3,619,273	470,198

Open commodity derivatives for hedging as at the balance sheet date:

	Commodity contracts for purchase				Commodity contracts for sale			
	Nominal value (TEUR)		Nominal value (TCZK)		Nominal value (TEUR)		Nominal value (TCZK)	
	2021	2020	2021	2020	2021	2020	2021	2020
Futures								
Settlement up to 12 months	38,154	18,862	948,501	495,023	939	--	23,351	--
Settlement in 1 to 2 years	1,461	6,222	36,314	163,302	--	--	--	--
Settlement in 2 to 3 years	625	--	15,537	--	--	--	--	--
Total	40,240	25,084	1,000,352	658,325	939	--	23,351	--
OTC forward								
Settlement up to 12 months	33,399	19,162	830,307	502,920	12,450	9,308	309,499	244,298
Settlement in 1 to 2 years	7,564	8,577	188,047	225,106	4,476	5,518	111,282	144,818
Settlement in 2 to 3 years	7,357	4,669	182,886	122,540	4,576	4,476	113,771	117,482
Settlement in 3 to 4 years	--	4,770	--	125,181	--	4,576	--	120,109
Settlement in 4 to 5 years	--	--	--	--	--	--	--	--
Total	48,320	37,178	1,201,240	975,747	21,502	23,878	534,552	626,707

Open commodity own use contracts:

	Nominal value (TEUR		Nominal value (TCZK)	
	2021	2020	2021	2020
Own use contracts – electricity *)	560,809	275,478	13,981,884	7,241,438
Own use contracts – gas *)	29,322	17,365	728,947	455,741
Total	**590,131**	**292,843**	**14,710,831**	**7,697,179**

*) Contracts which were concluded and are held due to the receipt or delivery of a non-financial item relating to expected purchase, sale or use

Open commodity trading contracts:

	Commodity contracts for purchase				Commodity contracts for sale			
	Nominal value (TEUR)		Nominal value (TCZK)		Nominal value (TEUR)		Nominal value (TCZK)	
	2021	2020	2021	2020	2021	2020	2021	2020
Futures								
Settlement up to 12 months	--	416	--	10,928	--	454	--	11,921
Total	**--**	**416**	**--**	**10,928**	**--**	**454**	**--**	**11,921**
OTC forward								
Settlement up to 12 months	39,528	12,529	982,660	328,833	29,352	8,558	729,703	224,599
Settlement in 1 to 2 years	--	5,187	--	136,137	5,390	6,357	134,001	166,847
Settlement in 2 to 3 years	--	--	--	--	--	5,390	--	141,466
Total	**39,528**	**17,716**	**982,660**	**464,970**	**34,742**	**20,305**	**863,704**	**532,912**

Commodity risk – sensitivity analysis

The Group performed a sensitivity analysis to identify the potential impact of the change in the value of these assets and liabilities on the level of profit or equity as a result of a 1% increase in commodity prices on EEX.

	2021	2020
Profit/(loss)	(1,329)	(325)
Equity	34,298	3,312

Credit risk

The Group is exposed to credit risk primarily in terms of trade receivables from end customers relating to the supplies and distribution of electricity or gas and in respect of wholesale partners trading in commodities in relation to concluded hedging and trading derivative contracts on the OTC market. In addition, the credit risk is connected with contract assets, the Group's receivables from inter-company loans and consignation of funds, available or consigned as margin deposit in connection with the trading on commodity exchange, with banks. Although the Group does not expect a higher credit risk in connection with receivables and other financial assets, the future credit status of business partners can be negatively influenced by future macroeconomic developments and the financial stability of the national economy.

In compliance with the Group's credit risk management policy, the credibility of wholesale partners trading in commodities and business partners in the B2B segment and cooperating banks is verified. In terms of newly signed contracts in the B2C segment, the Group evaluates whether the Group's potential customer is in debt in respect of possible previous contractual relations, which can indicate the potential customer's reduced credibility, or it relies upon information from publicly available registers.

The development and balance of receivables is monitored and evaluated on an ongoing basis with the aim to minimise the risk that doubtful or uncollectible receivables may arise. The maximum possible credit risk resulting from financial and contract assets corresponds with their carrying amount.

Credit risk is managed on the level of risk owners, on the level of individual sections. As part of credit risk management process, the Group primarily strives to prevent the risk from occurring, performs regular or one-off scoring of wholesale and B2B partners, monitors external rating of cooperating banks, determines and monitors the compliance with binding exposure limits for individual partners, etc.

The Group monitors the development of receivables, customers' credit history and carries out the analysis of the ageing structure of receivables. These activities are performed in the integrated system for evaluation, administration and recovery of trade receivables. In case overdue receivables arise, the Group communicates with the debtor with the aim to acquire the outstanding amount. If the debtor does not respond to the summons, the Group proceeds to terminate the supplies of electricity or gas and subsequently recover the unpaid receivables.

In electricity and gas supplies and distribution which is the Group's principal activity, the Group specifically applies the following principles to minimise the failure to collect receivables.

The reading of industrial customers' electricity and gas meters and invoicing takes place on a monthly basis. Some of the customers pay monthly or ten-day advance payments, based on their expected consumption, to cover electricity or gas consumed but not yet invoiced, taking into account previous years' consumption, season and other factors. The method of determining the amount of the advance payments is specified in the contract. Reminders are sent to customers who fail to pay on time. If a customer fails to settle the debt within an additional time period, the electricity or gas supply is suspended. Certain industrial customers cover their future liabilities by making prepayments in advance or by paying deposits.

The standard reading of small businesses and household electricity and gas meters and invoicing takes place on an annual basis. For supplied but unbilled electricity or gas, advance payments are determined to reflect the volume and nature of the consumption. The determination of the price and the payment method are specified in the contracts with customers. If a customer fails to settle the debt within an additional time period, the electricity supply is suspended.

There is no concentration of credit risk.

The Group bases the monitoring of credit risk development on the ageing structure of receivables and on the customer segment risk. The Group awarded customers points in line with relevant facts (risk segment, due date, payment issues in the past) and a calculated impairment risk index for each receivable.

The amount of loss allowance is determined on this basis. The percentage of loss allowance for individual categories of receivable maturities is determined with respect to available historical data and the expected future development, as part of which the Group takes into account also the expected development of economy. Historical data are based on the actual development in receivable repayment in the last four years. When taking into consideration the future development, the Group relies on available macroeconomic forecasts. The loss allowance rate reflects the expected percentage of receivables that will not be paid by the customer in the given age category. In 2021, the Group slightly adjusted the risk of deterioration in customer payment behaviour in connection with the impact of the covid-19 pandemic as the Group's assumptions were only partially confirmed. On the other hand, the risk of non-payment of receivables relating to new customers in the supplier of last resort regime was added; in determining this risk, the Group based its assessment on the payment behaviour of these customers in paying advances from October to December 2021.

The Group calculates loss allowances for trade receivables and contract assets in the amount corresponding with the lifetime expected credit losses on the financial assets. In respect of other receivables, the Group initially calculates loss allowances at an amount of 12-month expected credit losses and subsequently, if the counterparty's credibility reduction is identified, at lifetime expected credit losses.

A loss allowance for contract assets is established in the same way as the loss allowance for trade receivables within due date.

The information on loss allowance amounts for contract and financial assets is included in Notes 19 and 21.

The standard practice of the Group is not to require collateral for trade receivables in form of hedging financial assets. As at 31 December 2021, the Group did not hold any trade receivables or contract assets for which a loss allowance would be established due to collateral received.

The Group proceeds to write off trade receivables if, based on available information, it concludes that it is not possible to recover the given receivable despite efforts undertaken so far, or that the revenue from recovering the debt receivable will not cover potential costs that the Group would incur on debt recovery, or if it is a doubtful debt. These include in particular cases where the court cancelled the bankruptcy, because the debtor's assets are completely insufficient, the debtor is insolvent or faces the risk of insolvency based on insolvency proceedings, the debtor was a legal person that ceased to exist without a legal successor, the debtor was a natural person and has died and the receivable could not be satisfied even as part of inheritance proceedings, or the assets of which were subject to public auctioning or execution and the yield from auctioning or execution did not fully cover the debt receivable. In addition, these include cases, where the debtor's whereabouts are unknown based on the information of competent national authorities (the police, courts, etc.). Moreover, doubtful receivables include receivables for which documents for recovery by legal means are not available, statute-barred debts that the debtor refuses to pay, the court dismissed the action, or the compulsory execution was not successful.

Liquidity risk

The Group manages liquidity risk by maintaining an average amount of cash and cash equivalents, banking facilities and borrowing facilities, by continuously monitoring forecast and actual cash flows and seeking to match the maturity profiles of financial assets and liabilities. Included in the Note "Loans" is a listing of additional undrawn loan facilities that the Group has at its disposal to further reduce liquidity risk. These loan facilities have not been drawn yet. The Group is not exposed to any significant liquidity risk and does not suffer from any solvency issues. There is no concentration of liquidity risk.

Liquidity risk – tables

The following tables represent the residual maturity of the Group's undiscounted non-derivative financial liabilities. The table including the financial liabilities reflects the earliest dates on which the Group may be asked to fulfil its liabilities.

Liabilities 2021	Net book value	Up to 1 month	1-3 months	3-12 months	More than 12 months	Total
Payables from the revaluation of commodity derivatives for trading	2,430,884	168,669	337,337	1,518,019	406,859	2,430,884
Payables from the revaluation of hedging commodity derivatives	1,188,389	79,925	159,850	719,324	229,290	1,188,389
Payables from the revaluation of hedging foreign exchange derivatives	120,758	29,489	65,333	25,936	--	120,758
Payables from the revaluation of hedging interest rate derivatives	--	--	--	--	--	--
Loans received (including interest)	4,336,667	1,239,505	17,404	78,317	3,570,860	4,906,086
Lease liabilities *)	1,790,851	15,719	31,221	137,522	2,077,303	2,261,765
Financial liabilities carried at amortised cost, except for the above	1,272,886	880,481	124,039	266,634	1,732	1,272,886
Total		2,413,788	735,184	2,745,752	6,286,044	12,180,768

Liabilities 2020	Net book value	Up to 1 month	1-3 months	3-12 months	More than 12 months	Total
Payables from the revaluation of commodity derivatives for trading	416,975	29,969	59,937	269,720	57,349	416,975
Payables from the revaluation of hedging commodity derivatives	53,223	3,927	4,515	20,319	24,462	53,223
Payables from the revaluation of hedging foreign exchange derivatives	16,743	--	2,691	13,562	490	16,743
Payables from the revaluation of hedging interest rate derivatives	45,826	1,266	2,532	11,392	30,636	45,826
Loans received (including interest)	3,771,738	671,975	--	27,440	3,202,529	3,901,944
Lease liabilities *)	1,635,995	14,895	29,790	130,465	1,893,184	2,068,334
Financial liabilities carried at amortised cost, except for the above	960,714	794,962	50,910	96,985	17,857	960,714
Total		1,516,994	150,375	569,883	5,226,507	7,463,759

*) As at 31 December 2021, lease liabilities over 5 years totalled TCZK 1,425,974 (as at 31 December 2020: TCZK 1,325,359).

(33) Related party transactions (TCZK)

In line with IAS 24, the below-listed related parties have been identified. Related parties also include subsidiaries and transactions with related parties are eliminated upon consolidation.

Expenses incurred with and revenue generated from related parties

	Sales to related parties		Purchases from related parties	
	2021	2020	2021	2020
Relations with controlling entities and associates	**1,312,095**	**1,542,316**	**1,817,482**	**1,833,444**
Pražská energetika Holding a.s.	1,474	1,474	--	--
Capital City of Prague	51,135	184,003	29,994	10,487
EnBW Energie Baden-Württemberg AG *)	1,259,486	1,356,839	1,787,488	1,822,957
Relations with other entities controlled by controlling entities and associates	**1,167,795**	**945,724**	**208,902**	**174,813**
VNG Handel & Vetrieb GmbH	10,939	--	29,008	--
Výstaviště Praha, a.s.	6,820	8,222	8	51
Želivská provozní a.s.	20,030	15,926	--	--
Pražské služby, a.s.	10,112	--	272	--
MONTSERVIS PRAHA, a.s.	4,307	--	--	--
Technická správa komunikací hl. m. Prahy, a.s.	46,042	46,445	24	24
Dopravní podnik hl. m. Prahy, akciová společnost	1,042,520	837,125	3,930	4,203
Kolektory Praha, a.s.	318	6,434	116,647	112,571
Obecní dům, a.s.	45	4,443	--	--
TRADE CENTRE PRAHA a.s.	3,876	5,935	2,091	15,840
Pražská plynárenská, a.s.	22,786	21,194	56,922	42,124
Total	**2,479,890**	**2,488,040**	**2,026,384**	**2,008,257**

*) EnBW Energie Baden-Württemberg AG is among the top suppliers of electricity and gas. The sales and purchases to and from this entity are presented, among other, in trading margin and are further used for commodity hedge accounting.

Receivables from and payables to related parties

	Receivables		Payables	
	2021	2020	2021	2020
Relations with controlling entities and associates	**17,587**	**39,368**	**60,658**	**48,358**
Pražská energetika Holding, a.s. *)	149	149	--	--
Capital City of Prague	17,145	38,788	2,247	--
EnBW Energie Baden-Württemberg AG	293	431	58,411	48,358
Relations with other entities controlled by controlling entities and associates	**63,338**	**60,157**	**71,536**	**87,832**
VNG Handel & Vetrieb GmbH	--	--	18,541	--
Výstaviště Praha, a.s.	1,289	562	370	208
Pražské služby, a.s.	1,928	--	3	--
Želivská provozní a.s.	3,239	3,009	--	--
Technická správa komunikací hl. m. Prahy, a.s.	3,947	4,687	7	--
Dopravní podnik hl. m. Prahy, akciová společnost	47,108	48,698	38,382	84,190
Kolektory Praha, a.s.	2,077	958	--	--
Obecní dům, a.s.	418	351	--	--
TRADE CENTRE PRAHA a.s.	--	343	30	10
Pražská plynárenská, a.s.	3,332	1,549	14,203	3,424
Total	**80,925**	**99,525**	**132,194**	**136,190**

Business transactions were conducted on an arm's length basis. Outstanding amounts were not collateralised.

Dividends paid

	2021	2020
Pražská energetika Holding a.s.	949,068	1,000,278
EnBW Energie Baden-Württemberg AG	676,834	713,355

Executive management

	2021	2020
Number of persons	13	13
Remuneration (TCZK)	46,885	47,389

Executives include members of the board of directors and members of the supervisory board. Selected members of the executive management are allowed to use company cars for private purposes.

Receivables from executive management

As at 31 December 2021, the Group reported receivables from the members of executive management totalling TCZK 89 (at 31 December 2020: TCZK 40). The receivables are disclosed in trade and other receivables and were collected during January 2022.

(34) Post balance sheet events (TCZK)

The covid-19 pandemic had a significant impact on the economic situation in the Czech Republic in 2021; however, even under such circumstances, the PRE Group's processes functioned normally. The risks included in the 2020 financial statements were fulfilled to a lesser extent due to, among other things, the general economic support provided by the state to the risk areas. PRE has maintained its profitability at the same level year-on-year.

Two events in particular will have a major impact on the expected economic results for 2022.

First, the termination of the activities of many suppliers in the last quarter of 2021, which threw into the market hundreds of thousands of customers for whom commodities had not been secured. Consequences included a disruption of the electricity and gas markets, a sharp rise in prices towards the end of the year, and a significant increase in price volatility.

Unfortunately, the subsequent escalation of the military conflict in Ukraine in February 2022 further impacted the prices of traded commodities on the wholesale market. With the increase in market prices, volatility increased significantly as well. A conservative commodity hedging strategy helps PRE to cope with this situation while also continuously assessing the possible impact of sanctions against individuals or companies from the Russian Federation. Thanks to the implemented risk management system and the careful selection of trading counterparties on the wholesale market, PRE currently has no material credit exposure arising from commodity contracts to even potentially sanctioned companies.

Both events will have an impact on the 2022 financial results. The Company has made estimates of its near-term profitability and has concluded that a slight reduction in EBITDA appears most likely, both in terms of year-on-year comparison and the approved plan. The increased price levels and high volatility increase the need for working capital and cash flow, as the rules of the commodity exchange (PXE) and the energy market operator (OTE) require significantly higher financial hedging of the trades concerned. To overcome this situation, short-term loans totalling approximately CZK 2 billion were negotiated with cooperating banks.

The management of PRE has sufficient resources to further develop its activities. The Company has thus applied the going concern assumption in preparing these financial statements.

In Prague, 22 April 2022

Signed by

Pavel Elis
Chairperson of the board of directors

Signed by

Alexander Sloboda
Vice-chairperson of the board of directors

Separate financial statements

Separate financial statements of Pražská energetika, a.s., for the year ended 31 December 2021
Prepared in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU

Income statement (TCZK)

	Note	2021	2020
Revenue from electricity and gas sold		18,415,248	17,128,029
Cost of electricity and gas sold		(16,947,410)	(15,493,859)
Gross profit from the sale of electricity and gas	(4)	**1,467,838**	**1,634,170**
Other operating revenue	(4)	1,019,301	990,829
Personnel expenses	(6)	(475,810)	(511,223)
Amortisation and depreciation	(14, 15)	(198,746)	(193,975)
Depreciation of the right-of-use	(16)	(63,585)	(62,167)
Cost of purchased services, material and energy	(7)	(853 672)	(763,609)
Borrowing costs	(8)	(57,282)	(72,239)
Dividend income	(17)	1,444,900	1,645,000
Impairment gains (losses) for assets	(9)	36,586	(103,873)
Other gains and losses	(10)	209,923	157,645
Profit before tax		**2,529,453**	**2,720,558**
Income tax	(11)	(204,473)	(215,961)
Profit after tax		**2,324,980**	**2,504,597**
Basic and diluted earnings per share attributable to ordinary shares (CZK)	(13)	601	647

Statement of comprehensive income (TCZK)

		2021	2020
Profit from ordinary activity after tax		2,324,980	2,504,597
Items that cannot be subsequently reclassified to profit or loss:			
Revaluation of net payables from defined benefits	(28)	7,897	(1,663)
Items that may be subsequently reclassified to profit or loss:			
Cash flow hedges, net of tax	(30)	1,457,061	100,483
Total other comprehensive income after tax		1,464,958	98,820
Comprehensive income attributable to the Company's shareholders		3,789,938	2,603,417

Statement of financial position (balance sheet) (TCZK)

Assets	Note	2021	2020 Restated*)
Property, plant and equipment	(14)	1,889,469	1,811,910
Intangible assets	(15)	296,485	259,258
Right-of-use	(16)	166,666	160,691
Equity investments	(17)	10,076,091	10,071,091
Trade and other receivables	(20)	50,675	173,640
Receivables from the revaluation of derivatives	(19)	411,803	66,387
Loans	(21)	3,039,059	3,207,318
Non-current assets		**15,930,248**	**15,750,295**
Inventories	(22)	217,915	18,171
Tax assets	(11)	79,571	6,368
Contract assets	(18)	599,252	410,609
Receivables from the revaluation of derivatives	(19)	3,676,383	460,476
Trade and other receivables	(20)	3,875,122	1,576,531
Loans	(21)	2,152,166	1,494,224
Cash and cash equivalents	(23)	1,979,859	1,890,445
Current assets		**12,580,268**	**5,856,824**
Total assets		**28,510,516**	**21,607,119**

Liabilities			
Share capital	(29)	3,869,443	3,869,443
Reserves	(30)	2,651,429	1,186,471
Retained earnings		8,910,419	8,240,117
Equity attributable to the Company's shareholders		**15,431,291**	**13,296,031**
Loans	(24)	3,100,000	3,100,000
Payables from revaluation of derivatives	(26)	636,149	112,937
Trade and other payables	(27)	2,000	2,000
Lease liabilities	(16)	105,633	106,421
Provisions	(28)	60,362	89,788
Deferred tax liability	(11)	493,665	96,735
Non-current liabilities		**4,397,809**	**3,507,881**
Loans	(24)	1,464,419	834,974
Contract liabilities	(25)	1,082,142	830,107
Tax liabilities		--	--
Payables from revaluation of derivatives	(26)	3,103,882	418,161
Trade and other payables	(27)	2,900,445	2,569,264
Lease liabilities	(16)	64,410	57,134
Provisions	(28)	66,118	93,567
Current liabilities		**8,681,416**	**4,803,207**
Total liabilities		**28,510,516**	**21,607,119**

*) Comparative period was restated as described in Note 3 "Comparative information"

Statement of changes in equity (TCZK)

	Share capital	Reserves and other funds	Retained profits	Shareholders' equity
Balance at 31 December 2019	**3,869,443**	**1,087,651**	**7,482,976**	**12,440,070**
VDividends and directors' fees paid	--	--	(1,747,456)	(1,747,456)
Other comprehensive income	--	98,820	--	98,820
Net profit for 2020	--	--	2,504,597	2,504,597
Balance at 31 December 2020	**3,869,443**	**1,186,471**	**8,240,117**	**13,296,031**
Dividends and directors' fees paid	--	--	(1,654,678)	(1,654,678)
Other comprehensive income	--	1,464,958	--	1,464,958
Net profit for 2021	--	--	2,324,980	2,324,980
Balance at 31 December 2021	**3,869,443**	**2,651,429**	**8,910,419**	**15,431,291**

Statement of cash flows (TCZK)

	Note	2021	2020
Opening balance of cash and cash equivalents	(23)	1,890,445	1,956,713
Operating activities			
Accounting profit from ordinary activity, before tax		**2,529,453**	**2,720,558**
Amortisation and depreciation	(14, 15, 16)	262,331	256,142
Write-offs of doubtful debts	(9)	9,546	15,744
Change in loss allowances and provisions	(9, 10)	(104,327)	122,387
Gains (losses) from the sale and disposal of fixed assets	(10)	(24)	481
Dividend income		(1,475,878)	(1,657,190)
Interest charged to profit or loss		(108,635)	(84,405)
Foreign exchange rate gains (losses)		79,714	(137,515)
Settlement of hedging derivatives		1,184,929	167,385
Remeasurement of financial instruments		263,374	(21,019)
Net operating cash flow before changes in working capital		**2,640,483**	**1,382,568**
Change in trade receivables and transitional accounts	(20)	(2,313,129)	(62,014)
Change in trade payables and transitional accounts	(27)	610,525	25,762
Change in inventories	(22)	(199,735)	2,644
Net operating cash flow before tax and interest		**738,144**	**1,348,960**
Interest paid		(55,323)	(78,319)
Income tax paid		(224,379)	(227,738)
Net cash flow from operating activities		**458,442**	**1,042,904**
Investing activities			
Acquisition of fixed assets	(14, 15)	(325,760)	(257,802)
Acquisition of subsidiaries	(17)	(8,602)	(3,600)
Proceeds from the sale of fixed assets		1,370	2,313
Inter-company loans – provided	(21)	(1,609,013)	--
Inter-company loans – repaid	(21)	1,123,498	(675,622)
Interest received and revenue from securities held		158,596	158,674
Dividends received and shares in profit		1,457,090	1,653,424
Net cash flow from investing activities		**797,179**	**877,387**
Financing activities			
Internal loans received	(24)	195,264	131,229
Internal loans repaid	(24)	(131,281)	(102,607)
External loans received	(24)	1,230,803	1,766,062
External loans repaid	(24)	(666,062)	(2,109,985)
Lease payments	(16)	(63,073)	(61,107)
Dividends and directors' fees paid	(12)	(1,656,222)	(1,744,268)
Net cash flow from financing activities		**(1,090,571)**	**(2,120,676)**
Change in cash and cash equivalents		165,051	(200,386)
Effect of foreign exchange rate movements		(75,636)	134,118
Closing balance of cash and cash equivalents	(23)	**1,979,859**	**1,890,445**

CONTENTS OF THE NOTES TO THE FINANCIAL STATEMENTS

(1) General information

Pražská energetika, a.s., (hereinafter "PRE" or the "Company") was established as a joint-stock company in the Czech Republic and was entered in the Commercial Register held by the District Court of Prague 1 on 1 January 1994.

The Company's registered office is located at Na Hroudě 1492/4, Prague 10, 100 05, ID No. 60193913.

The Company is primarily engaged in supplying electricity to customers in the Czech Republic and this activity accounts for a significant part of the Company's revenues. In 2012, the Company expanded its activities to include the supply of gas.

PRE's principal shareholders	2021	2020
Pražská energetika Holding a.s. (PREH)	58.05%	58.05%
EnBW Central and Eastern Europe Holding GmbH (EnBW)	41.40%	41.40%
Other	0.55%	0.55%
Total	**100.00%**	**100.00%**

Pražská energetika Holding a.s. is under joint control of the Capital City of Prague (with an equity investment of 51%) and EnBW (with an equity investment of 49%).

EnBW owns 41.40% of PRE's share capital. Under Section 79 of the Business Corporations Act, the Company operates on the Czech energy market as part of the EnBW group.

PRE is controlled and managed by EnBW through its representatives on the board of directors and the Supervisory Board. Based on shareholders' agreements, the control through the controlling companies PREH and EnBW is performed on the level of PRE and primarily relates to PRE's activities.

(2) Adoption of new and amended International Financial Reporting Standards

Standards and interpretations effective in the current period

The following amendments to the current standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current period:

- **IFRS 4 "Insurance Contracts" - Extension of Temporary Exemption from Applying IFRS 9 (effective from 1 January 2021); Effects of the first-time adoption of Amendment to IFRS 16 covid-19-Related Rent Concessions** (effective for annual periods beginning on or after 1 June 2020);
- **Amendments to IFRS 9, IAS 39 IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform" Phase 2** (effective for annual periods beginning on or after 1 January 2021).

Based on the entity's estimates, compliance with this standard does not have a significant impact on the financial statements.

Standards and interpretations issued by the IASB and adopted by the EU but not yet effective

..... **Amendments to IFRS 3 "Reference to the Conceptual Framework"** (effective for annual periods beginning on or after 1 January 2022);
..... **Amendments to IAS 16 "Property, Plant and Equipment"** (effective for annual periods beginning on or after 1 January 2022);
..... **IFRS 17 "Insurance Contracts" and Amendments to IFRS 17** (effective for annual periods beginning on or after 1 January 2023);
The new standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and replaces IFRS 4 Insurance Contracts.
..... **Amendments to IAS 37 "Onerous Contracts – Cost of Fulfilling a Contract"** (effective for annual periods beginning on or after 1 January 2022);
..... **Annual Improvements to IFRS 2018–2020 Cycle** The Annual Improvements contain amendments to four standards – IFRS 1, IFRS 9, IFRS 16 and IAS 41 (effective for annual periods beginning on or after 1 January 2022). No impact on PRE so far.

The Company decided not to apply these standards before their effective dates.

New standards, interpretations and amendments to the current standards issued by the IASB but not yet adopted by the EU

..... **Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"** (effective for the annual IFRS financial statements for annual periods beginning on or after 1 January 2023);
..... **Amendments to IAS 1 "Presentation of Financial Statements and Statements of Compliance"** (effective for the annual IFRS financial statements for annual periods beginning on or after 1 January 2023);
..... **Amendments to IAS 8 "Definitions of Accounting Estimates"** (effective for the annual IFRS financial statements for annual periods beginning on or after 1 January 2023);
..... **Amendments to IAS 12 "Deferred Tax Relating to Assets and Liabilities Arising from a Single Transaction"** (effective for the annual IFRS financial statements for annual periods beginning on or after 1 January 2023);
..... ***Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"*** *(the effective date is yet to be stipulated); will not be approved by the EU.*

The Company anticipates that the adoption of these new standards, amended standards and interpretations will have no material impact on the financial statements of the Company in the period of their first time adoption.

(3) Significant accounting policies

Statement of compliance

The financial statements are prepared and presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Basis of the preparation of financial statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments described in Note 32. The principal accounting policies are set out below.

Information on consolidated financial statements

Apart from the separate financial statements, the Company prepares and publishes consolidated financial statements of the parent company PRE and its subsidiaries (hereinafter the “PRE Group” or the “Group”) in compliance with IFRS always as at 31 December. A subsidiary is an enterprise which the acquirer (parent company) has obtained control of in business combination.

Revenue recognition

Accounting for the main categories of revenues from contracts with customers is described in Note 4.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts any estimated future cash flows over the expected life of the financial asset to that asset's net carrying amount as at the date of its first-time recognition.

Dividend yield is recognised when the right to receive the payment arises.

Foreign currency translation

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates (its functional currency). Czech crowns are the functional currency of the Company and the presentation currency for the financial statements.

During the year, transactions in currencies other than Czech crowns are recorded at the rates of exchange announced by the Czech National Bank and prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates announced by the Czech National Bank prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange rate gains and losses are recognised in profit or loss in the period in which they arise except for exchange rate differences arising from cash flow hedges where changes in fair value are posted directly to equity.

Borrowing costs

The Company capitalises borrowing costs related to the construction of qualifying assets in line with IAS 23. A qualifying asset is an asset that takes a substantial period of time during the investment construction to get ready for its intended use. The amount of capitalised borrowing costs is determined as the product of the capitalisation rate and the balances on the assets under construction account (including pre-payments) as at the end of the relevant month. The capitalisation rate is the average interest rate from external loans.

Other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Income tax

Income tax expense reported in the income statement represents the sum of the tax currently payable and a change in the deferred tax balance.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of revenue or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax liability also includes tax overpayments or additional tax charges from previous periods. The Company's liability for current tax is calculated using tax rates that have been enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is determined at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised. The calculated tax is recognised in profit or loss except when associated with items charged directly to equity in which case it is dealt with in equity.

Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated at cost reduced by accumulated depreciation and recognised impairment loss. Cost includes the purchase price and costs associated with acquisition.

The cost of internally produced tangible assets includes direct and indirect costs directly related to the production of the asset.

Depreciation of plant and equipment is charged to profit or loss. Properties in the course of construction for production or administrative purposes are carried at cost, less any recognised impairment loss. The cost includes professional services fees. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

The estimated useful lives and depreciation methods are reviewed at the end of each reporting period and impacts of any changes in estimates are accounted for prospectively.

Depreciation is charged on assets, other than freehold land and assets under construction, over their estimated useful lives, using the straight-line method:

Asset category	Depreciation period in years
Buildings, halls and other constructions	7, 10, 15, 20, 30, 40, 50, 70
Fibre-optics	30
Working machinery and equipment	2, 5, 10, 12, 20
Telecommunication equipment	3-28
Appliances and special technology equipment	4, 5, 8, 10
Vehicles	4, 5, 6, 8.10
Fixtures and fittings	4, 5, 8, 10
Hardware	3, 4, 5, 18

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets are amortised using the straight-line method over the following estimated useful lives:

Asset category	Amortisation period in years
Software	4
Other intangible assets	4, 6

Impairment of non-financial assets (except for the deferred tax asset)

At each balance sheet date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). In circumstances where the relevant asset does not generate cash inflows separately, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Right-of-use and lease liabilities

As part of the lease relationship, the Company shall decide whether the lease contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Therefore the Company, as a lessee, recognises the asset – right-of-use asset – representing its rights to use the underlying asset and the lease liability representing its liability to pay the lease payments. The right-of-use asset is initially measured at acquisition cost and subsequently at acquisition cost reduced by accumulated depreciation and impairment loss adjusted by lease liabilities remeasurement primarily arising from lease modification or indexation. Right-of-use asset is depreciated on a straight-line basis throughout the term of use of the asset or until the end of the lease, whichever is sooner.

The lease liability is initially measured at present value of the lease payments due as at the day of application, discounted using the incremental borrowing rate set by the Company.

The lease liability is then increased by the interest expense and reduced by lease payments paid. Remeasurement occurs in case the future lease payments change due to changes in indexation or rates, change in the estimate of the expected payment from the residual value guarantee, or due to change in assessment whether the option to extend the lease is certain (incl. extension of the expected term of lease indefinitely).

The Company estimates the term of the lease for lease contracts in which it acts as the lessee and which include option to renew or to terminate early, or which are concluded for indefinite period. Assessment whether the Company is reasonably certain that it will use this option affects the term of the lease which in turn affects the values of reported lease liabilities and right-of-use assets. In the case the lessee and lessor can both terminate the lease without more than insignificant penalty, the lease period in such case shall mean the notice period. In this case, penalisation means not only a penalty for early termination but also the cost of moving or providing an alternative lease relationship or other economic losses connected with the termination of the lease relationship.

The Company decided to apply the exemption offered by the standard related to the non-recognition of right-of-use assets and lease liabilities for short-term leases and low-value underlying assets leases. Short-term leases are leases under 12 months. Leases with low-value underlying assets include primarily IT and office equipment leases.

The Company separates lease and non-lease components and applies the practical simplification of not separating lease components only for cars, where it accounts only single lease component.

The Company does not record any significant lease contracts in which it would act as a lessor.

Government grants

The Company participates in state development projects, namely in e-mobility and energy network management, and utilises government grants in compliance with individual project terms and conditions.

In the Company's financial statements, government grants are reported at the moment it is sufficiently clear the grant will be accepted, and the Company is able to fulfil the project terms and conditions. The grants accepted are settled in the period in which the Company reports related expenses.

Returnable government grant is reported as a change in net book estimate.

Grants relating to assets

Grants relating to non-current assets acquisition are presented and recognised as grants relating to assets. Grants received reduce the non-current asset acquisition cost. Grants received are recognised in profit or loss throughout the term of the depreciated asset as a reduced depreciation expense. In case the grant is returned, the carrying amount of the asset will be immediately increased by this refund. At the same time, an impairment loss of the new carrying amount value is tested. Depreciation, which would be reported in profit or loss in case there were no grants, are recognised in profit or loss immediately.

Grants for expenses

All grants except grants for non-current assets acquisition are recognised as grants for expenses. Received grants are recognised together with related expenses and decrease their amount. In case the grant is returned, the refund is immediately recognised in profit or loss.

Inventories

Inventories, except for commodity inventories acquired for the purpose of selling them in the near future for a profit based on market price movements, are stated at the lower of cost determined using the weighted arithmetic average and the net realisable value. The cost includes the purchase price of the material, customs duties and in-transit storage and freight costs incurred to deliver the inventories. The net realisable value represents the estimated selling price for inventories less all estimated costs of marketing, sale and distribution.

Inventories of a commodity acquired for the purpose of selling it in the near future for a profit based on market price movements are stated at fair value less costs to sell. The change in fair value is recognised in profit or loss in the period in which the change occurs.

Provisions

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is equal to the present value of those cash flows.

Equity investments

Equity investments include the Company's share in other companies' share capital. The parent company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Proceeds from equity investments flow to the Company in the form of dividends. These equity investments are measured at cost.

Financial assets (except for derivatives)

Financial assets are recognised in the Company's balance sheet at the moment the Company becomes bound by a contractual provision relating to the financial asset. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or the financial asset transfers to a third party. The classification of a financial asset arises from an entity's business model for managing financial assets and the characteristics of contractual cash flows following from the given financial asset. After initial recognition, financial assets are subsequently measured depending on the classification implemented.

Financial assets are classified into the following categories: financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss.

Financial assets measured at amortised cost ("FAAC")

FAAC include financial assets held within a business model whose objective is to hold financial assets to collect contractual cash flows, whilst these contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through other comprehensive income ("FVOCI")

Financial assets at FVOCI include financial assets held within a business model whose objective is to hold financial assets to collect contractual cash flows and to sell financial assets, whilst the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL include financial assets that do not meet the criteria for measuring at amortised cost or at FVOCI and also those financial assets that could meet the criteria for measuring at amortised cost or at FVOCI, but their measurement at other than fair value through profit and loss would cause measurements of financial assets and financial liabilities on different bases and give rise to recognition inconsistencies.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses from financial assets classified as FAAC and financial assets at FVOCI depending on the expected credit loss model (impairment model) applied. A simplified model is applied for trade receivables and lease receivables.

Impairment model

The new impairment model is applied to financial assets measured at amortised cost, financial assets measured at FVOCI and contract assets. In accordance with IFRS 9, the Company calculates a loss allowance for financial assets with regard to the development of credit risk, which is reflected in the stage of impairment (stage 1-3), at an amount a) equal to 12-month expected credit losses (stage 1), or b) corresponding with the lifetime expected credit losses on the financial asset (stage 2-3). If compared with the initial recognition the credit risk has significantly increased, the financial asset will be classified in stage 2. If a counterparty default is identified with a financial asset, this financial asset will be classified as stage 3.

The Company calculates loss allowances for trade receivables in the amount corresponding with the lifetime expected credit losses on the financial asset.

In respect of cash and cash equivalents and loans granted, the Company calculates loss allowances equal to 12-month expected credit losses, if the related credit risk has not increased significantly since initial recognition or no counterparty default has been identified.

In assessing whether the credit risk associated with a financial asset has increased significantly, the Company compares the risk of default of the financial instrument as at the date of recognition with the risk as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort and shows a significant increase in credit risk. The Company primarily relies on its own historical experience, available information and market analyses, including current macroeconomic indicators and forward-looking information. Regardless of these analyses, the Company considers situations where the financial asset is more than 30 days past due to indicate significant increases in credit risk. In case of cash and cash equivalents, these include situations where the external credit rating of the counterparty, based on renowned external rating agencies (Moody's, Standard & Poor's and Fitch), decreases from an investment level to speculative (non-investment) level. Default is a situation where the financial asset is more than 90 days past due; in case of cash and cash equivalents, it is a situation where the external credit rating of a counterparty based on renowned external rating agencies decreases to a risk level.

The expected credit losses are calculated as the weighted average of credit losses with the respective risks of a default occurring as the weights. The credit losses are calculated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

Impairment losses for financial assets, including contract assets, are newly recognised on a separate line as impairment losses for financial assets in the income statement.

Financial liabilities (except for derivatives)

Financial liabilities are recognised in the Company's balance sheet at the moment the Company becomes bound by a contractual provision relating to the financial liability. Financial liabilities are derecognised when the financial liability extinguishes, i.e., in case the obligation specified in the contract is fulfilled, cancelled or its validity expires. After initial recognition, financial liabilities are subsequently measured depending on their initial classification.

Financial liabilities are classified into the following categories: financial liabilities measured at amortised cost and financial liabilities measured at fair value through profit or loss.

Financial liabilities measured at amortised cost ("FLAC")

FLAC include financial liabilities that are not measured at fair value through profit or loss.

Financial liabilities measured at fair value through profit or loss ("FLTPL")

FLTPL include derivatives that do not function as effective hedging instruments and those derivatives whose measurement at other than fair value through profit and loss would cause the measurement of financial assets and financial liabilities on different bases and give rise to recognition inconsistencies.

Initial recognition of financial assets and financial liabilities

In regular evaluation of business models for holding financial assets, the Company relies on basic activities generating cash flows and representing financial assets. The main part of revenues and cash flow constitute activities connected with the supply of electricity and gas in the Czech Republic. Other significant revenues of the Company are connected with trading on the market with commodities and inter-company financing.

In determining the business model, the Company considers risks affecting the given financial assets and the method of their management, the evaluation of the individual significant financial assets' profitability and performance as part of specific activities.

The Company determines whether contractual cash flows from financial assets are solely payments of principal and interest on the principal amount outstanding based on an analysis and evaluation of contractual financial conditions pertaining to the given financial instrument. The Company also takes into consideration events that could impact the amount or timing of contractual cash flows and the amount of advances received.

At initial recognition of individual investments in equity instruments that are not held for trading and would otherwise be measured at FVTPL, the Company may make an irrevocable decision to present subsequent changes at FVOCI. This decision is performed separately for each individual investment.

All other financial assets that are not subsequently measured at amortised cost or at FVOCI are measured at FVTPL.

At initial recognition, the Company may irrevocably designate a financial asset or financial liability to the category measured at FVTPL, if doing so eliminates or significantly reduces a measuring or accounting mismatch that could otherwise arise in measuring assets or liabilities or recognising relevant profits or losses on different bases.

Except for trade receivables that do not have a significant financing component, at initial recognition, financial assets and financial liabilities are measured at FVTPL. In respect of financial assets or financial liabilities not included in the FVTPL category, the fair value is increased or decreased by transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Trade receivables that do not have a significant financing component are measured at their transaction price at initial recognition.

The Company performs subsequent measurement of individual categories of financial assets and liabilities in accordance with the initial classification and the given instruments are included in current or non-current assets or liabilities, depending on the period in which they are settled.

Derivatives

The Company hedges its future transactions, risk management and cash flows using financial and commodity derivative contracts. With most purchases and sales of electricity and gas in form of term contracts carried out by the Company, their physical delivery with subsequent consumption or sale as part of the Company's regular activities is expected. Such contracts are not covered by IFRS 9 and therefore not measured (own-use contracts).

The Company considers transactions concluded with the aim to balance the volumes of purchases and sales of a commodity to be a part of its regular activities, therefore these contracts are also not covered by IFRS 9.

In terms of derivatives concluded in line with the selected risk management strategy, the Company applies hedge accounting based on the rules of IAS 39, because the Company applied transition provisions of IFRS 9 and follows and will continue to follow IAS 39 in respect of current and newly defined hedging relationships. The Company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges).

As part of its trading portfolio, the Company also enters into commodity derivatives transactions to derive profit from the short-term movements of prices.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured at their fair value at each balance sheet date. In respect of derivatives traded as part of its trading portfolio, the resulting gain or loss is recognised directly in the profit or loss for the current year.

The fair value of derivatives is classified as a non-current receivable or a non-current liability if the derivative is settled in more than 12 months, or as a current receivable or a current liability if the derivative is settled within 12 months.

Apart from commodity derivatives, the Company also uses currency and interest rate derivative instruments.

Hedge accounting

The Company designates certain hedging instruments as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the Company documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item. Movements in the hedging reserve in equity are also detailed in the statement of changes in equity.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts reported in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss.

Hedge accounting is discontinued when the Company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. An adjustment of the carrying amount of the hedged item arising from the hedged risk is realised into profit or loss from the date of the relevant adjustment.

Offsetting financial instruments

Financial assets and liabilities are mutually offset and the net amount is reported in the balance sheet, if a legally enforceable right exists to offset recognised amounts, as well as the intention to perform settlement on a net basis or realise the receivable and at the same time settle the liability. The legally enforceable right must not be dependent on future events and must be executable as part of regular business activities also in case of default, insolvency or bankruptcy of the Company or the counterparty.

Employee benefits expense

The Company makes contributions to the health insurance and pension insurance schemes and the state employment policy scheme at the level required by law and effective in the relevant year by reference to the employees' gross salary. The insurance and social security expenses are charged to profit or loss in the same period as the relating payroll expenses.

The Company also makes contributions to its employees' retirement benefit plans. These contributions are expensed in the period in which employees are entitled to receive contributions based on the services that they provide to the Company.

The Company provides other bonuses under the Collective Agreement (the defined benefit plan, refer to the Note "Provisions"). The relevant provisions are measured at the present value of anticipated future payments using actuarial assumptions.

Statement of cash flows

The Company prepares its statement of cash flows using the indirect method.

Significant accounting estimates

The presentation 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 revenue and expenses during the reporting period. The Company's management has made these estimates and assumptions on the basis of all the relevant information available to it. Nevertheless, pursuant to the nature of estimates, the actual results and outcomes in the future may differ from these estimates.

The Company considers the determination of the uninvoiced energy amount with customers whose actual consumption is not read on a monthly basis to be a key area subject to the use of estimates. This amount is determined using the balance approach as a difference between the aggregate electricity input and output, where certain inputs of this accounting equation must be estimated (e.g., grid losses or own consumption in the relevant period, average price of energy supplied). The Company subsequently reviews the total closing amount using a control calculation in the customer system.

Comparative information

In 2021, the reporting of the following items in the statement of financial position was adjusted in accordance with IAS 1: Current and non-current receivables from the revaluation of derivatives were removed from the line "Trade and other receivables" and are now presented in a separate line "Receivables from the revaluation of derivatives".

The comparative figures were restated as follows: In non-current assets, the line "Trade and other receivables" was reduced from TCZK 240,027 to TCZK 173,640. In current assets, the line "Trade and other receivables" was reduced from TCZK 2,037,007 to TCZK 1,576,531.

In addition, current and non-current payables from the revaluation of derivatives were removed from the line "Trade and other payables" and are now presented in a separate line "Payables from revaluation of derivatives". In non-current liabilities, the line "Trade and other payables" was reduced from TCZK 114,937 to TCZK 2,000. In current liabilities, the line "Trade and other payables" was reduced from TCZK 2,987,425 to TCZK 2,569,264. The Company does not consider the impact of the restatement on the balance sheet items as at 1 January 2020 to be material and therefore does not present a supplementary statement as required by IAS 1.10(f).

(4) Revenues and costs related to the supply and distribution of commodities (TCZK)

Revenue and expenses relating to the supply and distribution of commodities	2021	2020
Sales of electricity B2B	5,136,872	5,031,813
Sales of distribution and system services B2B	2,354,759	2,287,322
Sales of electricity B2C	3,809,962	3,277,037
Sales of distribution and system services B2C	5,144,114	5,013,691
Sales of electricity to dealers	938,685	601,122
Revenue from electricity and fuels sold	6,294	1,733
Sales of electricity for losses at grids	297,816	442,011
Total sales of electricity	**17,688,502**	**16,654,729**
Revenue from the sales of gas B2B and B2C	532,720	354,678
Sales of gas to dealers	207,994	123,972
Total sales of gas	**740,714**	**478,650**
Margin on trading	(13,968)	(5,350)
Total revenues	**18,415,248**	**17,128,029**
Costs of purchases of sold electricity	(8,756,156)	(7,740,893)
Costs of purchases of distribution and system services	(7,498,873)	(7,301,013)
Costs of electricity and distribution services for fuel	(7,200)	(2,426)
Costs of purchases of gas	(685,181)	(449,527)
Total costs	**(16,947,410)**	**(15,493,859)**
Gross profit from the sale of electricity and gas	**1,467,838**	**1,634,170**

Other operating revenue	2021	2020
Revenue from provided services	1,014,558	986,756
Other	4,743	4,073
Total	**1,019,301**	**990,829**

Information about the nature, method and timing of typical satisfaction of performance obligations from contracts with customers, including significant payment terms and the revenue recognition method under IFRS 15

Sales of electricity and gas B2B: As part of the B2B segment, the Company recognises revenue arising from contracts on supplies of electricity or gas with end major corporate customers. A characteristic feature for this customer segment is the regular monthly reading of consumption meters and the subsequent invoicing for supplies in the given month. Terms of the contracts on supplies of electricity or gas are individual, taking into consideration customer requirements and needs. Revenue is recognised at the moment the commodity is delivered; this revenue is recognised on an ongoing basis with a fixed price.

Sales of electricity and gas B2C: As part of the B2C segment, the Company recognises revenue arising from contracts on supplies of electricity or gas with end customers comprising small entrepreneurs and households. A characteristic feature for this customer segment is the annual reading of consumption meters and the subsequent invoicing for supplies in the given period. Contracts are usually concluded for a period of 24 months; with regard to contractual penalties, a termination notice is not expected. B2C customers usually provide regular advance payments determined based on the expected quantity delivered. Revenue is recognised at the moment the commodity is delivered; this revenue is recognised on an ongoing basis with a fixed price. With regard to the annual character of the consumption meter reading and annual invoicing of the actual consumption, the Company estimates the amount of electricity or gas consumed but not yet invoiced on an ongoing basis and this estimate enters revenue recognition.

Sales of electricity and gas to dealers: Revenue from trading with wholesale partners is connected with the sales on the wholesale market that the Company carries out in transactions serving to hedge the purchase price of the commodity, performed through commodity term contracts with physical delivery of the commodity, and with the sales of surpluses when balancing the planned withdrawal diagram at moments immediately preceding the actual delivery to end customers. Contractual conditions are individual; however, they are determined to a large extent by a standard EFET contract or trade conditions on the market managed by the Czech market operator. Revenue is recognised at the moment the commodity is sold to a wholesale partner. In the case of hedging transactions, the price is fixed, and in the case of transactions connected with the diagram balancing, it is determined by the development on the short-term (spot) commodity market. Invoicing is performed in the month following the month when the commodity is delivered to the dealer. No advance payments are made.

Sales of electricity for losses at grids: In distributing electricity, physical loss arises (approximately 1-6% of the supplied amount depending on the voltage level – EHV, HV, LV). The Company must therefore acquire and provide the distribution grid with a higher volume of electricity than the total supply to end customers. This difference is provided as electricity intended to cover losses and invoiced to the distributor by the Company. Invoicing is performed in the month following the month when commodity is delivered to the distribution grid. No advance payments are made.

Revenue from provided services: Revenue is connected with services rendered by the Company to other companies within the PRE Group based on concluded service provision contracts. Services are invoiced monthly and prices are fixed. In addition, these include services provided to external customers, such as revenue for IT support. Prices and payment terms arise under individual contracts concluded.

Revenue relating to performance obligations that were not satisfied or partly satisfied as at 31 December 2021

Contractual revenue	2022	2023	2024	2025
Supplies of electricity	16,970,364	6,412,904	1,732,957	47
Supplies of gas	870,280	295,545	34,511	2
Other revenue	7,864	2,870	2,761	--
Total	**17,848,508**	**6,711,319**	**1,770,229**	**49**

Supplies of electricity and gas: Contractual revenue comprises the equivalent of supply fixed by a contract, measured at a contractual price. In respect of customers whose supply is not fixed, the supply is estimated over the notice period and measured at the average planned price. The Company applied practical expedients and the above expected revenue does not include revenues arising from contracts where the originally expected term of the contract was less than one year.

Other revenue: This includes contractual revenue in particular from the provision of energy services.

Contractual balances	2021	2020
Receivables included in "Trade and other receivables" *)	1,425,540	1,374,808
Contract assets *)	599,252	410,609
Contract liabilities *)	1,082,142	830,107

*) For more information see Notes 18, 20, 25

Total amount of revenue and other revenue stems from contracts with customers.

(5) Segment reporting (TCZK)

The Group's activities are divided into Trade, Distribution and Other segments. The structure of information on segments corresponds with the structure of principal business activities and the structure of managerial information in the Group. Transfer pricing between entities in the Group is arranged in the same amount as if arranged between independent entities in ordinary business relations. The Group regularly prepares transfer pricing documentation and always once every three years asks the tax authority for a binding assessment of the pricing method. The current binding assessment is valid until 2023.

PRE is part of the trade segment and does not divide its activities any further as it primarily does business in the Capital City of Prague and mainly supplies electricity. Therefore, all required information on the segment's economic activity is included in these financial statements.

Supply of electricity and gas (commodities) and trading in electricity

The Company ensures the purchase and sale of commodities, including connected activities. The Company's revenue according to the type of business relationship (see the following paragraph) is either only proceeds from the sold commodity or proceeds from the sold commodity and distribution service.

Customers have the right to choose a commodity supplier. If they choose a supplier whose territory of supply is not in the place of the physical collection of the commodity, they pay only for the delivered commodity to this supplier. They subsequently pay to the distributor, in whose territory of supply the collection is located, for distribution and system services (hereinafter only services) related to the commodity supply. The customer can conclude a contract on combined supply services with the supplier and in such case the supplier also arranges the supply of distribution services.

The commodity price is contractual (non-regulated), while the service price is regulated. The price of distribution services is regulated by the Energy Regulatory Office.

(6) Personnel expenses (TCZK)

	2021 Staff including management	2020 Staff including management
Average headcount	370	427
Salaries	281,214	299,811
Salaries paid depending on the fulfilment of the plan	20,126	27,253
Insurance premiums	112,011	122,662
Remuneration to the members of the Company's bodies	24,369	24,877
Other social expenses*)	38,090	36,620
Total	**475,810**	**511,223**

*) Primarily expenses relating to severance pays and employee benefits defined by the Collective Agreement, specifically catering contributions, bonuses paid to employees in relation to work or life anniversaries, retirement, contributions to additional pension insurance and medical care

Personnel expenses were reduced by the grant provided under the Dflex project ("Verifying the flexibility for the operation and control of the electrification system") and the "Antivirus" project totalling TCZK 2,683 (2020: TCZK 2,877).

(7) Cost of purchased services, material and energy (TCZK)

	2021	2020
Material and own consumed energy	62,690	79,390
Repairs of property, plant and equipment	55,464	48,422
Consulting services	31,704	50,917
Lease payments	6,961	4,173
Postage and telecommunication fees	45,920	39,499
IT support	151,893	141,493
Marketing	88,218	60,538
Customer service	293,609	219,214
Other *)	117,213	119,963
Total	**853,672**	**763,609**

*) Expenses incurred on external employees, cleaning services, security guard services, storage fees and other services

Costs of purchased services, material and energy were reduced by the grant provided under the Dflex project ("Verifying the flexibility for the operation and control of the electrification system") and the grant for the covid-19 self-sampling tests totalling TCZK 461 (2020: TCZK 484).

(8) Borrowing costs (TCZK)

	2021	2020
Interest on cash pooling	1,187	560
Interest on loan	51,014	66,568
Interest expense on employee benefits	1,232	920
Interest on leases	3,849	4,191
Total	**57,282**	**72,239**

(9) Impairment (gains) losses for financial assets (TCZK)

	2021	2020
Write-offs of doubtful debts	9,546	15,744
Creation and release of loss allowances for trade receivables	(50,980)	74,429
Creation and release of loss allowances for contract assets	5,432	15,645
Creation and release of loss allowances for cash and cash equivalents	--	(791)
Creation and release of loss allowances for intra-group loans	1,433	(786)
Creation and release of loss allowances for other financial assets	(2,017)	(368)
Total	**(36,586)**	**103,873**

(10) Other gains and losses (TCZK)

	2021	2020
Gain (loss) from the sale and disposal of fixed assets and inventories	194	(272)
Foreign exchange rate gains (losses)	3,985	32,936
Interest received in the Group	161,882	152,869
Interest received outside of the Group	4,036	3,775
Share in the profit or loss of eYello CZ, k.s.	30,978	12,190
Hedge ineffectiveness	(4,340)	4,730
Other	13,188	(48,583)
Total	**209,923**	**157,645**

(11) Income tax (TCZK)

The current income tax is calculated at 19% of the estimated taxable profit. Deferred tax is calculated using the income tax rate anticipated in future periods, i.e., 19%.

	2021	2020
Current tax	151,176	224,568
Deferred tax	53,297	(8,607)
Total income tax	**204,473**	**215,961**

	2021		2020	
Profit before tax	**2,529,453**		**2,720,558**	
Income tax using the effective income tax rate	480,596	19.00%	516,906	19.00%
Impact of tax non-deductible dividend income	(274,531)	(10.85%)	(312,550)	(11.49%)
Impact of other items that are permanently tax non-deductible	(1,592)	(0.06%)	11,605	0.43%
Total income tax/effective tax rate	**204,473**	**8.09%**	**215,961**	**7.94%**

Deferred tax assets (-) and liabilities (+) recorded in the balance sheet relate to the following items:

	2021	Recorded in profit or loss	Recorded in other comprehensive income	2020	Recorded in profit or loss	Recorded in other comprehensive income	2019
Non-current assets	156,647	9,669	--	146,977	7,012	--	139,965
Inventories	30,239	30,239	--	--	--	--	--
Provisions	(11,376)	(210)	--	(11,166)	(71)	--	(11,095)
Loss allowances	(19,468)	9,898	--	(29,366)	(14,809)	--	(14,557)
Obligation under the Collective Agreement	(12,096)	3,702	1,852	(17,650)	(739)	(390)	(16,521)
Cash flow hedge	349,719	--	341,779	7,940	--	23,571	(15,631)
Total deferred tax liability	**493,665**	**53,297**	**343,631**	**96,735**	**(8,607)**	**23,181**	**82,161**

The estimated current income tax for 2021 of TCZK 150,800 was reduced by income tax prepayments of TCZK 230,371 and the net receivable is reported in “Tax receivables”. In 2020, the estimated income tax of TCZK 224,500 was reduced by income tax prepayments of TCZK 230,868 and the net receivable was reported in “Tax receivables”.

(12) Dividends (TCZK)

The following amounts were recognised as distribution of profit to shareholders in the relevant period:

	2021	2020
Final dividend for 2021 of CZK 422.55 (2020: CZK 445.35) per share	1,635,033	1,723,256

The final amount of the proposed dividend for 2021 must be approved by the shareholders at the general meeting. It has not been included in liabilities in these financial statements.

(13) Earnings per share (TCZK)

Earnings per share are calculated from the net profit for distribution of TCZK 2,324,980 (2020: TCZK 2,504,597) attributable to 3,869,443 shares, i.e., the earnings per share amount to CZK 601 (2020: CZK 647).

The Company has no issued instruments diluting the basic earnings per share.

(14) Property, plant and equipment (MCZK)

	Land	Telecommunication technologies and IT	Administrative buildings	Other	Under construction	Total
Cost						
Balance at 31 December 2019	136.2	921.3	1,825.1	392.0	68.0	3,342.6
Additions *)	--	31.5	6.4	25.1	114.8	177.8
Disposals	(0.2)	(7.5)	--	(9.2)	(1.2)	(18.1)
Transfers	--	36.8	3.6	8.5	(48.9)	--
Balance at 31 December 2020	136.0	982.1	1,835.1	416.4	132.7	3,502.3
Accumulated depreciation						
Balance at 31 December 2019	(0.6)	(776.3)	(608.4)	(214.4)	--	(1,599.7)
Depreciation expense	--	(44.9)	(40.9)	(20.6)	--	(106.4)
Disposals	--	7.5	--	8.2	--	15.7
Transfers	--	--	--	--	--	--
Balance at 31 December 2020	(0.6)	(813.7)	(649.3)	(226.8)	--	(1,690.4)
Net book value 2019	135.6	145.0	1,216.7	177.6	68.0	1,742.9
Net book value 2020	135.4	168.4	1,185.8	189.6	132.7	1,811.9

	Land	Telecommunication technologies and IT	Administrative buildings	Other	Under construction	Total
Cost						
Balance at 31 December 2020	136.0	982.1	1,835.1	416.4	132.7	3,502.3
Additions *)	14.1	17.9	12.0	70.9	74.1	189.0
Disposals	(0.2)	(111.3)	--	(9.7)	(1.1)	(122.3)
Transfers	37.2	23.8	28.1	32.0	(121.1)	--
Balance at 31 December 2021	187.1	912.5	1,875.2	509.6	84.6	3,569.0
Accumulated depreciation						
Balance at 31 December 2020	(0.6)	(813.7)	(649.3)	(226.8)	--	(1,690.4)
Depreciation expense	--	(45.9)	(39.7)	(24.6)	--	(110.2)
Disposals	0.1	111.3	--	9.7	--	121.1
Transfers	--	--	--	--	--	--
Balance at 31 December 2021	(0.5)	(748.3)	(689.0)	(241.7)	--	(1,679.5)
Net book value 2020	135.4	168.4	1,185.8	189.6	132.7	1,811.9
Net book value 2021	186.6	164.2	1,186.2	267.9	84.6	1,889.5

*) Increase in investments was reduced by the provided grant from the “PRE backbone network”, “PRE metropolitan network” and “Metropolitan network II” projects totalling MCZK 46 (2020: MCZK 17)

None of the Company’s property, plant and equipment were pledged or used as collateral.

The Company anticipates incurring total capital expenditure of MCZK 148 in 2022. Approximately 42% of all planned expenditure was contracted as at the date of preparation of the financial statements.

(15) Intangible assets (MCZK)

	Software	Other	Under construction	Total
Cost				
Balance at 31 December 2019	**771.8**	**7.9**	**77.4**	**857.1**
Additions	9.4	11.2	81.6	102.2
Disposals	--	(1.3)	(0.3)	(1.6)
Transfers	76.8	--	(76.8)	--
Balance at 31 December 2020	**858.0**	**17.8**	**81.9**	**957.7**
Accumulated amortisation				
Balance at 31 December 2019	**(604.4)**	**(7.8)**	**--**	**(612.2)**
Amortisation expense	(87.2)	(0.3)	--	(87.5)
Disposals	--	1.3	--	1.3
Transfers	--	--	--	--
Balance at 31 December 2020	**(691.6)**	**(6.8)**	**--**	**(698.4)**
Net book value 2019	167.4	0.1	77.4	244.9
Net book value 2020	**166.4**	**11.0**	**81.9**	**259.3**

	Software	Other	Under construction	Total
Cost				
Balance at 31 December 2020	**858.0**	**17.8**	**81.9**	**957.7**
Additions	10.4	6.9	108.5	125.8
Disposals	(370.0)	--	--	(370.0)
Transfers	78.5	0.2	(78.7)	--
Balance at 31 December 2021	**576.9**	**24.9**	**111.7**	**713.5**
Accumulated amortisation				
Balance at 31 December 2020	**(691.6)**	**(6.8)**	**--**	**(698.4)**
Amortisation expense	(86.1)	(2.5)	--	(88.6)
Disposals	370.0	--	--	370.0
Transfers	--	--	--	--
Balance at 31 December 2021	**(407.7)**	**(9.3)**	**--**	**(417.0)**
Net book value 2020	166.4	11.0	81.9	259.3
Net book value 2021	**169.2**	**15.6**	**111.7**	**296.5**

The Company has no intangible assets developed internally.

None of the Company's intangible assets are pledged or used as collateral.

The Company anticipates incurring total capital expenditure of MCZK 89 in 2022. Approximately 35% of all planned expenditure was contracted as at the date of preparation of the financial statements.

(16) Right of use and lease liabilities (TCZK)

The Company leases principally motor vehicles, offices and storage facilities. For personal motor cars and utility cars, the usual period of lease is three to six years. For offices and storage facilities, the period of lease corresponds to the length of the tenancy.

Right-of-use	Cars	Offices and storage facilities	Total
Net book value at 31 December 2019	**96,291**	**83,753**	**180,044**
Additions	38,901	3,913	42,814
Depreciation expense	(40,492)	(21,675)	(62,167)
Net book value at 31 December 2020	**94,700**	**65,991**	**160,691**
Additions	58,456	11,104	69,560
Depreciation expense	(41,091)	(22,494)	(63,585)
Net book value at 31 December 2021	**112,065**	**54,601**	**166,666**

Total lease liabilities	2021	2020
Non-current lease liabilities	105,633	106,421
Current lease liabilities	64,410	57,134
Total lease liabilities	**170,043**	**163,555**
Lease liabilities as at 1 January	**163,555**	**181,848**
Lease payments	(63,073)	(61,107)
Interest paid	(3,849)	(4,191)
Total cash flows	**(66,922)**	**(65,298)**
Interest expense	3,849	4,191
Lease increase and modifications	69,560	42,814
Total non-cash flows	**73,409**	**47,005**
Lease liabilities as at 31 December	**170,043**	**163,555**

In relation to the application of IFRS 16, the Company reported in its income statement:

	2021	2020
Amortisation of the right-of-use	63,585	62,167
Interest expense	3,849	4,191
Expenses for leases where the Company applies the exemption for lease with low-value underlying assets	6,961	5,151

In 2021, the total cash flows relating to leases were TCZK 66,922 (2020: TCZK 65,298). As at 31 December 2021, the Company applied interest rate from 0.84% to 3.15% (2020: from 1.83% to 3.15%) depending on the length of the contractual relation and the underlying asset. The Company is not exposed to significant future expenses arising from contracts where the lease did not start as at the balance sheet date, residual value guarantees, or variable lease payments. The Company does not record any significant unrecognised liabilities relating to short-term leases.

The Company does not lease any leased assets to third persons. For the analysis of maturity of lease liabilities refer to Note 32.

(17) Equity investments (TCZK)

			2021		2020
	Note	Investment	Equity investment	Investment	Equity investment
PREdistribuce, a.s.	Non-marketable	100%	9,513,537	100%	9,513,537
PREměření, a.s.	Non-marketable	100%	313,264	100%	313,264
eYello CZ, k.s.	Non-marketable	90%	9,000	90%	9,000
KORMAK Praha a.s.	Non-marketable	100%	107,550	100%	107,550
PREservisní, s.r.o.	Non-marketable	100%	23,740	100%	23,740
PREzákaznická, a.s.	Non-marketable	100%	10,000	100%	10,000
VOLTCOM, spol. s r.o.	Non-marketable	100%	99,000	100%	94,000
Total			10,076,091		10,071,091

PREměření, a.s., holds a 10% equity investment in eYello CZ, k.s.

The parent company controls all its subsidiaries. Dividends received include recognised and paid shares in profit from PREdistribuce, a.s., of TCZK 1,239,000 (2020: TCZK 1,450,000), KORMAK Praha a.s. of TCZK 24,000 (2020: TCZK 23,000), PREzákaznická, a.s. of TCZK 22,900 (2020: TCZK 23,000), PREměření, a.s. of TCZK 150,000 (2020: TCZK 140,000), and VOLTCOM, spol. s r.o. of TCZK 9,000 (2020: TCZK 9,000).

Information on the subsidiaries was derived from individual statutory financial statements of these companies prepared in compliance with Czech Accounting Standards.

/ Separate financial statements, for the year ended 31 December2021

Business entity: PREdistribuce, a.s.

The company distributes electricity.

	2021	2020
Registered office: Svornosti 3199/19a, Prague 5		
ID No.: 27 37 65 16		
Average number of employees	469	461
Economic data (TCZK)		
Registered capital	17,707,934	17,707,934
Equity	19,497,216	19,488,509
Profit after tax	1,258,808	1,249,731
Sales of goods and services	9,518,953	9,400,253

Business entity: PREměření, a.s.

The company provides the reading, purchases and sale, review and assembly of meters and, to a lesser extent, sales of a selected product mix of electric appliances. Other principal activities include the generation of electricity using solar and wind energy. Since 2013, the company has offered services in turnkey assemblies of photovoltaic power plants.

	2021	2020
Registered office: Na Hroudě 2149/19, Prague 10		
ID No.: 25 67 70 63		
Average number of employees	246	245
Economic data (TCZK)		
Registered capital	35,000	35,000
Equity	1,023,206	961,019
Profit after tax	242,526	201,217
Sales of goods, services and solar energy generation	607,691	579,406

Business entity: eYello CZ, k.s.

eYello CZ, k.s., was established in 1996 with the original name PREleas, a.s. The company renders electricity and gas supplies under the Yello brand.

	2021	2020
Registered office: Kubánské náměstí 1391/11, Prague 10		
ID No.: 25 05 40 40		
Average number of employees	10	9
Economic data (TCZK)		
Equity	6,946	6,915
Profit after tax	31	13
Sales of electricity, gas and services	1,015,771	972,101

Business entity: KORMAK Praha a.s.

KORMAK Praha a.s. is engaged in the construction and repair of distribution facilities.

	2021	2020
Registered office: náměstí Bratří Jandusů 34/34, Prague 10		
ID No.: 48 59 23 07		
Average number of employees	69	66
Economic data (TCZK)		
Registered capital	2,100	2,100
Equity	27,649	26,987
Profit after tax	26,953	23,823
Total revenue from own products and services	208,312	225,803

Business entity: PREservisní, s.r.o.

PREservisní, s.r.o., is engaged in the lease and administration of real estate, apartments and non-residential premises and provides service for other entities of the PRE Group.

	2021	2020
Registered office: Na Hroudě 1492/4, Prague 10		
ID No.: 02 06 58 01		
Average number of employees	90	87
Economic data (TCZK)		
Registered capital	10,000	10,000
Equity	61,457	47,029
Profit after tax	15,128	10,920
Sales of goods and services	483,217	418,369

Business entity: PREzákaznická, a.s.

PREzákaznická, a.s., provides customer service for other entities of the PRE Group.

	2021	2020
Registered office: Na Hroudě 1492/4, Prague 10		
ID No.: 06 53 24 38		
Average number of employees	257	187
Economic data (TCZK)		
Registered capital	10,000	10,000
Equity	37,936	33,822
Profit after tax	27,866	23,232
Sales of goods and services	546,758	413,411

Business entity: VOLTCOM, spol. s r.o.

VOLTCOM, spol. s r.o. is engaged in the construction and repair of distribution facilities.

	2021	2020
Registered office: Otevřená 1092/2, Prague 6		
ID No.: 44 79 42 74		
Average number of employees	68	68
Economic data (TCZK)		
Registered capital	2,000	2,000
Equity	20,645	16,831
Profit after tax	13,416	13,199
Sales of goods and services	153,722	182,258

(18) Contract assets (TCZK)

Contract assets	2021	2020
Receivables from electricity and gas supplies – gross	4,004,252	3,495,609
Less: Advances received	(3,405,000)	(3,085,000)
Total	**599,252**	**410,609**

Creation and release of contract assets

Balance at 31 December 2019	416,809
Invoicing of recognised contract assets during 2020	(420,609)
Uninvoiced supplies of 2020, less advances received	430,054
Impairment in compliance with IFRS 9 requirements	(15,645)
Balance of contract assets at 31 December 2020	410,609
Invoicing of recognised contract assets during 2021	(430,054)
Uninvoiced supplies of 2021, less advances received	624,129
Impairment in compliance with IFRS 9 requirements	(5,432)
Balance of contract assets at 31 December 2021	599,252

Impairment of contract assets

Balance at 31 December 2019	3,800
Additions and release/utilisation	15,645
Balance at 31 December 2020	19,445
Additions and release/utilisation	5,432
Balance at 31 December 2021	24,877

Contract assets comprise the Company's right for payment for supplies already carried out and uninvoiced, based on contracts with customers, at the selling price reduced by advances received, in case the value of supply is higher than the value of advances received. A contract asset becomes a receivable at the moment the unconditional right for payment is acquired; this unconditional right arises from invoicing after meter reading. The usual invoice payment deadline for end customers is 30 days.

(19) Receivables from revaluation of derivatives (TCZK)

Non-current receivables from revaluation	2021	2020
Receivables from the revaluation of commodity derivatives for trading	--	46,932
Receivables from the revaluation of hedging commodity derivatives	251,782	19,160
Receivables from the revaluation of hedging interest rate derivatives	160,021	--
Receivables from the revaluation of hedging foreign exchange derivatives	--	295
Total	411,803	66,387

Current receivables from revaluation	2021	2020
Receivables from the revaluation of commodity derivatives for trading	2,179,080	381,614
Receivables from the revaluation of hedging commodity derivatives	1,456,615	74,964
Receivables from the revaluation of hedging interest rate derivatives	40,688	--
Receivables from the revaluation of hedging foreign exchange derivatives	--	3,898
Total	3,676,383	460,476

(20) Trade and other receivables (TCZK)

Non-current trade and other receivables	2021	2020
Principal amounts paid	50,664	173,629
Other	11	11
Total	**50,675**	**173,640**

Current trade and other receivables	2021	2020
Receivables from electricity and gas supplies	1,346,885	1,294,125
Margin deposits with the power exchanges	1,043,702	105,204
Other trade receivables	78,655	80,683
Other receivables – gross	1,303,438	236,971
Less: Advances provided	(303,970)	(193,540)
Other receivables – net	999,468	43,431
Other tax receivables	335,221	--
Other non-financial assets	71,191	53,088
Total	**3,875,122**	**1,576,531**

Compared to the initial recognition, the credit risk with other receivables did not increase significantly. In respect of other receivables (long-term and short-term securities and margin deposits), the following loss allowances were established for the expected credit losses at an amount of 12-month credit losses (level 1 of the impairment model):

Loss allowances for other receivables	
Balance at 1 January 2020 (affecting retained earnings)	**3,412**
Additions and release/utilisation	(591)
Balance at 31 December 2020	**2,821**
Additions and release in the current year	(2,017)
Balance at 31 December 2021	**804**

Of the above current trade receivables, gross receivables past their due date totalled TCZK 351,750 (2020: TCZK 365,123). Outstanding portions usually bear no interest. The following loss allowances were created for trade receivables:

Loss allowances for current trade receivables	
Balance at 1 January 2020	**277,284**
Additions and release/utilisation	74,429
Balance at 31 December 2020	**351,713**
Additions and release in the current year	(50,980)
Balance at 31 December 2021	**300,733**

*) Adjustment of prior period by loss allowances for receivables in the Group of TCZK 223

In considering the recoverability of receivables, the Company takes into account any changes in the recoverability of trade receivables from the date of their origination through the balance sheet date.

The carrying amount of trade and other receivables corresponds to their fair value.

	2020			
	% of loss allowance	Gross	Loss allowance	Net
Receivables within due date *)	6	1,361,398	72,363	1,289,034
Receivables up to 1 month past due	10	67,119	6,712	60,407
Receivables between 2 and 3 months past due	27	21,955	5,861	16,094
Receivables between 4 and 6 months past due	60	11,903	7,142	4,761
Receivables between 7 and 12 months past due	86	14,600	12,556	2,044
Receivables over 12 months past due	99	249,547	247,079	2,467
Total trade receivables		**1,726,521**	**351,713**	**1,374,808**

	2021			
	% of loss allowance	Gross	Loss allowance	Net
Receivables within due date	2	1,374,523	26,081	1,348,442
Receivables up to 1 month past due	4	64,381	2,575	61,806
Receivables between 2 and 3 months past due	25	10,552	2,638	7,914
Receivables between 4 and 6 months past due	60	7,269	4,361	2,908
Receivables between 7 and 12 months past due	86	12,976	11,159	1,817
Receivables over 12 months past due	99	256,572	253,919	2,653
Total trade receivables		**1,726,273**	**300,733**	**1,425,540**

*) The gross value of receivables in the Group of TCZK 78,767 (2020: TCZK 80,906) was added to the receivables within due date category

Receivables are considered credit impaired if they are more than 3 months past due.

(21) Loans granted (TCZK)

	2021			2020		
	Amount	Interest rate per annum	Due date	Amount	Interest rate per annum	Due date
Loan granted in Group 1	1,985	Fix 4.38%	29/2/2022	9,711	Fix 4.38%	29/2/2022
Loan granted in Group 2	35,389	Fix 4.63%	29/2/2023	62,271	Fix 4.63%	29/2/2023
Loan granted in Group 3	11,423	Fix 4.93%	29/2/2024	16,110	Fix 4.93%	29/2/2024
Loan granted in Group 4	19,680	Fix 4.93%	29/2/2024	27,754	Fix 4.93%	29/2/2024
Loan granted in Group 5	611,919	CZK IRS 3Y+3.10%	18/6/2026	611,919	CZK IRS 3Y+3.10%	18/6/2026
Loan granted in Group 6	702,446	CZK IRS 3Y+3.00%	28/11/2026	702,446	CZK IRS 3Y+3.00%	28/11/2026
Loan granted in Group 7	--	Fix 3.02%	31/12/2021	6,919	Fix 3.02%	31/12/2021
Loan granted in Group 8	12,016	Fix 3.48%	18/12/2024	16,022	Fix 3.48%	18/12/2024
Loan granted in Group 9	1,431,031	CZK IRS 3Y+2.50%	29/6/2027	1,430,090	CZK IRS 3Y+2.50%	29/6/2027
Loan granted in Group 10	81,471	Fix 3.27%	29/10/2024	108,627	Fix 3.27%	29/10/2024
Loan granted in Group 11	18,105	Fix 3.27%	29/10/2024	24,139	Fix 3.27%	29/10/2024
Loan granted in Group 12	35,197	Fix 3.17%	29/10/2023	52,796	Fix 3.17%	29/10/2023
Loan granted in Group 13	27,152	Fix 3.17%	29/10/2023	40,728	Fix 3.17%	29/10/2023
Loan granted in Group 14	78,453	Fix 3.27%	29/10/2024	104,605	Fix 3.27%	29/10/2024
Loan granted in Group 15	1,431	Fix 2.21%	29/7/2026	1,732	Fix 2.21%	29/7/2026
Loan granted in Group 16	6,099	Fix 3.52%	10/4/2027	7,208	Fix 3.52%	10/4/2027
Loan granted in Group 17	30,516	Fix 4.53%	30/11/2027	35,602	Fix 4.53%	30/11/2027
Loan granted in Group 18	87,087	Fix 3.62%	22/12/2027	101,602	Fix 3.62%	22/12/2027
Loan granted in Group 19	1,388	Fix 4.96%	31/1/2025	1,837	Fix 4.96%	31/1/2025
Loan granted in Group 20	235	Fix 4.47%	2/5/2023	400	Fix 4.47%	2/5/2023
Loan granted in Group 21	238	Fix 4.47%	31/7/2023	388	Fix 4.47%	31/7/2023
Loan granted in Group 22	565	Fix 4.99%	28/2/2024	816	Fix 4.99%	28/2/2024
Loan granted in Group 23	731	Fix 4.99%	30/3/2024	1,057	Fix 4.99%	30/3/2024
Loan granted in Group 24	62,731	Fix 4.43%	2/3/2028	72,767	Fix 4.43%	2/3/2028
Loan granted in Group 25	1,096	Fix 2.99%	15/8/2028	1,261	Fix 2.99%	15/8/2028
Loan granted in Group 26	1,346	Fix 3.97%	28/2/2025	--	--	--
Loan granted in Group 27	11,037	Fix 4.85%	22/7/2022	--	--	--
Loan granted in Group 28	15,035	Fix 4.72%	22/6/2022	--	--	--

			2021			2020
	Amount	Interest rate per annum	Due date	Amount	Interest rate per annum	Due datet
Cash pooling receivables						
PREdistribuce, a.s.	1,738,713	O/N PRIBOR+0.75%		1,163,787	O/N PRIBOR+0.75%	
PREměření, a.s.	--	O/N PRIBOR+0.75%		--	O/N PRIBOR+0.75%	
KORMAK Praha a.s.	29,839	O/N PRIBOR+0.75%		40,261	O/N PRIBOR+0.75%	
SOLARINVEST - GREEN ENERGY, s.r.o.	40,959	O/N PRIBOR+0.75%		14,575	O/N PRIBOR+0.75%	
PREservisní, s.r.o.	65,540	O/N PRIBOR+0.75%		32,494	O/N PRIBOR+0.75%	
VOLTCOM, spol. s r.o.	18,177	O/N PRIBOR+0.75%		4,301	O/N PRIBOR+0.75%	
eYello CZ, k.s.	17,671	O/N PRIBOR+0.75%		--	O/N PRIBOR+0.75%	
FRONTIER TECHNOLOGIES, s.r.o.	4	O/N PRIBOR+0.75%		11,364	O/N PRIBOR+0.75%	
Loss allowances for inter-company loans	(5,480)			(4,047)		
Total	**5,191,225**			**4,701,542**		
Of which:						
Non-current	3,039,059			3,207,318		
Current	2,152,166			1,494,224		

Granted loans are carried at their amortised cost. The fair value of loans 1-28 differs from their amortised cost by MCZK 54, and this value amounts to MCZK 3,232. In 2020, the fair value of loans 1-28 differed from their amortised cost by MCZK 176, and this value amounted to MCZK 3,615. In respect of other loans, their amortised cost does not differ from their fair value in particular due to their short-term character.

The fair value was calculated by discounting contractual cash flows using the current yield curve. Fair value comes under level 3 as a result of using inputs that cannot be directly derived from data acquired on the active market, such as credit risk.

Compared to the initial recognition, the credit risk with granted loans did not increase significantly. In respect of granted loans, the following loss allowances were established for the expected credit losses at an amount of 12-month credit losses (phase 1 of the impairment model):

Balance at 1 January 2020 (affecting retained earnings)	**4,833**
Additions and release in the current year	(786)
Balance at 31 December 2020	**4,047**
Additions and release in the current year	1,433
Balance at 31 December 2021	**5,480**

(22) Inventories (TCZK)

	2021	2020
Material	5,027	2,479
Goods	212,888	15,692
Of which: gas inventory at fair value	212,888	15,692
Total	**217,915**	**18,171**

Part of “Cost of purchased services, material and energy” and “Other gains and losses” include cost of inventories sold and consumed in the total amount of TCZK 49,382 (2020: TCZK 66,133) in the income statement. The fair value is determined by a valuation model using inputs at level 2 (spot market price index of an organised short-term commodity market).

Given their limited use, inventories were written down to their net realisable value as follows:

Balance at 31 December 2019	**61**
Additions and utilisation in the current year	29
Balance at 31 December 2020	**90**
Additions and utilisation in the current year	(9)
Balance at 31 December 2021	**81**

The loss allowance to the net realisable value is reported in “Other gains and losses”.

(23) Cash and cash equivalents (TCZK)

Cash and cash equivalents include cash in hand, deposits payable upon request and other highly liquid financial assets that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Loss allowances are not recognised due to their immateriality.

	2021	2020
Current bank accounts	1,978,230	1,888,667
Cash in hand	935	1,163
Stamps and vouchers	694	615
Total	**1,979,859**	**1,890,445**

At the Company request, banks issued payment bank guarantees of MCZK 7 in favour of APCS Power Cleaning and Settlement AG (2020: MCZK 10 in favour of ČEPRO, a.s., and APCS Power Clearing and Settlement AG).

(24) Loans received (TCZK)

This Note summarises the information about the contractual conditions of received interest bearing loans and borrowings. For more information about the Company's exposure to interest rate risks refer to the Note on "Financial instruments".

			2021			2020
	Amount	Interest rate	Due date	Amount	Interest rate	Due date
Loan 1	1,000,039	Fix 1.40%	1/7/2024	1,000,039	Fix 1.40%	1/7/2024
Loan 2	1,005,614	Fix 1.16%	8/7/2022	1,005,615	Fix 1.16%	8/7/2022
Loan 3	550,070	6M PRIBOR+0.30%	18/11/2027	550,011	6M PRIBOR+0.30%	18/11/2027
Loan 4	550,069	6M PRIBOR+0.25%	18/11/2027	550,010	6M PRIBOR+0.25%	18/11/2027
Loan 5	630,072	Fix 4.10%	3/1/2022	150,003	Fix 0.60%	4/1/2021
Authorised overdraft of current accounts – ČSOB	431,062	O/N PRIBOR+0.35%, at least 0.00%		440,043	O/N PRIBOR+0.35%, at least 0.00%	
Česká spořitelna	169,741	O/N PRIBOR+0.35%, at least 0.00%		76,019	O/N PRIBOR+0.35%, at least 0.00%	
Cash pooling payables:						
PREdistribuce, a.s.	--	O/N PRIBOR+0.35%, at least 0.00%		--	O/N PRIBOR+0.35%, at least 0.00%	
eYello CZ, k.s.	28	O/N PRIBOR+0.35%, at least 0.00%		34,031	O/N PRIBOR+0.35%, at least 0.00%	
PREměření, a.s.	77,021	O/N PRIBOR+0.35%, at least 0.00%		35,760	O/N PRIBOR+0.35%, at least 0.00%	
PREzákaznická, a.s.	93,166	O/N PRIBOR+0.35%, at least 0.00%		52,345	O/N PRIBOR+0.35%, at least 0.00%	
PREnetcom, a.s.	40,370	O/N PRIBOR+0.35%, at least 0.00%		21,392	O/N PRIBOR+0.35%, at least 0.00%	
PREservisní, s.r.o.	--	O/N PRIBOR+0.35%, at least 0.00%		--	O/N PRIBOR+0.35%, at least 0.00%	
PRE FVE Světlík, s.r.o.	5,741	O/N PRIBOR+0.35%, at least 0.00%		8,777	O/N PRIBOR+0.35%, at least 0.00%	
PRE VTE Částkov, s.r.o.	9,165	O/N PRIBOR+0.35%, at least 0.00%		10,929	O/N PRIBOR+0.35%, at least 0.00%	
FRONTIER TECHNOLOGIES, s.r.o.	2,255	O/N PRIBOR+0.35%, at least 0.00%		--	O/N PRIBOR+0.35%, at least 0.00%	
VOLTCOM, spol. s r.o.	--	O/N PRIBOR+0.35%, at least 0.00%		--	O/N PRIBOR+0.35%, at least 0.00%	
PRE FVE Nové Sedlo, s.r.o.	6	O/N PRIBOR+0.35%, at least 0.00%		--	O/N PRIBOR+0.35%, at least 0.00%	
Total	**4,564,419**			**3,934,974**		
Of which:						
Non-current loans	3,100,000			3,100,000		
Current loans	1,464,419			834,974		

		Cash flows			
	31/12/2020	Drawing	Repayment	Other	31/12/2021
Non-group loans	3,771,740	1,230,803	(666,062)	186	4,336,667
Inter-company loans	163,234	195,264	(131,284)	538	227,752
Total loan cash flows	3,934,974	1,426,067	(797,346)	724	4,564,419

		Cash flows			
	31/12/2019	Drawing	Repayment	Other	31/12/2020
Non-group loans	4,122,395	1,766,062	(2,109,985)	(6,732)	3,771,740
Inter-company loans	134,878	131,231	(102,607)	(268)	163,234
Total loan cash flows	4,257,273	1,897,293	(2,212,592)	(7,000)	3,934,974

			Cash flows			
	31/12/2019	Drawing	Repayment	Cash transactions in the Group	Other	31/12/2020
Total loans	4,257,273	1,766,062	(2,109,985)	28,356	(6,732)	3,934,974

To hedge interest rate, the Company uses interest rate swaps that are accounted for as cash flow hedges.

The banks do not require loan collateral with regard to the Company's credit rating. As at 31 December 2021, undrawn loan facilities amounted to MCZK 1,989 (as at 31 December 2020: MCZK 2,554).

Loans are carried at their amortised cost. The fair value of loans 1, 2, 3 and 4 differs from their amortised cost by MCZK 235, and this value amounts to MCZK 2,871. In 2020, the fair value of loans 1, 2, 3 and 4 differed from their amortised cost by MCZK 9, and this value amounted to MCZK 3,097. In respect of other loans, their amortised cost does not differ from their fair value in particular due to their short-term character.

The fair value was calculated by discounting contractual cash flows using the current yield curve. Fair value comes under level 3 as a result of using inputs that cannot be directly derived from data acquired on the active market, such as own credit risk.
Currently, the Company does not capitalise any borrowing costs in accordance with the applied accounting policy.

(25) Contract liabilities (TCZK)

Current contract liabilities	2021	2020
Advances received for the supply of electricity and gas from customers - gross	4,487,142	3,915,107
Less: Uninvoiced supplies	(3,405,000)	(3,085,000)
Total	**1,082,142**	**830,107**

Creation and release of contract liabilities

Balance at 31 December 2019	**897,422**
Recognition of contract liabilities in revenues in the current year	(897,422)
Increase in contract liabilities in the current year (investment contributions received, advance payments, partial invoicing)	830,107
Balance of contract liabilities at 31 December 2020	**830,107**
Recognition of contract liabilities in revenues in the current year	(830,107)
Increase in contract liabilities in the current year (investment contributions received, advance payments, partial invoicing)	1,082,142
Balance of contract liabilities at 31 December 2021	**1,082,142**

The contract liability relates to advances received and invoicing that has already been performed, as part of contracts with customers, reduced by the value of supplies that have not yet been invoiced, and from which revenue is recognised on an ongoing basis or will be recognised directly after the balance sheet date as part of the satisfaction of a performance obligation.

The amount of TCZK 830,107 which in 2020 was recognised as contract liability, was reported in revenues for the period ended 31 December 2021 (the contract liability of TCZK 897,422 reported as at 1 January 2020 was reported as revenue for the period ended 31 December 2020).

The Company has no revenue relating to the satisfaction or partial satisfaction of performance obligations in prior accounting periods.

(26) Payables from revaluation of derivatives (TCZK)

Non-current payables from revaluation of derivatives	2021	2020
Payables from the revaluation of commodity derivatives for trading	406,859	57,349
Payables from the revaluation of hedging commodity derivatives	229,290	24,462
Payables from the revaluation of hedging foreign exchange derivatives	--	490
Payables from the revaluation of hedging interest rate derivatives	--	30,636
Total	636,149	112,937

Current payables from revaluation of derivatives	2021	2020
Payables from the revaluation of commodity derivatives for trading	2,024,025	359,626
Payables from the revaluation of hedging commodity derivatives	959,099	27,092
Payables from the revaluation of hedging foreign exchange derivatives	120,758	16,253
Payables from the revaluation of hedging interest rate derivatives	--	15,190
Total	3,103,882	418,161

(27) Trade and other payables (TCZK)

Non-current trade and other payables	2021	2020
Other financial liabilities	2,000	2,000
Total	**2,000**	**2,000**

Current trade and other payables	2021	2020
Uninvoiced supplies of electricity and gas from suppliers – gross	313,255	196,962
Less: Advances provided for the supply of electricity and gas	(303,970)	(193,540)
Uninvoiced supplies of electricity and gas from suppliers – net	9,285	3,422
Trade payables	780,212	511,168
Payables to employees *)	18,835	18,891
Social security and health insurance liabilities	10,333	11,618
Intercompany payables **)	1,884,707	1,745,971
Other tax liabilities	17,765	140,574
Other financial liabilities	19,395	19,913
Other non-financial liabilities	159,913	117,707
Total	**2,900,445**	**2,569,264**

*) Includes December wages paid in January

**) For detailed breakdown refer to Note 33

The Company reports overdue trade payables of TCZK 157 (2020: TCZK 43). All overdue liabilities were settled during January 2022.

In respect of liabilities that are carried at amortised cost, this value corresponds with their fair value.

(28) Provisions (TCZK)

	2021	2020
Employee benefits	66,606	96,216
Other	59,874	58,769
Business risks	--	28,370
Total	**126,480**	**183,355**
Non-current provisions	60,362	89,788
Current provisions	66,118	93,567
Total	**126,480**	**183,355**

The provision for employee benefits represents liabilities pursuant to the Collective Agreement arising from bonuses paid to employees upon retirement and work and life jubilees.

	Employee benefits	Salaries	Business risks	Total
Balance at 31 December 2019	**89,807**	**58,400**	**--**	**148,207**
Additions in the current year	17,753	58,769	28,370	104,892
Utilisation in the current year	(8,770)	(53,389)	--	(62,159)
Release in the current year	(2,574)	(5,011)	--	(7,585)
Balance at 31 December 2020	**96,216**	**58,769**	**28,370**	**183,355**
Additions in the current year	6,550	59,874	--	66,424
Utilisation in the current year	(6,879)	(48,109)	--	(54,988)
Release in the current year	(29,281)	(10,660)	(28,370)	(68,311)
Balance at 31 December 2021	**66,606**	**59,874**	**--**	**126,480**
Non-current	60,362	--	--	60,362
Current	6,244	59,874	--	66,118
Total	**66,606**	**59,874**	**--**	**126,480**

The provision for salaries includes salaries paid depending on the fulfilment of the plan.

The provision for employee benefits represents liabilities pursuant to the Collective Agreement arising from bonuses paid to employees upon retirement and work and life jubilees and liabilities to personal accounts drawn by employees for optional benefits. In respect of work jubilees and bonuses upon retirement, the amount of benefit depends on the hours that the employee has worked in the Company; in case of life jubilees, the bonus is paid to the employee on reaching the age of 50. After employees retire, no other benefits are provided to them.

To calculate the provision, a projected unit credit method is used - i.e.,, for each period worked, the employee is entitled to a proportion of the present value of the benefit. In addition, the calculation takes into account the time value of money and the probability that the benefit will not be paid out.

The discount rate is derived based on market yields of Czech state bonds in the currency of the liability, i.e., CZK, with the maturity date corresponding with the maturity of the liability. It is determined as a single discount factor for all benefits together.

The probability of continuance (payment) includes the anticipated retirement, the probability of leaving the Company, the mortality and the invalidity rate. The anticipated retirement is determined for individual employees using legislation valid in the respective country. Staff turnover, mortality, and invalidity rates are determined based on the Group's historical data analysis.

Basic assumptions used for actuarial valuation:

	2021	2020
Discount rate	2.85%	1.43%
Average retirement age (years)	64.9	64.8
Probability of continuance	0.71	0.67

Significant actuarial assumptions for determining the liability include the discount rate and probability of continuance. The sensitivity analyses below were determined based on possible changes in the parameters described above at the end of the accounting period, whilst all other assumptions remained constant.

	Basis	(1) p.b.	Difference	+1 p.b.	Difference
Sensitivity to the change in discount rate	66,606	60,170	(6,436)	74,227	7,621

	Basis	(0.10)	Net	0.10	Net
Sensitivity to the change in probability of continuance	66,606	71,033	4,427	58,979	(7,627)

The creation of provisions for employee benefits includes interest expense of TCZK 1,232 (2020: TCZK 920), running cost relating to these benefits of TCZK 15,067 (2020: TCZK 14,779), and revaluation of the liabilities from defined benefits reported in the total comprehensive income of TCZK (9,749) (2020: TCZK 2,054). The utilisation of provisions then comprises the payments of employee benefits.

(29) Share capital (TCZK)

Registered capital

There are 3,869,443 registered shares in the nominal value of CZK 1,000 per share (2020: 3,869,443 shares). These shares are in the book-entry form and carry no right for the regular payment of dividends.

The Company's share capital has been paid in full.

(30) Reserves and other funds (TCZK)

	2021	2020
Reserve fund	773,889	773,889
Other reserves	382,711	382,711
Cash flow hedge	1,490,908	33,847
Revaluation of net payables from defined benefits	3,921	(3,976)
Total	**2,651,429**	**1,186,471**

The Company's reserve fund has been created in the amount of 20% (TCZK 773,889) of the share capital and no further increase is to be made. The general meeting decides on the use of the reserve fund and this fund is used to settle the Company's loss.

Other reserves represent part of the capital of the former state enterprise, the legal predecessor of the Company. As a result of the privatisation project, the state enterprise's capital was divided into share capital, reserve fund and capital funds as at the date of incorporation of the joint stock company (1 January 1994). As at that date, the balance of the capital funds was TCZK 390,390. The board of directors decides on the use of the balance of this fund based on the rules for fund management approved by the general meeting. Subject to the approval of the general meeting, the Company may establish other discretionary funds.

Cash flow hedge and revaluation of payables from defined benefits comprises:

	2021	2020
Revaluation of hedging commodity derivatives	1,778,766	119,867
Effect of deferred tax	(337,966)	(22,775)
Revaluation of hedging foreign exchange derivatives	(138,848)	(32,253)
Effect of deferred tax	26,381	6,128
Revaluation of hedging interest rate derivatives	200,710	(45,826)
Effect of deferred tax	(38,135)	8,707
Revaluation of payables from defined benefits	4,839	(4,910)
Effect of deferred tax	(919)	933
Total	**1,494,828**	**29,871**

(31) Government grants (TCZK)

The Company registers grant claims of TCZK 153,951 (2020: TCZK 158,178), which are not accounted for in compliance with the accounting policy in Note 3, because as at the date of the financial statements it is not entirely certain these grants will be provided to the Company.

(32) Financial instruments (TCZK)

Categories of financial instruments

Financial assets (net)	**Cat.:**	**2021**	**2020**
(a) Receivables from the revaluation of commodity derivatives for trading	iii.	2,179,080	428,546
(b) Receivables from the revaluation of hedging commodity derivatives	ii.	1,708,397	94,124
(c) Receivables from the revaluation of hedging foreign exchange derivatives	ii.	--	4,193
(d) Receivables from the revaluation of hedging interest rate derivatives	ii.	200,709	--
(e) Cash and cash equivalents	i.	1,979,859	1,890,445
(f) Margin deposit	i.	1,043,702	105,204
(g) Loans granted and cash pooling	i.	5,191,226	4,701,542
(h) Trade and other receivables, except for the above	i.	2,475,672	1,591,868

Financial liabilities	**Cat.:**	**2021**	**2020**
(i) Payables from the revaluation of commodity derivatives for trading	iii.	2,430,884	416,975
(j) Payables from the revaluation of hedging commodity derivatives	ii.	1,188,389	51,554
(k) Payables from the revaluation of hedging foreign exchange derivatives	ii.	120,758	16,743
(l) Payables from the revaluation of hedging interest rate derivatives	ii.	--	45,826
(m) Loans received	iv.	4,336,667	3,771,740
(n) Cash pooling liabilities	iv.	227,752	163,234
(o) Lease liabilities	iv.	170,043	163,555
(p) Financial liabilities carried at amortised cost, except for the above	iv.	2,695,599	2,282,474

Categories of financial instruments:
i. Financial assets measured at amortised cost
ii. Financial assets and financial liabilities measured at fair value through other comprehensive income
iii. Financial assets and financial liabilities measured at fair value through profit or loss
iv. Financial liabilities at amortised cost

Financial assets and liabilities (ii., iii.) were valued using valuation models with market data (level 2), such as forward curves of underlying commodities, spot and forward foreign exchange rates and interest rate curves.

Gains and losses from financial instruments reported in the current period		2021	2020
ZGain/loss from the revaluation of commodity derivatives in the trading portfolio *)	(a, i)	(13,968)	(5,350)
Interest received in the Group	(g)	161,882	152,869
Interest received outside of the Group and revenue from securities held	(e)	4,036	3,775
Borrowing costs (except for the interest on employee benefits)	(m, n, o)	(56,050)	(71,319)
Loss allowances for trade receivables and other financial assets	(e, f, g, h)	46,132	(88,129)
Write-offs of doubtful debts	(h)	(9,546)	(15,744)
Hedge ineffectiveness	(b, j)	(4,340)	4,730

*) Included in the margin on trading

Hedge accounting		2021	2020
Creation of the equity fund from the cash flow hedge	(b, c, d, j, k, l)	1,709,031	87,181
Reversal of the fund from cash flow hedge in the income statement *)	(b, c, d, j, k, l)	89,809	36,874

*) In the costs of purchased electricity

Capital risk

The Company manages its capital to ensure an optimal financial position from the long-term perspective while maximising the long-term return to shareholders. The capital is the value of equity from the balance sheet.

	2021	2020
Total assets	28,510,516	21,607,119
Equity	15,431,291	13,296,031
Equity/total assets	**54%**	**62%**

Market risk

In view of its activities, the Company is predominantly exposed to the risks of changes in market prices of commodities (electricity and gas), currency risk and the risk of changes in interest rates.

For the hedging of market risks, the Company uses the following non-derivative financial assets and financial instruments:

..... commodity forwards and futures to hedge the changes in prices of these commodities;
..... currency forwards to hedge the changes in exchange rates;
..... interest rate swaps to hedge the interest expense amount for external loans received;
..... funds denominated in EUR acquired by a spot purchase on the money market to hedge exchange rates.

The Company's exposure to market risk is measured by several methods, the most important being the sensitivity analysis which reflects potential impacts of changes in prices defined in individual scenarios on the Company's results. The VaR methodology (value at risk) is used to measure short-term business exposure. The Company's exposure to market risks is monitored on a regular basis and its approach to managing these risks has not significantly changed as compared to the prior period.

There is no concentration of market risks in the Company.

Currency risk

The Company is exposed to the risk of changes in exchange rates. It takes a significant exposure to the risk of changes in exchange rates only to settle transactions in foreign currency (EUR) made to procure electricity or gas for the Company's customers. The Company's strategy is to minimise the risk of undesirable effects of exchange rate fluctuations on cash flows. The risks of such changes in exchange rates are measured using defined scenarios for exchange rate development. The open exposure is established based on the annual plan of exchange currency requirements and the amount of agreed hedging.

The Company hedges a significant portion of its future planned foreign currency cash flows for the purchase of electricity and gas against the risk related to exchange rates, using currency forwards and a spot purchase of EUR with subsequent holding period until the determined date of usage; these transactions are accounted for in accordance with the hedge accounting principles that the Company applies.

The Company monitors hedge effectiveness under hedge accounting. The hedging has been effective. Due to the fact that the characteristics of the hedging instrument and the hedged item tally, no sources of ineffectiveness, with the exception of the counterparty's credit risk, have been identified. The counterparty and the Company's credit risk is insignificant. The credit rating of PRE and the counterparty of the hedging instrument is high. The effect of the credit risk does not dominate the changes in value that result from the economic relationship. The hedge ratio is set at 1:1.

The economic relationship between the hedged item and the hedging instrument has been tested:

1) Qualitative analysis: based on the comparison of the characteristics of the hedging instrument and the hedged item, the Company concluded that they are balanced.

2) Quantitative analysis: using the simple method of scenario analysis, the Company examined and further monitors any changes in the fair value of the hedging instrument and the hedged item as a result of changes in the underlying variable, comprising the EUR/CZK exchange rate. The changes in the fair value of the hedged item and the hedging instrument move in opposite directions and the change in the fair value of the hedging instrument fully compensates the change in the fair value of the hedged item.

The carrying amount of foreign currency assets and liabilities:

	Assets (TCZK)		Liabilities (TCZK)	
	2021	2020	2021	2020
Receivables and payables from the revaluation of commodity derivatives for trading	2,179,080	428,546	2,430,884	416,975
Receivables and payables from the revaluation of hedging commodity derivatives	1,708,397	94,124	1,188,389	51,554
Receivables and payables from the revaluation of hedging foreign exchange derivatives	--	4,193	120,758	16,743
Non-derivative financial assets for currency risk management (cash)	795,520	1,390,985	--	--
Cash and cash equivalents	188,396	214,545	--	--
Margin deposit	1,043,702	105,204	--	--
Trade receivables and payables and other receivables and payables	169,012	198,137	567,540	359,336
Total in EUR	**6,084,107**	**2,435,734**	**4,307,571**	**844,608**
Other currencies	62	62	--	--
Total	**6,084,169**	**2,435,796**	**4,307,571**	**844,608**

Currency derivatives and non-derivative financial assets open at the balance sheet date:

	Average exchange rate CZK/EUR		Value (TEUR)		Value (TCZK)		Fair value (TCZK)	
Purchase of EUR through currency derivatives	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Purchase of EUR up to 1 month	25.63	26.18	40,050	5,000	1,026,474	130,908	(29,489)	364
Purchase of EUR from 1 to 3 months	25.57	26.30	121,000	34,100	3,094,339	896,940	(65,333)	(642)
Purchase of EUR from 3 to 12 months	25.72	26.57	56,000	65,250	1,440,217	1,733,822	(25,936)	(12,077)
Purchase of EUR over 12 months	--	26.56	--	5,050	--	134,134	--	(195)
Total	**25.62**	**26.47**	**217,050**	**109,400**	**5,561,030**	**2,895,804**	**(120,758)**	**(12,550)**

	Average exchange rate CZK/EUR		Value (TEUR)		Value (TCZK)		Revaluation (TCZK)	
	2021	**2020**	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
EUR used up to 1 month	25.44	27.25	6,000	5,000	152,630	136,250	(3,470)	(4,700)
EUR used from 1 to 3 months	25.39	27.25	2,000	5,000	50,770	136,250	(1,050)	(4,700)
EUR used from 3 to 12 months	25.43	26.47	24,000	43,000	610,210	1,138,188	(13,750)	(7,125)
Total	**25.43**	**26.62**	**32,000**	**53,000**	**813,610**	**1,410,688**	**(18,090)**	**(16,525)**

Currency risk – sensitivity analysis

The Company performed a sensitivity analysis to identify the potential impact of the change in the value of these assets and liabilities on the level of profit or equity as a result of a 1% decrease in the CZK/EUR exchange rate.

	2021	2020
Profit/(loss)	5,822	1,712
Equity	(33,096)	(11,698)

Interest rate risk

Medium- and long-term external funds of the Company include loans maturing in less than a year, three and six years. The loan maturing in 2022 will be fully refinanced with a maturity of seven years in accordance with the Company's medium-term plan. These loans have a fixed and floating interest rates with a six-month fixation, with the loans being fully hedged through interest rate swaps as the Company is the payer of the fixed payment on the interest rate swap. As at 31 December 2021, the Company concluded interest rate swaps to hedge external loans of MCZK 2,100 repayable in 2027 a 2029. Changes in market interest rates thus do not affect the pre-agreed amount of repayments of these loans, which effectively reduces the risk of changes in interest rates. In this context, the Company has introduced hedge accounting. The Company monitors monitors the hedge effectiveness in hedge accounting. Hedging is and has been effective. The characteristics of the hedging instrument and the hedged item coincide with the exception of the existence of an embedded interest rate option in the hedged loan. In addition to the credit risk of the counterparty, the source of hedging ineffectiveness is also the embedded floor option for the hedged item, which will cause the hedging inefficiency when the level of CZK interest rates falls to negative values. The credit risk of the counterparty and the Company is insignificant. The credit rating of PRE and the counterparty of the hedging instrument is high. The impact of credit risk is not a decisive factor for changes in value that result from an economic relationship. The hedging ratio is set at 1:1.

The economic relationship between the hedged item and the hedging instrument was tested:

1) Qualitative analysis: based on a comparison of the characteristics of the hedging instrument and the hedged item, the Company concluded that they are balanced.

2) Quantitative analysis: using a simple scenario analysis method, the fair value of the hedging instrument and the hedging item is examined and further monitored as a result of changes in the underlying variable, which is the interest rate. Changes in the fair value of the hedged item and the hedging instrument move in opposite directions, and the change in the fair value of the hedging instrument offsets the change in the fair value of the hedged item due to the hedged risk.

Changes in interest rates may only affect the costs of hedging short-term sources of funding. However, the impact of this risk on the Company, if any, is immaterial, therefore, the Company does not manage it and does not apply hedge accounting. Lease liabilities are not included in the table as they are not sensitive to changes in interest rate unless the lease relationship is modified.

The carrying amount of assets and liabilities which is dependent on the interest rate:

	Assets (TCZK)		Liabilities (TCZK)	
	2021	2020	2021	2020
Receivables and payables from the revaluation of hedging interest rate swaps	200,709	--	--	45,826
Receivables and payables from the revaluation of hedging foreign exchange derivatives	--	4,193	120,758	16,743
Total	**200,709**	**4,193**	**120,758**	**62,569**

Interest rate risk – sensitivity analysis

The Company performed a sensitivity analysis to identify the potential impact of the change in the value of these assets and liabilities on the level of profit or equity as a result of 0.25% increase in the interest rate.

	2021	2020
Profit/(loss)	--	--
Equity	20,953	15,449

Risk of changing prices of commodities

The Company is exposed to the risk related to the development of electricity and gas prices, which can have an impact on the expected profit margin. The Company's strategy is to minimise the risk of undesirable effects of price changes on cash flows.

Electricity and gas for end customers is purchased in order to achieve the optimisation of purchase prices within the position limited in terms of volume. Exposure management is based on limits for the maximum permissible size of outstanding exposures, the possible financial impact is derived from defined scenarios for price developments. The commodity risk management strategies are primarily based on the structure of the Company's end customers and distinguish between customers with individual rates (the B2B customer segment) and customers receiving common price-list rates (the B2C customer segment). As the price is set at different times for each segment, the commodity hedging method varies for the two customer groups as well. In the case of the B2B customer segment, back-to-back hedging is used, i.e.,, the commodity is acquired as soon as the offer is accepted by the customer. For the B2C customer segment, gradual hedging is used, i.e., the commodity is acquired over time for a large number of small customers, taking into account market liquidity and minimising market price volatility for customers.

In implementing the above strategies, a range of tools, procedures and techniques are used to ensure that the commodity is delivered at the specified time, in the specified place and at the optimum purchase price.

A significant portion of the commodity delivered to the domestic market is hedged using forward contracts with physical delivery in the Czech Republic. The 'own-use' exemption allowed by IFRS 9 applies to such forward contracts. In 2020, as a result of the reduced volume of expected electricity consumption caused by the covid-19 pandemic, the Company was forced to reduce its planned purchases, thus realising sales term contracts with physical delivery in the Czech Republic in the volume of approximately 3% or the planned purchases.

In the event of momentarily insufficient liquidity in the domestic commodity market with the physical delivery of the commodity, the Company hedges the purchase price and mitigates the risk of price development via transactions in external commodity markets connected with the Czech transmission system. So far, mainly the German market has been involved, due to its sufficient liquidity and high degree of price correlation with the Czech market. The 'own-use' exemption does not apply to these transactions, and in these cases, the Company applies hedge accounting. The objective of commodity risk management is to hedge cash flows connected with the future purchase of a commodity for the end customer on the domestic market. The Company hedges against the risk of price changes by purchasing an OTC commodity forward or stock exchange futures on the external market, thus substantially ensuring the required purchase price. At the moment of sufficient liquidity on the Czech market, the Company purchases the commodity on the domestic OTC market and at the same time closes the position on the external market with an inverse contract. Hedging is thus terminated. Any gain or loss from hedging to a large extent compensates the movement of price on the domestic market between the moment the Company wanted to purchase the commodity for the end customer, but could not do so due to low liquidity, and the moment of subsequent purchase. The 'own-use' exemption allowed by IFRS 9 applies to the purchase on the domestic market. The Company monitors hedge effectiveness under hedge accounting. The hedge has so far been highly effective. The characteristics of the hedging instrument and the hedged item tally. Apart from the counterparty's credit risk, a source of hedge ineffectiveness is also the degree of correlation between external and domestic commodity markets, expressed by the spread development between markets. The correlation across both markets is very high in the medium term (more than 98%). The counterparty and the Company's credit risk is insignificant. The credit rating of PRE and the counterparty of the hedging instrument is high. The effect of the credit risk does not dominate the changes in value that result from the economic relationship. The hedge ratio is set at 1:1.

The economic relationship between the hedged item and the hedging instrument was tested:

1) Qualitative analysis: based on the comparison of the characteristics of the hedging instrument and the hedged item, PRE concluded that they are balanced.

2) Quantitative analysis: using the simple method of scenario analysis, the Company examined and further monitors any changes in the fair value of the hedging instrument and the hedged item as a result of changes in the underlying variable, comprising the rate of the commodity. The changes in the fair value of the hedged item and the hedging instrument move in opposite directions and the change in the fair value of the hedging instrument considerably compensates the change in the fair value of the hedged item.

Another possibility to solve temporary market illiquidity is to hedge the price of future spot purchase of a commodity, using commodity futures on the domestic market without physical delivery. At the moment of low liquidity on the domestic market with physical delivery, the Company agrees to the purchase of domestic commodity futures. The Company holds these futures until expiration. When the derivative expires, hedging is terminated. Any gain or loss from hedging, expressed by the paid or collected variation margin, fully compensates the movement of price on the domestic market between the moment the Company wanted to purchase the commodity for the end customer but could not do so due to low liquidity and the moment of purchase on the spot market. The Company monitors hedge effectiveness under hedge accounting. The hedge has been highly effective. The characteristics of the hedging instrument and the hedged item tally. Due to the fact that the characteristics of the hedging instrument and the hedged item tally, no sources of ineffectiveness, with the exception of the counterparty's credit risk, have been identified. The counterparty and the Company's credit risk is insignificant. The credit rating of PRE and the counterparty of the hedging instrument is high. The effect of the credit risk does not dominate the changes in value that result from the economic relationship. The hedge ratio is set at 1:1.

The economic relationship between the hedged item and the hedging instrument was tested:

1) Qualitative analysis: based on the comparison of the characteristics of the hedging instrument and the hedged item, PRE concluded that they are balanced.

2) Quantitative analysis: using the simple method of scenario analysis, the Company examined and further monitors any changes in the fair value of the hedging instrument and the hedged item as a result of changes in the underlying variable, comprising the rate of the commodity. The changes in the fair value of the hedged item and the hedging instrument move in opposite directions and the change in the fair value of the hedging instrument considerably compensates the change in the fair value of the hedged item.

As part of its business activities, the Company carries out trading transactions with commodity derivatives. As at 31 December 2021, the Company recorded an open trading position, thus being exposed to the risk of a change in the commodity price.

The carrying amount of assets and liabilities which depends on the commodity price:

	Assets (TCZK)		Liabilities (TCZK)	
	2021	2020	2021	2020
Receivables and payables from the revaluation of commodity derivatives for trading	2,179,080	428,546	2,430,884	416,975
Receivables and payables from the revaluation of hedging commodity derivatives	1,708,397	94,124	1,188,389	51,554
Total	3,887,477	522,670	3,619,273	468,529

Open commodity derivatives for hedging as at the balance sheet date:

	Commodity contracts for purchase				Commodity contracts for sale			
	Nominal value (TEUR)		Nominal value (TCZK)		Nominal value (TEUR)		Nominal value (TCZK)	
	2021	2020	2021	2020	2021	2020	2021	2020
Futures								
Settlement up to 12 months	38,154	18,862	948,501	495,023	939	--	23,351	--
Settlement from 1 to 2 years	1,461	6,222	36,314	163,302	--	--	--	--
Settlement from 2 to 3 years	625	--	15,537	--	--	--	--	--
Total	**40,240**	**25,084**	**1,000,352**	**658,325**	**939**	**--**	**23,351**	**--**
OTC forward								
Settlement up to 12 months	33,399	19,162	830,307	502,920	12,450	9,308	309,499	244,298
Settlement from 1 to 2 years	7,564	8,577	188,047	225,106	4,476	5,518	111,282	144,818
Settlement from 2 to 3 years	7,357	4,669	182,886	122,540	4,576	4,476	113,771	117,482
Settlement from 3 to 4 years	--	4,770	--	125,181	--	4,576	--	120,109
Settlement from 4 to 5 years	--	--	--	--	--	--	--	--
Total	**48,320**	**37,178**	**1,201,240**	**975,747**	**21,502**	**23,848**	**534,552**	**626,707**

Open commodity “own-use” contracts:

	Nominal value (TEUR)		Nominal value (TCZK)	
	2021	2020	2021	2020
Own-use contracts – electricity *)	560,809	275,478	13,981,884	7,241,438
Own-use contracts – gas *)	29,322	17,365	728,947	455,741
Total	**590,131**	**292,843**	**14,710,831**	**7,697,179**

*) Contracts which were concluded and are held due to receipt or delivery of non-financial item relating to expected purchase, sale or use

Open commodity trading contracts:

	Commodity contracts for purchase				Commodity contracts for sale			
	Nominal value (TEUR)		Nominal value (TCZK)		Nominal value (TEUR)		Nominal value (TCZK)	
	2021	2020	2021	2020	2021	2020	2021	2020
Futures								
Settlement up to 12 months	--	416	--	10,928	--	454	--	11,921
Total	**--**	**416**	**--**	**10,928**	**--**	**454**	**--**	**11,921**
OTC forward								
Settlement up to 12 months	39,528	12,529	982,660	328,833	29,352	8,558	729,703	224,599
Settlement from 1 to 2 years	--	5,187	--	136,137	5,390	6,357	134,001	166,847
Settlement from 2 to 3 years	--	--	--	--	--	5,390	--	141,466
Settlement from 3 to 4 years	--	--	--	--	--	--	--	--
Settlement from 4 to 5 years	--	--	--	--	--	--	--	--
Total	**39,528**	**17,716**	**982,660**	**464,970**	**34,742**	**20,305**	**863,704**	**532,912**

Commodity risk – sensitivity analysis

The Company performed a sensitivity analysis to identify the potential impact of the change in the value of these assets and liabilities on the level of profit or equity as a result of a 1% increase in commodity prices on EEX.

	2021	2020
Profit/(loss)	(1,329)	(325)
Equity	34,298	3,312

Credit risk

The Company is exposed to credit risk primarily in terms of trade receivables from end customers relating to the supplies and distribution of electricity or gas and in respect of wholesale partners trading in commodities in relation to concluded hedging and trading derivative contracts on the OTC market. In addition, the credit risk is connected with contract assets, the Company's receivables from inter-company loans and consignation of funds, available or consigned as margin deposit in connection with the trading on commodity exchange, with banks. Although the Company does not expect a higher credit risk in connection with receivables and other financial assets, the future credit status of business partners can be negatively influenced by macroeconomic developments and the financial stability of the national economy.

In compliance with the Company's credit risk management policy, the credibility of wholesale partners trading in commodities and business partners in the B2B segment and cooperating banks is verified. In terms of newly signed contracts in the B2C segment, the Company evaluates whether the Company's potential customer is in debt in respect of possible previous contractual relations, which can indicate the potential customer's reduced credibility, or it relies upon information from publicly available registers.

The development and balance of receivables is monitored and evaluated on an ongoing basis with the aim to minimise the risk that doubtful or uncollectible receivables may arise. The maximum possible credit risk resulting from financial and contract assets corresponds with their carrying amount.

Credit risk is managed on the level of risk owners, on the level of individual sections. As part of credit risk management process, the Group primarily strives to prevent the risk from occurring, performs regular or one-off scoring of wholesale and B2B partners, monitors external rating of cooperating banks, determines and monitors the compliance with binding exposure limits for individual partners, etc. The Company monitors the development of receivables, customers' credit history and carries out the analysis of the ageing structure of receivables. These activities are performed in the integrated system for evaluation, administration and recovery of trade receivables. In case overdue receivables arise, the Company communicates with the debtor with the aim to acquire the outstanding amount. If the debtor does not respond to the summons, the Company proceeds to terminate the supplies of electricity or gas and subsequent recovery of unpaid receivables.

In electricity and gas supplies and distribution which is the Company's principal activity, the Company specifically applies the following principles to minimise the failure to collect receivables.

The reading of industrial customers' electricity and gas meters and invoicing takes place on a monthly basis. Some of the customers pay monthly or ten-day advance payments, based on their expected consumption, to cover electricity or gas consumed but not yet invoiced, taking into account previous years' consumption, season and other factors. The method of determining the amount of the advance payments is specified in the contract. Reminders are sent to customers who fail to pay on time. If a customer fails to settle the debt within an additional time period, the electricity or gas supply is suspended. Certain industrial customers cover their future liabilities by making prepayments in advance or by paying deposits.

The standard reading of small businesses and household electricity and gas meters and invoicing takes place on an annual basis. For supplied but unbilled electricity or gas, advance payments are determined to reflect the volume and nature of the consumption. The determination of the price and the payment method are specified in the contracts with customers. If a customer fails to settle the debt within an additional time period, the electricity supply is suspended.

There is no concentration of credit risk.

The Company bases the monitoring of credit risk development on the ageing structure of receivables and on the customer segment risk. Accordingly, the Company awarded its customers points in line with relevant facts (risk segment, due date, payment issues in the past) and a calculated impairment risk index for each receivable.

The amount of loss allowance is determined on this basis. The percentage of loss allowance for individual categories of receivable maturities is determined with respect to available historical data and the expected future development, as part of which the Company takes into account also the expected development of economy. Historical data are based on the actual development in receivable repayment in the last four years. When taking into consideration the future development, the Company relies on available macroeconomic forecasts. The loss allowance rate reflects the expected percentage of receivables that will not be paid by the customer in the given age category. In 2021, the Company slightly adjusted for the risk of deterioration in customers' credit history related to the impact of the covid-19 pandemic as these assumptions were only partially confirmed. On the contrary, the risk of non-payment of receivables related to new customers in the supplier of last resort mode was added, and the Company based its determination of this risk on the credit history of these customers in advance payments in the period October-December 2021.

The Company calculates loss allowances for trade receivables and contract assets in the amount corresponding with the lifetime expected credit losses on the financial assets. In respect of other receivables, the Group initially calculates loss allowances at an amount of 12-month expected credit losses and subsequently, if the counterparty's credibility reduction is identified, at lifetime expected credit losses.

A loss allowance for contract assets is established in the same way as the loss allowance for trade receivables within due date.

The information on loss allowance amounts for contract and financial assets is included in Notes 18, 19, 20 and 23 of the financial statements.

The standard practice of the Company is not to require collateral for trade receivables in form of hedging financial assets. As at 31 December 2021, the Company did not hold any trade receivables or contract assets for which a loss allowance would be established due to collateral received.

The Company proceeds to write off trade receivables if, based on available information, it concludes that it is not possible to recover the given receivable despite efforts undertaken so far, or that the revenue from recovering the debt receivable will not cover potential costs that the Company would incur on debt recovery, or if it is a doubtful debt. These include in particular cases where the court cancelled the bankruptcy, because the debtor's assets are completely insufficient, the debtor is insolvent or faces the risk of insolvency based on insolvency proceedings, the debtor was a legal person that ceased to exist without a legal successor, the debtor was a natural person and has died and the receivable could not be satisfied even as part of inheritance proceedings, the assets of which were subject to public auctioning or execution and the yield from auctioning or execution did not fully cover the debt receivable. In addition, these include cases, where the debtor's whereabouts are unknown based on the information of competent national authorities (the police, courts, etc.). Moreover, doubtful receivables include receivables for which documents for recovery by legal means are not available, statute-barred debts that the debtor refuses to pay, the court dismissed the action, or the compulsory execution was not successful.

Liquidity risk

The Company manages liquidity risk by maintaining a sufficient amount of cash and cash equivalents, banking facilities and borrowing facilities, by continuously monitoring forecast and actual cash flows and seeking to match the maturity profiles of financial assets and liabilities. Included in the Note "Loans" is a listing of additional available loan facilities to further reduce liquidity risk. These loan facilities have not been drawn yet. The Company is not exposed to any significant liquidity risk and does not suffer from any solvency issues. Entities from the PRE Group use cash pooling in order to optimise financing costs.

There is no concentration of liquidity risk.

Liquidity risk – tables

The following tables represent the contractual maturity of the Company's undiscounted financial liabilities. The table including the financial liabilities reflects the earliest dates on which the Company may be asked to fulfil its liabilities.

Liabilities 2020	Net book value	Up to 1 month	1-3 months	3-12 months	More than 12 months	Total
Payables from the revaluation of commodity derivatives for trading	416,975	29,969	59,938	269,720	57,349	416,975
Payables from the revaluation of hedging commodity derivatives	51,554	2,258	4,515	20,319	24,462	51,554
Payables from the revaluation of hedging foreign exchange derivatives	16,743	--	2,691	13,562	490	16,743
Payables from the revaluation of hedging interest rate derivatives	45,826	1,266	2,532	11,392	30,636	45,826
Loans received	3,771,740	671,975	--	27,440	3,202,529	3,901,944
Cash pooling liabilities	163,234	163,234	--	--	--	163,234
Lease liabilities	163,555	5,335	10,670	42,737	107,513	166,255
Financial liabilities carried at amortised cost, except for the above	2,282,474	668,557	298,662	1,313,255	2,000	2,282,474
Total		**1,542,593**	**379,008**	**1,698,425**	**3,424,979**	**7,045,005**

Liabilities 2021	Net book value	Up to 1 month	1-3 months	3-12 months	More than 12 months	Total
Payables from the revaluation of commodity derivatives for trading	2,430,884	168,669	337,337	1,518,018	406,860	2,430,884
Payables from the revaluation of hedging commodity derivatives	1,188,389	79,925	159,850	719,324	229,290	1,188,389
Payables from the revaluation of hedging foreign exchange derivatives	120,758	29,489	65,333	25,936	--	120,758
Payables from the revaluation of hedging interest rate derivatives	--	--	--	--	--	--
Loans received	4,336,667	1,239,505	17,404	78,317	3,570,860	4,906,086
Cash pooling liabilities	227,752	227,752	--	--	--	227,752
Lease liabilities	170,043	5,768	11,318	48,069	111,006	176,161
Financial liabilities carried at amortised cost, except for the above	2,695,599	889,467	334,775	1,469,358	2,000	2,695,600
Total		**2,640,574**	**926,017**	**3,859,021**	**4,320,016**	**11,745,628**

(33) Related party transactions (TCZK)

In line with IAS 24, the below-listed related parties have been identified. Related parties also include subsidiaries.

Expenses incurred with and revenue generated from related parties

	Sales to related parties		Purchases from related parties	
	2021	2020	2021	2020
Relations with controlling entities and associates	**1,295,216**	**1,526,869**	**1,803,393**	**1,823,769**
Pražská energetika Holding, a.s.	1,474	1,474	--	--
Capital City of Prague	34,255	168,555	15,905	812
EnBW Energie Baden - Württemberg AG *)	1,259,487	1,356,840	1,787,488	1,822,957
Relations with other entities	**744,395**	**537,108**	**86,468**	**57,890**
VNG Handel & Vetrieb GmbH	10,939	--	29,008	--
Výstaviště Praha, a.s.	3,628	3,831	8	27
Želivská provozní a.s.	20,030	15,926	--	--
Technická správa komunikací hl. m. Prahy, a.s.	46,042	46,445	24	24
Dopravní podnik hl.m. Prahy, akciová společnost	655,082	457,740	775	994
Pražské služby, a.s.	8,452	--	19	--
Kolektory Praha, a.s.	49	6,163	--	--
Obecní dům, a.s.	45	4,443	--	--
TRADE CENTRE PRAHA a.s.	103	2,202	2,091	15,830
Pražská plynárenská, a.s.	25	358	54,543	41,015
Total	**2,039,611**	**2,063,977**	**1,889,861**	**1,881,659**

*) EnBW Energie Baden-Württemberg AG is among the top suppliers of electricity and gas for PRE. The sales and purchases of this entity enter into a different trading margin and are further used to purchase the commodity

Receivables from and payables to related parties:

	Receivables		Liabilities	
	2021	2020	2021	2020
Relations with controlling entities and associates	**16,835**	**39,946**	**58,411**	**48,358**
Pražská energetika Holding, a.s.	149	149	--	--
Capital City of Prague	16,393	39,366	--	--
EnBW Energie Baden - Württemberg AG	293	431	58,411	48,358
Relations with other entities	**38,498**	**41,768**	**57,437**	**38,358**
Výstaviště Praha, a.s.	731	474	4	1
Želivská provozní a.s.	3,239	3,009	--	--
Pražské služby, a.s.	1,432	--	--	--
Technická správa komunikací hl. m. Prahy, a.s.	3,947	4,687	7	--
Dopravní podnik hl.m. Prahy, akciová společnost	26,634	31,983	37,996	37,994
Kolektory Praha, a.s.	2,077	931	--	--
Obecní dům, a.s.	418	351	--	--
TRADE CENTRE PRAHA a.s.	--	333	30	--
Pražská plynárenská, a.s.	20	--	859	363
VNG Handel & Vertrieb GmbH	--	--	18,541	--
Total	**55,333**	**81,714**	**115,848**	**86,716**

Business transactions were conducted on an arm's length basis. Outstanding amounts were not collateralised.

Dividends paid

	2021	2020
Pražská energetika Holding, a.s.	949,068	1,000,350
EnBW Energie Baden-Württemberg AG	676,834	713,428

Remuneration to the statutory bodies, Supervisory Board and top management

	2021	2020
Number of persons	13	13
Remuneration (TCZK)	42,447	42,951

Managers include members of the board of directors, the Company's directors and members of the Supervisory Board.

Selected members of the executive management are allowed to use company cars for private purposes.

Receivables from executive management

As at 31 December 2021, the Company reported receivables from the members of executive management totalling TCZK 22 (as at 31 December 2020: TCZK 5). These items are disclosed in trade and other receivables and were collected during January 2022.

Receivables from and payables to subsidiaries

	PRE's trade and other receivables as at 31 December		PRE's trade and other payables as at 31 December	
	2021	2020	2021	2020
PREdistribuce, a.s. *)	--	--	1,876,075	1,736,550
PREměření, a.s.	7,559	11,336	166	20
eYello CZ, k.s.	84,173	70,070	--	--
KORMAK Praha a.s.	3,242	2,831	5,115	2,136
PREservisní, s.r.o.	8,494	7,458	--	43
PREzákaznická, a.s.	5,672	1,411	--	1,311
PREnetcom, a.s.	301	--	787	3,441
VOLTCOM, spol. s r.o.	152	150	--	--
PRE FVE Světlík, s.r.o.	--	--	74	100
FRONTIER TECHNOLOGIES, s.r.o.	55	19	3,774	3,391
SOLARINVEST – GREEN ENERGY, s.r.o.	--	--	--	97
PRE VTE Částkov, s.r.o.	--	--	716	882
PRE FVE Nové Sedlo, s.r.o.	303	--	--	882
Loss allowances for receivables	(112)	(223)	--	--
Total	**109,839**	**93,052**	**1,886,707**	**1,747,971**

*) The liability represents estimate for distribution services provided

	Loans and receivables from PRE's cash pooling as at 31 December		Loans and receivables from PRE's cash pooling as at 31 December	
	2021	2020	2021	2020
PREdistribuce, a.s.	4,484,110	3,908,242	--	--
PREměření, a.s.	407,958	571,284	77,021	35,760
eYello CZ, k.s.	17,671	--	28	34,031
PREservisní, s.r.o	73,070	41,434	--	--
KORMAK Praha a.s.	29,839	40,261	--	--
PRE FVE Světlík, s.r.o.	30,516	35,602	5,741	8,777
SOLARINVEST – GREEN ENERGY, s.r.o.	72,630	20,334	--	--
PREzákaznická, a.s.	--	--	93,166	52,345
PREnetcom, a.s.	--	--	40,370	21,392
VOLTCOM, spol. s r.o.	18,177	4,301	--	--
FRONTIER TECHNOLOGIES, s.r.o.	4	11,364	2,255	--
PRE VTE Částkov, s.r.o.	62,731	72,767	9,165	10,929
PRE FVE Nové Sedlo, s.r.o.	--	--	6	--
Loss allowances	(5,480)	(4,047)	--	--
Total	**5,191,226**	**4,701,542**	**227,752**	**163,234**

Expenses incurred with and revenue generated from the subsidiaries

	Revenue/income of PRE		Expenses/costs of PRE	
	2021	2020	2021	2020
PREdistribuce, a.s.	**2,196,894**	**2,571,925**	**5,816,618**	**5,731,895**
Of which: Electricity and distribution services	297,816	442,011	5,807,826	5,707,181
Services	524,895	558,142	8,728	7,812
Investments	--	--	64	16,893
Inventories *)	--	7	--	--
Dividends	1,239,000	1,450,000	--	--
Interest on loans	135,183	121,765	--	9
PREměření, a.s.	**292,495**	**285,435**	**45,066**	**47,461**
Of which: Services	124,497	121,424	6,583	5,119
Sale of electricity	--	--	34,039	38,802
Investments	--	--	4,106	3,520
Dividends	150,000	140,000	--	--
Interest on loans	17,998	24,011	338	20
eYello CZ, k.s.	**394,358**	**388,292**	**79**	**182**
Of which: Electricity and gas and distribution services	348,723	360,539	--	--
Services	14,432	15,563	--	--
Interest on loans	225	--	79	182
Transfer of the share in profit or loss	30,978	12,190	--	--
KORMAK Praha a.s.	**38,084**	**35,595**	**11,317**	**6,116**
Of which: Dividends	24,000	23,000	--	--
Services	13,184	11,979	438	--
Investments	--	--	10,879	6,116
Interest on loans	900	616	--	--
PREservisní, s.r.o.	**59,652**	**58,338**	**33,170**	**33,568**
Of which: Services	58,360	57,680	22,318	33,566
Investments	--	--	6,973	--
Inventories *)	6	--	3,879	--
Interest on loans	1,286	658	--	2
PRE FVE Světlík, s.r.o.	**1,599**	**1,814**	**3,530**	**4,244**
Of which: Sale of electricity	--	--	3,517	4,218
Interest on loans	1,599	1,814	13	26
PREzákaznická, a.s.	**261,357**	**207,590**	**294,121**	**219,465**
Of which: Services	238,457	184,590	293,609	219,214
Interest on loans	--	--	512	251
Dividends	22,900	23,000	--	--
PREnetcom, a.s.	**8,757**	**6,456**	**11,961**	**10,086**
Of which: Services	8,757	6,456	10,892	9,131
Investments	--	--	894	894
Interest on loans	--	--	175	61

SOLARINVEST – GREEN ENERGY, s.r.o.	**1,137**	**489**	**80**	**80**
Of which: Investments	--	--	80	80
Interest on loans	1,137	489	--	--
FRONTIER TECHNOLOGIES, s.r.o.	**150**	**39**	**12,984**	**12,913**
Of which: Services	135	16	11,151	11,084
Investments	15	23	1,821	1,821
Interest on loans	--	--	12	8
VOLTCOM, spol. s r.o.	**9,858**	**9,681**	**788**	**1,015**
Of which: Services	369	372	--	226
Investments	--	--	788	788
Interest on loans	489	309	--	1
Dividends	9,000	9,000	--	--
PRE VTE Částkov, s.r.o.	**3,051**	**3,184**	**6,354**	**8,074**
Of which: Sale of electricity	--	--	6,296	8,074
Interest on loans	3,051	3,184	58	--
Total	**3,267,392**	**3,568,838**	**6,225,216**	**6,075,099**

*) Profit from material sold

All transactions with subsidiaries were undertaken on an arm's length basis.

(34) Post balance sheet events

The COVID-19 pandemic had a significant impact on the economic situation in the Czech Republic in 2021; however, even under such circumstances, the PRE Group's processes functioned normally. The risks included in the 2020 financial statements were fulfilled to a lesser extent due to, among other things, the general economic support provided by the state to the risk areas. PRE has maintained its profitability at the same level year-on-year.

Two events in particular will have a major impact on the expected economic results for 2022.

First, the termination of the activities of many suppliers in the last quarter of 2021, which threw into the market hundreds of thousands of customers for whom commodities had not been secured. Consequences included a disruption of the electricity and gas markets, a sharp rise in prices towards the end of the year, and a significant increase in price volatility.

Unfortunately, the subsequent escalation of the military conflict in Ukraine in February 2022 further impacted the prices of traded commodities on the wholesale market. With the increase in market prices, volatility increased significantly as well. A conservative commodity hedging strategy helps PRE to cope with this situation while also continuously assessing the possible impact of sanctions against individuals or companies from the Russian Federation. Thanks to the implemented risk management system and the careful selection of trading counterparties on the wholesale market, PRE currently has no material credit exposure arising from commodity contracts to even potentially sanctioned companies.

Both events will have an impact on the 2022 financial results. The Company has made estimates of its near-term profitability and has concluded that a slight reduction in EBITDA appears most likely, both in terms of year-on-year comparison and the approved plan. The increased price levels and high volatility increase the need for working capital and cash flow, as the rules of the commodity exchange (PXE) and the energy market operator (OTE) require significantly higher financial hedging of the trades concerned. To overcome this situation, short-term loans totalling approximately CZK 2 billion were negotiated with cooperating banks.

The management of PRE has sufficient resources to further develop its activities. The Company has thus applied the going concern assumption in preparing these financial statements.

Company has thus applied the going concern assumption in preparing these financial statements

In Prague, 22 April 2022

Signed by	Signed by
Pavel Elis	**Alexander Sloboda**
Chairperson of the Board of Directors	Vice-chairperson of the Board of Directors

Affidavit

To the best of our knowledge, the Annual Report, in exercising all reasonable due diligence, presents a true and honest picture of the financial situation, business activities and economic results of Pražská energetika, a.s., and the PRE Group in 2018, and of the prospects for their future development. No facts have been deliberately omitted from or distorted in the Annual Report which could have altered its meaning.

In Prague, 22 April 2022

Signed by

Pavel Elis
Chairperson of the Board of Directors

Signed by

Alexander Sloboda
Vice-chairperson of the Board of Directors

PRE Group history

1897

..... The Electricity Works of the Royal Capital City of Prague started operating on 1 September.

1924

..... A ministerial decree declared the Electricity Works a universally useful utility.

1934

..... The construction of the Electricity Works headquarters in Prague was completed. The building's modern design was far ahead of its time.

1941

..... The Electricity Works was incorporated into the Prague Municipal Company (Městské podniky pražské).

1945

..... The energy industry was nationalised by a presidential decree.

1946

..... The Transport Company (Dopravní podnik) separated from the Electricity Works. The former Electricity Works power generation division was incorporated into the newly established national enterprise, the Central Bohemian Power Generation Company (Středočeské elektrárny).

1959

..... The Central Bohemian Electricity Works, n.p., (Středočeské energetické závody, n.p.) and the Prague District Administration (Okresní správa Praha) were established.

1965

..... The Prague Distribution Enterprise, n.p., (Rozvodný závod Praha, n.p.) was founded within the Central Bohemian Electricity Works.

1990

..... On 1 July, the Prague Electricity Works became a separate state-owned company.

1994

..... A joint stock company, Pražská energetika, a.s., was founded.

1996

..... A subsidiary, PREleas, a.s., was founded.

..... The construction of a new company administration building started on Na Hroudě street.

1997

..... The company celebrated its 100th anniversary. The construction of the new administration building was completed.

1998

..... A subsidiary, PREměření, a.s., (formerly Cejchovna elektroměrů Praha, a.s.) was founded.

2000

..... The modernisation of all customer contact points was completed and the call centre started operating.

2002

..... PRE successfully dealt with the aftermath of the August floods.

2004

..... The process of unbundling was launched in accordance with EU legislation.

..... The central dispatcher control centre started operating.

..... A joint PRE and Pražská plynárenská, a.s., Customer Centre opened in the Adria Palace as part of the 'Together for Prague' (Spolu pro Prahu) project.

2006

..... On 1 January, the distribution system operator became a separate entity – a 100% subsidiary, PREdistribuce, a.s., established in 2005.

2007

..... PRE became a member of the Prague Energy Exchange (PXE).

2009

..... The Energy Advisory Centre (CEP) started operating at Jungmannova 28 (the TeTa passage).

..... The Technical and Documentary Museum of Prague Power Engineering (Technické a dokumentační muzeum pražské energetiky) moved into new premises at the Holešovice distribution station.

2010

..... The structure of shareholders changed: the shares held by Honor Invest, a.s., were bought by the existing shareholder EnBW Energie Baden-Württemberg AG, which made it the majority shareholder.

..... In accordance with the PRE Group's new long-term strategy, five photovoltaic power plants (Jinonice, Lhotka, Na Hroudě 19, Pražačka, and Sever) started operating. PREm is the licence holder.

..... The highest peak load of the distribution system in history (1,209 MW) was recorded on 1 December at 2 p.m.

2011

..... As of 1 December, PRE shares were delisted from trading on the regulated market. The delisting process was formally concluded on 28 December.

2012

..... The Hořovice and Kondrac photovoltaic power plants were acquired, each with the installed capacity of 1 MWp.

..... The 100% subsidiary, PREleas, a.s., was renamed eYello CZ, a.s., and branched out into trading in electricity and gas (as of 5 May 2014 as a limited partnership company).

..... PRE started cooperating with the Charter 77 Foundation (Nadace Charty 77) on philanthropic activities.

/ PRE Group history

2013

..... The biggest specialised electric bike rental service in the Czech Republic, PREkolo, was launched.
..... The Pozorka photovoltaic power plant with the installed capacity of 3.99 MWp and the Syrovice photovoltaic power plant with the installed capacity of 6.3 MWp were acquired.
..... The PRE Group was awarded in the 'Patron' category of the Czech Goodwill project for its considerate attitude towards business, the economic-social sector, and the natural environment.

2014

..... On 27 March, the Articles of Association were amended, establishing the Works Council.
..... On 1 May, the PRE Service Centre (CES) started operating in the TeTa passage, offering PREm energy services and housing a specialised electric bike shop and rental service.
..... On 1 December, The Dačice photovoltaic power plant and the Mikulov photovoltaic power plant with a total installed capacity of 5.79 MWp were acquired.

2015

..... On 30 April, the Pozořice photovoltaic power plant with an installed capacity of 4.59 MWp was acquired.
..... In September, PREdi celebrated its 10th anniversary.
..... A separate Energy Services division was established in PREm, aiming to further develop the field of energy analyses and audits, efficient lighting, small photovoltaic power plants design, installation and servicing, and the provision of decentralised energy supply solutions.

2016

..... 14 March saw the acquisition of KORMAK Praha a.s., which provides engineering, design and construction services in the field of electricity networks, and KORMAK nemovitosti s.r.o., which provides asset management services.
..... Thanks to PRE, three smart SM!GHT lamps were installed in Prague in November. They not only provide street lighting and serve as Wi-Fi hotspots and charging stations for electric cars and bikes, but are also equipped with emergency buttons, sensors monitoring air quality and other smart city infrastructure. Two of the lamps are located close to the PRE headquarters on Na Hroudě street; the third is at the Holešovice exhibition grounds.

2017

..... PRE held several social gatherings and marketing events to mark the 120th anniversary of its existence.
..... On 1 June, the PRE Call Centre launched a new free-of-charge line 800 550 055.
..... On 1 November, PREzákaznická, a.s., was founded, taking over all direct customer services.
..... On 27 November, PREnetcom, a.s., was founded to develop communication infrastructure within the distribution network in connection with the implementation of smart grids.

2018

..... A pilot quick-charge station was made available to the public, combining the functions of a charging station for electric vehicles, a photovoltaic power plant, and a battery-like accumulation device. It is located in front of the Holešovice exhibition grounds in Prague.

..... 3 May saw the acquisition of SOLARINVEST – GREEN ENERGY, s.r.o., specialising in the installation of solar and thermal systems.

..... A free telephone line for reporting electricity supply failures started operating at the phone number 800 823 823.

..... On 19 September, the new 110/22 kV Karlín transformer station started operating, boosting the supply to the developing area of Rohanský island.

..... The 100% subsidiary, KORMAK nemovitosti s.r.o., was renamed PREservisní, s.r.o., and started to carry out central purchasing for the PRE Group.

..... 30 November saw the acquisition of FRONTIER TECHNOLOGIES, s.r.o., which develops, produces, and supplies smart lighting solutions.

2019

..... Two projects of the Backbone network (construction of a network of 125 fast charging stations in the Czech Republic) and PRE's Metropolitan network (construction of standard charging stations in Prague's residential areas and housing estates) were granted support by the Ministry of Transport under the Operational programme Transport subsidy scheme.

..... 30 April saw the acquisition of VOLTCOM, spol. s r.o., specialising in the construction and the improvement of whole-sale distribution transformer stations and substations.

..... 19 December saw the acquisitions of WINDING WE NORTH a.s. and its subsidiary PRE VTE Částkov, s.r.o.

2020

..... The oldest system of 110 kV overhead lines in Prague's area of Prosek dating back to 1929 was completely dismantled.

..... In September, a pilot project involving the installation of 13 EV-ready lamp posts was launched in Prague's Vinohrady (the first EV charging points installed on public lamp posts).

..... On 2 October, the 100th smart distribution station came into operation in the Velká Ohrada housing estate in Prague 13.

..... The PREpoint network grew to encompass 112 public charging stations.

2021

.... The PRE brand was awarded the label of excellent reputation Czech Superbrands for the fourth time in a row.

.... On 13 October, Bohemia Energy entity, s.r.o., the largest alternative energy supplier in the entire Czech Republic, ceased operations. A total of 65 thousand customers were immediately transferred to PRE, acting as a supplier of last resort. During the following months, further alternative energy suppliers shut down and further thousands of customers were newly served by PRE, one of the suppliers of last resort.

.... The price of electricity hit its all-time high in December, exceeding EUR 300 per MWh.

.... In November, roaming for electric vehicle charging was launched in the whole country, involving three of the most prominent networks of public charging stations. A single chip is required to be able to charge vehicles using the infrastructures of PRE, ČEZ, and E.ON.

.... The PRE fleet of cars includes 110 fully electrical vehicles, becoming the largest 'corporate fleet of e-vehicles' in the Czech Republic.

List of abbreviations

AMM	Advanced Metering Management
B2B	Big customers (Business-to-Business)
B2C	Small customers (Business-to-Customer)
B2G	Government customers (Business-to-Government)
CMS	Compliance Management System
CSMAD	Directive 2014/57/EU of the European Parliament and of the Council on criminal sanctions for market abuse (market abuse directive)
ČKAIT	Czech Chamber of Chartered Engineers and Technicians Engaged in Construction
EEX	European Energy Exchange
EMIR	Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories
EnBW	EnBW Energie Baden-Württemberg AG
EnBW CEE	EnBW Central and Eastern Europe Holding GmbH, 100% subsidiary of EnBW
EPC	Energy Performance Contracting
ERÚ	Energy Regulatory Office (Energetický regulační úřad)
EU	European Union
eYello	eYello CZ, k.s., a 90% subsidiary of PRE and a 10% subsidiary of PREm
Frontier	FRONTIER TECHNOLOGIES, s.r.o., a 100% subsidiary of PREm
FVE	Photovoltaic power plant
GDPR	Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)
GWh	Gigawatt hour
HV	high voltage
Kormak	KORMAK Praha a.s., a 100% subsidiary of PRE
kV	Kilovolt
kWp	Kilowatt-peak
MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU
MiFIR	Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments and amending Regulation (EU) No 648/2012
MV	Medium voltage
MW	Megawatt
MWh	Megawatt hour
MWp	Megawatt-peak
LV	Low voltage
OHS	Occupational health and safety
PRE	Pražská energetika, a.s.
PREdi	PREdistribuce, a.s., a 100% subsidiary of PRE
PREH	Pražská energetika Holding a.s.
PREm	PREměření, a.s., a 100% subsidiary of PRE

PREnetcom	PREnetcom, a.s., a 100% subsidiary of PREdi
PREs	PREservisní, s.r.o., a 100% subsidiary of PRE
PREzak	PREzákaznická, a.s., a 100% subsidiary of PRE
PRE FVE Světlík	PRE FVE Světlík, s.r.o., a 100% subsidiary of PREm
PRE FVE Nové Sedlo	PRE FVE Nové Sedlo, s. r. o., a 100% subsidiary of PREm
PRE VTE Částkov	PRE VTE Částkov, s.r.o., a 100% subsidiary of PREm
REMIT	Regulation (EU) No 1227/2011 of the European Parliament and of the Council on wholesale energy market integrity and transparency
RF module	Radio-frequency module for wireless communication
SAIDI/SAIFI	electricity supply reliability indicators
Solarinvest	SOLARINVEST – GREEN ENERGY, s.r.o., a 100% subsidiary of PREm
TR	110/22 kV transformer station
TS	Transformer station
TWh	Terawatt hour
Voltcom	VOLTCOM, spol. s r.o., a 100% subsidiary of PRE
VTE	Wind farm

Contact information

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Pražská energetika, a.s.	**Prague 10, Na Hroudě 1492/4**	**100 05**	**800 550 055**
ID No.: 60193913	www.pre.cz		For calls from abroad:
	e-mail: pre@pre.cz		+420 267 055 555
Press relations	Prague 10, Na Hroudě, 1492/4	100 05	267 051 102
PREdistribuce, a.s.	**Prague 5, Svornosti 3199/19a**	**150 00**	**800 550 055**
ID No.: 27376516	www.predistribuce.cz		For calls from abroad:
	e-mail: info@predistribuce.cz		+420 267 055 555
Distribution emergency line	Prague 2, Kateřinská 1528/9	120 00	Emergency line:
	e-mail: poruchy@predistribuce.cz		800 823 823
PREzákaznická, a.s.	**Prague 10, Na Hroudě 1492/4**	**100 05**	**800 550 055**
ID No.: 06532438	www.prezakaznicka.cz		For calls from abroad:
	e-mail: pre@pre.cz		+420 267 055 555
PRE Costumer Centre	Prague 1, Jungmannova 36/31	110 00	
	Prague 4, Vladimírova 64/18	140 00	
PRE Call Centre	Prague 10, Kubánské náměstí 1391/11	100 00	800 550 055
PREměření, a.s.	**Prague 10, Na Hroudě 2149/19**	**100 05**	**800 550 055**
ID No.: 25677063	www.premereni.cz		For calls from abroad:
	e-mail: mereni@pre.cz		+420 267 055 555
Emergency line	for PRE customers in case of main		
	circuit-breaker failures:		733 143 143
	www.premereni.cz/opravy		
PRE Costumer Centre	Prague 1, Jungmannova 747/28	110 00	
	e-mail: centrum.sluzeb@pre.cz		
PREmobilita	e-mail: premobilita@pre.cz		
Orders of energy services	email: servis.premh@pre.cz		
eYello CZ, k.s.	**Prague 10, Kubánské náměstí 1391/11**	**100 00**	**267 056 704**
ID No.: 25054040	www.yello.cz		
	e-mail: yello@yello.cz		
PREservisní, s.r.o.	**Prague 10, Na Hroudě 1492/4**	**100 05**	**800 550 055**
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KORMAK Praha a.s. ID No.: 48592307	**Prague 10, náměstí Bratří Jandusů 34/34** www.kormak.cz e-mail: kormak@kormak.cz	**104 00**	**267 051 301**
VOLTCOM, spol. s r.o. ID No.: 44794274	**Prague 6, Otevřená 1092/2** www.voltcom.cz e-mail: voltcom@voltcom.cz	**169 00**	**267 052 547**
PREnetcom, a.s. ID No.: 06714366	**Prague 10, Na Hroudě 1492/4** www.prenetcom.cz e-mail: pre@pre.cz	**100 05**	**800 550 055** For calls from abroad: +420 267 055 555
FRONTIER TECHNOLOGIES, s.r.o. ID No.: 27234835	**Prague 10, Na Hroudě 2149/19** www.frontier-technologies.eu E-mail: info@frontier-technologies.eu	**100 05**	**277 002 333**
SOLARINVEST – GREEN ENERGY, s.r.o. ID No.: 28923405	**Prague 10, Na Hroudě 2149/19** www.solarinvest.cz E-mail: info@solarinvest.cz	**100 05**	**724 981 004**
PRE FVE Světlík, s.r.o. ID No.: 28080378	**Prague 10, Na Hroudě 2149/19** www.premereni.cz e-mail: mereni@pre.cz	**100 05**	**800 550 055** For calls from abroad: +420 267 055 555
PRE VTE Částkov, s.r.o. ID No.: 27966216	**Prague 10, Na Hroudě 2149/19** www.premereni.cz e-mail: mereni@pre.cz	**100 05**	**800 550 055** For calls from abroad: +420 267 055 555
PRE FVE Nové Sedlo, s.r.o. ID No.: 11911913	**Prague 10, Na Hroudě 2149/19** www.premereni.cz e-mail: mereni@pre.cz	**100 05**	**800 550 055** For calls from abroad: +420 267 055 555

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