



'23





# Table of contents

<b>2</b>	Information required by law
<b>3</b>	PRE Group
<b>7</b>	PRE corporate bodies
<b>14</b>	Report of the Board of Directors on Business Activities and Assets for 2023
<b>22</b>	Selected financial indicators for the PRE Group
<b>23</b>	Strategie
<b>25</b>	Trading in electricity and gas
<b>29</b>	Electromobility
<b>32</b>	Public relations
<b>36</b>	Human resources
<b>39</b>	Environmental protection and OHS
<b>42</b>	Risk management system in the PRE Group
<b>43</b>	Internal audit, compliance, ombudsperson
<b>46</b>	Subsidiaries
<b>62</b>	Structure of shareholders
<b>63</b>	Information from the General Meeting
<b>64</b>	Supervisory Board Report on Activities
<b>68</b>	Report on Relations
<b>104</b>	Independent Auditor's Report to the Shareholders of Pražská energetika, a.s.
<b>118</b>	Consolidated financial statements
<b>178</b>	Separate financial statements
<b>239</b>	Affidavit
<b>240</b>	PRE Group history
<b>244</b>	List of abbreviations
<b>246</b>	Contact information

Changes that occurred between the end of the accounting period (31 December 2023) and the closing date of the Annual Report (2 May 2024) 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.

# 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. The information is also available in the annexes to the consolidated financial statement (Note 35) and separate financial statement (Note 34).

## **Information about the projected development of 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 or own interests**

The company did not acquire its own shares.

## **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 whether the accounting unit has an organisation unit abroad**

The company has no branch and no organisational unit abroad.

## **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.

**Information about sustainability** is presented in the chapters "Report of the Board of Directors on Business Activities", "Strategy", "Trading with electricity and gas", "Electromobility", "Public relations", "Environmental protection and OHS" and "Internal audit, compliance, ombudsperson".

The Report on Relations of Pražská energetika, a.s., for the year 2023 as well as the Independent Auditor's Report for the shareholders of the company Pražská energetika, a.s., constitute an integral part of the annual report.

# 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's history of supplying electricity and developing the electricity system in Prague dates 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 more than 838 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 5.9 TWh of electricity on all voltage levels to end customers and generated 36.88 GWh of electricity from renewable sources.

In 2023, 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., VOLTCOM, spol. s r.o., and newly also PRE distribuční služby, a.s. At the end of 2023, the Board of Directors of PRE, as the sole shareholder, approved the division of the original PREměření, a.s., and spinning off designated activities into PRE distribuční služby, a.s. The aim was to clearly delineate the distinct business activities of PREměření, a.s. (since 1 January 2024 renamed to PREenergo, a.s.) and PRE distribuční služby, a.s.

The PRE Group also includes the 100% subsidiaries of PREměření, a.s. (newly PREenergo, 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 PRE FVE Nové Sedlo, s.r.o. The PRE Group also includes PREnetcom, a.s., a 100% subsidiary of PREdistribuce, a.s.

The company PREnetcom, a.s., further owns a 50% share in the company NETFIN Infrastructure, a.s. The company PREservisní, s.r.o., owns a 50% share in the company Rezydent Park 9, s.r.o. And, last but not least, the company PREdistribuce, a.s., owns a 25% share in the company Elektroenergetické datové centrum, 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. (since 1 January 2024 PREenergo, a.s.)

..... electricity generation licence from 17 May 2010 and 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 and 4 December 2034

**PRE VTE Částkov, s.r.o.**

..... electricity generation licence from 3 July 2009 and 3 July 2034

**eYello CZ, k.s.**

..... electricity trading licence from 27 September 2012 and 26 September 2027

..... gas trading licence from 27 September 2012 and 26 September 2027

**PRE Group companies**

The complete scope of the business activities is stated in the company's Articles of Association and in the relevant registers. The activities of its subsidiaries are detailed in 'Subsidiaries'.

**Pražská energetika, a.s. (PRE)**

its main focus lies in electricity and gas trading

ID No.: 60193913

Prague 10, Na Hroudě 1492/4

**PREdistribuce, a.s. (PREdi)**

ID No.: 27376516

Prague 5, Svornosti 3199/19a

**PREměření, a.s. (PREm), since 1 January 2024 PREenergo, a.s. (PREenergo) \*)**

ID No.: 25677063

Prague 10, Na Hroudě 2149/19

**PRE distribuční služby, a.s. (PREds) \*)**

ID No.: 19826982

Prague 10, Na Hroudě 1492/4

**eYello CZ, k.s. (Yello)**

ID No.: 25054040

Prague 10, Kubánské náměstí 1391/11

**KORMAK Praha a.s. (Kormak)**

ID No.: 48592307

Prague 10 – Uhříněves, náměstí Bratří Jandusů 34/34

**PREservisní, s.r.o. (PREs)**

ID No.: 02065801

Prague 10, Na Hroudě 1492/4

**PREzákaznická, a.s. (PREzak)**

ID No.: 06532438

Prague 10, Na Hroudě 1492/4

**VOLTCOM, spol. s r.o. (Voltcom)**

ID No.: 44794274

Prague 6, Otevřená 1092/2

**PREnetcom, a.s. (PREnetcom)**

ID No.: 06714366

Prague 10, Na Hroudě 1492/4

**SOLARINVEST – GREEN ENERGY, s.r.o. (Solarinvest)**

ID No.: 28923405

Prague 10, Na Hroudě 2149/19

**FRONTIER TECHNOLOGIES, s.r.o. (Frontier)**

ID No.: 27234835

Prague 10, Na Hroudě 2149/19

**PRE FVE Světlík, s.r.o. (PRE FVE Světlík)**

ID No.: 28080378

Prague 10, Na Hroudě 2149/19

**PRE VTE Částkov, s.r.o. (PRE VTE Částkov)**

ID No.: 27966216

Prague 10, Na Hroudě 2149/19

**PRE FVE Nové Sedlo, s.r.o. (PRE FVE Nové Sedlo)**

ID No.: 11911913

Prague 10, Na Hroudě 2149/19

<sup>\*)</sup> PREměření, a.s., until 31 December 2023 and *since 1 January 2024 renamed to PREenergo, a.s.*; and PRE distribuční služby, a.s., was founded on 16 October 2023 and launched its main business activities on 1 January 2024, as a result of its separation from PREměření, a.s. It was a spin off from its parent company and merged with PRE distribuční služby, a.s., and that in compliance with Act No. 123/2008 Sb., on Transformations of Commercial Companies and Cooperatives, as amended.

## Companies with shares owned by the PRE Group

### **NETFIN Infrastructure, a.s. (Netfin)**

50% share held by PREnetcome

ID No.: 17093881

Prague 10, Na Hroudě 1492/4

### **Rezident Park 9 s.r.o. (RP9)**

50% share held by PREs since 31 May 2023

ID No.: 09771298

Prague 8, Koželužská 2450/4

### **Elektroenergetické datové centrum, a.s. (EDC)**

25% share held by PREdi since 13 December 2023

ID No.: 21020264

Prague 10, Na Hroudě 1492/4

# PRE corporate bodies

## Board of Directors as of 31 December 2023

**Pavel Elis**  
chairperson

**Alexander Manfred Sloboda**  
vice-chairperson

**Marek Ženíšek**  
member and vice-chairperson since 23 June 2023

**Dr. Radim Kříž**  
member until 21 June 2023

**Markus Baumgärtner**  
member

**David Vodrážka**  
member since 24 June 2023, vice-chairperson since 10 August 2023

**Jaromír Beránek**  
member since 24 June 2023

## Supervisory Board as of 31 December 2023

**Jan Chabr**  
chairperson

**Colette Rückert-Hennen**  
vice-chairperson

**Johannes Zügel**  
member

**Stefan Theo Webers**  
member

**Jörg Reichert**  
member

**Dr. Matej Šandor**  
member

**Michael Koch**  
member until 23 June 2023

**Aurélie Alemany**  
member

**David Procházka**  
member since 24 June 2023

### **Works Council as of 31 December 2023**

**Jan Pokorný**

member and chairperson until 15 May 2023

**Alena Šafrová**

vice-chairperson

**Miroslava Svobodová**

member

**Karel Hempl**

member until 15 May 2023

**Jiří Mestek**

member since 16 May 2023, vice-chairperson since 22 May 2023

**Daniel Schumpeter**

member since 16 May 2023

In 2023, 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 2023



**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

**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

**Tobias Mirbach**

member of the Board of Directors

---

**Jan Sixta**

member of the Board of Directors

---

**PREměření, a.s., until 31 December 2023**

**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

**Martin Zeman**

member of the Board of Directors

---

**Roman Tupý**

member of the Board of Directors

---

**PREenergo, a.s., since 1 January 2024**

**Karsten Krämer**

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

**Martin Zeman**

member of the Board of Directors

---

**Karel Hempl**

member of the Board of Directors

---

**PRE distribuční služby, a.s., since 16 October 2023**

**Jan Auředník**

chairperson of the Board of Directors  
and managing director

**Tomáš Pojer**

vice-chairperson of the Board of Directors  
and director of the Measuring division

**Roman Tupý**

member of the Board of Directors

---

**eYello CZ, k.s.**

**Michal Kulig**

managing director

---

**KORMAK Praha a.s.**

**Radek Matuszny**

chairperson of the Board of Directors  
and managing director

**Veronika Marušková**

member of the Board of Directors

**Tomáš Kocourek**

vice-chairperson of the Board of Directors  
and financial director until 31 May 2023

---

**Miroslav Hamáček**

vice-chairperson of the Board of Directors  
and financial director since 1 June 2023

---

**PREservisní, s.r.o.**

**Miloslav Nergl**  
authorised representative  
and managing director

**Miloš Trojan**

authorised representative  
and director of the Construction Management division

**PREzákaznická, a.s.**

**Roman Kronus**  
chairperson of the Board of Directors  
and managing director

**Alena Petrušková**

member of the Board of Directors  
and director of the Front Office division

**VOLTCOM, spol. s r.o.**

**Milan Válek**  
chairperson of the Council  
of Authorised Representatives

**Ing. Petr Jeřábek**

member of the Council  
of Authorised Representatives

**Jan Šraj**

member of the Council  
of Authorised Representatives

**Pavel Vávra**

member of the Council  
of Authorised Representatives

**PREnetcom, a.s.**

**Petr Dvořák**  
chairperson of the Board of Directors  
and managing director

**Stanislav Votruba**

member of the Board of Directors

**SOLARINVEST – GREEN ENERGY, s.r.o.**

**Aleš Hradecký**  
authorised representative

**Jakub Vančura**

authorised representative

**FRONTIER TECHNOLOGIES, s.r.o.**

**Stanislav Šmejdř**  
authorised representative

**Jakub Jiroušek**

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.**

**Aleš Staněk**  
authorised representative

**Petr Jelínek**

authorised representative

IPRE



**We share the energy  
to reach the top, to be  
the fastest, the best.  
To infallibly overcome  
obstacles and push the  
boundaries of what  
has been achieved  
even further!**

**Ester Ledecká**

Czech snowboarder and alpine skier

# Report of the Board of Directors on Business Activities and Assets for 2023

The beginnings of Pražská energetika, a.s., (PRE) date back to 1897, when the Electricity Works of the Royal Capital City of Prague (Elektrické podniky královského hlavního města Prahy) was founded. Since then, our company has seen countless transformations to evolve over nearly 130 years into a modern, innovative and thriving energy corporate group. Its primary mission is to reliably generate, distribute and sell energy, as well as provide all related services, not only in the capital city of Prague but also throughout the entire Czech Republic.

For decades, we have been distributing, selling, and producing electricity. Our services also include natural gas supplies, data connections and advanced energy services. One of the key success factors for the entire PRE Group is the long-term support from its shareholders as well as thorough collaboration with the EnBW Group and the city of Prague. In our business, we adhere to strict ethical standards, including responsible behaviour towards society, our employees and the environment.

In our business activities, we embrace the principles of sustainable development, striving to help improve the standards of living in the capital city of Prague, where the company operates. In an effort to continually enhance PRE's value, the corporate culture is centred around our aim to systematically increase the efficiency of internal processes. Emphasis is placed on innovation, fostering initiative and employee engagement activities. We build our good reputation on mutual trust with customers and partners, an active approach to business development and the professionalism and pro-active approach of all employees.

## **Economic developments in 2023**

In recent years, the Czech economy has had to absorb several shocks, starting with the pandemic, disruptions in the global supply chain, the war in Ukraine and culminating in the energy crisis. The negative impacts of the energy crisis combined with high inflation have caused weak economic performance. As the government saw the state of public finances as unsatisfactory, it adopted a series of austerity measures aimed at reducing the budget deficit in the coming years. In response to the Russian invasion of Ukraine and the energy crisis, both the EU and the Czech Republic have focused on improving their energy security, mainly through diversifying energy supplies, investing in renewables and promoting energy efficiency.

As a result, economic development has been predominantly shaped by efforts to move towards low-emission and sustainable energy sources. The process of energy transformation must be set at an appropriate pace, the crucial aspect being the choice of the future energy mix. In 2023, an amendment to the Energy Act was adopted, representing another step towards the transformation of the energy sector. The amendment allows for the establishment of energy communities and the sharing of generated electricity among their members. It also promotes the construction of renewable energy sources and facilitates easier access to self-generation. The Czech government's energy concept has been one of the recently heavily

debated topics, as its focus is to determine a safe and socially acceptable transition away from coal in the short term and how to conceive the future energy mix. In October, the government approved a proposal for a new climate and energy plan outlining the details of Czech decarbonisation efforts. It also includes its strategy to fulfil its European climate and energy commitments by 2030.

## Financial results

In 2023, the energy market was heavily influenced by government regulations in the form of capped commodity prices. This intervention has a profound effect on the competitive environment in the energy sector and brought with it a convoluted system of compensations for traders. Weather patterns, and high energy supply costs combined with government austerity measures led to a year-on-year decline in supply volumes. The net electricity consumption reached a total of 57.8 TWh, which is the lowest in the past 14 years, decreasing by over 4% year-on-year. The annual gas consumption in the Czech Republic dropped by more than 10% to a level that is the lowest in the last 30 years. Despite this, PRE managed to maintain its market share in the sale of electricity and gas in the Czech Republic. The volume of supplied electricity amounting to 6,122 GWh exceeded the volume of distribution in the licensed area by 266 GWh. Electricity distribution in Prague decreased year-on-year to a value of 5,856 GWh.

In 2023, the consolidated net profit after taxation reached CZK 3,118 million, representing a CZK 217 million decrease year-on-year. The consolidated EBITDA reached a record value of CZK 6,874 million. The parent company's profit or loss after tax for 2023 amounted to CZK 3,691 million, while the gross revenue from supplied electricity reached CZK 4,148 million. This also includes compensation for state-capped prices. This year-on-year increase is primarily due to the increase in deliveries to B2B customers. The gross revenue from electricity distribution in the company's licensed territory reached CZK 5,065 million and the revenue from the production of electricity from renewable sources reached CZK 453 million.

2023 saw a continued high demand for energy services, primarily offered by PREměření, Solarinvest and Frontier. The volume of other operating revenues thus approached the CZK 1 billion threshold for the first time in history, reaching CZK 986 million.

Capital expenditures increased year-on-year by 11% to 2,465 million CZK, mainly directed to distribution infrastructure, but also to the construction of new renewable sources and the charging infrastructure for electric vehicles.

The total balance sheet reached 42,026 million CZK at the end of the year, with the equity ratio standing at 44%. The net debt amounted to CZK 641 million, representing 9% of the total annual EBITDA value. Pražská energetika demonstrates a very healthy capital structure with a stable level of equity and strong cash flow, enabling the financing of both future development plans and ensuring a stable payout of high dividends to shareholders. The return on capital employed (ROCE) stood at 21.7% in 2023.

The financial results of 2023 demonstrate that Pražská energetika is a stable company that not only provides reliable services to its customers but also delivers value to its shareholders, suppliers and employees.

## Sales

In 2023, for the first time in many years since the deregulation of the electricity market, the liberalised market was once again regulated with the use of capped electricity prices. The government set maximum prices for electricity and gas for final consumers. On the one hand, this helped mitigate the impact of rising energy prices on households and businesses; on the other, the government had to compensate energy suppliers for the difference between the market price and the price

ceiling. Price capping had a significant impact on PRE as an energy supplier. The company had to sell electricity and gas to customers at prices lower than those at which energy commodities were purchased on the wholesale market. This loss was covered by the state through a compensation scheme.

The government-set maximum commodity prices led, especially in the B2C segment, to a temporary slowdown in competition. For customers, it didn't make sense to change suppliers when the price was virtually the same for all. As energy prices began to fall during the year, the market gradually reopened. From September onwards, PRE was one of the suppliers to have lowered prices for almost all households below the price cap levels. Gradually, our competitors also adjusted their prices, and by the end of the year, the battle for customers was in full swing, with our sales departments working at full capacity.

The sustained decline in wholesale prices then allowed us to go back to offering our standard portfolio products. In B2B, PRE resumed offering multi-year contracts, which was a segment that had come to a complete halt in 2022 because of the extremely high energy prices. More and more B2B customers are interested in on-line commodity procurement through the My PRE web portal. In 2023, over 400 wholesale consumers secured electricity using this portal, with a trading volume of around 3 TWh. Even though the volume of contracted electricity and gas supply for 2023 was actually higher than in 2022, given the abnormally warm winter and energy-saving efforts of customers, the total deliveries were significantly lower than what customers had demanded. This must also be seen against the backdrop of a generally badly performing Czech economy.

Digitisation in sales constitutes a major factor contributing to our success, our aim being to efficiently transform traditional electricity sales into digitised processes and sell on-line. Digitisation brings greater convenience, efficiency and personalization for customers, while also enabling us to better manage our activities and offer more competitive services in the electricity market.

PRE has, yet again, managed to increase the number of consumption points for both electricity and gas. By the end of 2023, we were supplying energy to over 800,000 consumption points.

In the area of energy services and small rooftop photovoltaic systems, the demand for new installations saw a gradual decline in the household segment, which was due to the shutdown of several competing suppliers. In the B2B segment, on the other hand, we saw growing willingness to invest in green solutions. In light of the amended energy legislation, newly allowing for the construction of photovoltaic systems up to 50 kWp without the need for a license, some capacities were redirected to the B2B segment, where it was possible to significantly increase the volume of delivered installed capacity.

In the B2G segment, our primary focus is on products and services related to energy efficiency implemented through Energy Performance Contracting (EPC) projects, gradually increasing our own capacities in this area. We have completed the first EPC contract for Czech Railways, and more projects for the Zlín Cadastre Office and the city of Aš have been progressing. Work continues on the digitisation and modernisation of public lighting in Prague in cooperation with THMP, where PRE was chosen as a supplier for public lighting projects, including public charging station infrastructure.

For housing cooperatives and homeowners' associations, we design, build and operate decentralised heat sources, primarily gas boilers and heat pumps. In 2023, we owned 18 decentralised heat sources, from which we supplied heat based on licenses.

In the field of electromobility, Pražská energetika has become a prominent player with a market share exceeding 30% of the total number of public charging points in the Czech Republic. Projects for public charging infrastructure supported by grants from both the national Operational Program Transport program and the CEF (Connecting Europe Facility) program

have been successfully completed. As a result, the public charging network comprises over 1,500 charging points, with over 70% located in Prague. The growing interest in public charging services is evidenced both by the increasing volume of energy consumed from public charging stations and the growth of the customer base. We are also developing comprehensive electromobility solutions for residential developers. We have prepared our own concept of a comprehensive charging system for residential buildings, covering infrastructure design, supply, sales to end-users as well as related operational services and charging billing. PRE actively contributes to shaping the regulatory framework for the development of e-mobility, both as a founding member of the Electromobility Platform, an association bringing together the energy sector and automotive industry representatives, and through activities related to fulfilling the National Clean Mobility Action Plan.

In a modern energy system relying on renewable sources, the importance of balancing services is growing. That is why Pražská energetika, together with its partners, offers balancing services to ensure the balance of electricity supply and demand on the grid, primarily through the integration of co-generation units and backup sources, supporting ČEPS. We obtained the first license for balancing services in 2022, and the volume of regulatory capacity has gradually increased to several tens of megawatts.

## Distribution

A stable and reliable energy infrastructure is crucial for the functioning of society as a whole. The company PREdistribuce, which provides electricity distribution services in the Prague area, is a strong player who is successfully leading the transformation of energy networks towards the smart grids of the future.

Our goal is to provide Prague and its residents with modern urban infrastructure. We strive to ensure that our operational results are comparable to the best-performing actors in Europe. That is why we keep optimising our processes and, through well-planned investments, increasing the reliability and safety of electricity supply to all our customers. Our current focus is on the decentralisation of energy, support for the development of renewable sources and digitalisation.

We invested CZK 2,150 million in the development and renovation of the distribution network. An additional CZK 290 million was allocated to repairs, drawing primarily on operating funds. This investment extended the physical lifespan of essential distribution facilities. Throughout 2023, we completed and commissioned the new 110/22 kV Slivenec TR, ensuring sufficient input for the developing western part of Prague. We are investing in digital technologies, gradually introducing smart grids at both the MV and LV levels, and expanding our own optical network. This will enable us to better operate the distribution system in the ever-changing energy environment.

We are also advancing preparatory works on the automated metering management systems (AMM). We believe that the general roll-out of smart meters is the cornerstone of introducing modern technologies in households or businesses. As part of the preparation, high standards of cybersecurity are being implemented. The system is being designed so that communication between the data centre and individual electricity meters is not solely reliant on communication via mobile network data networks but also maximally utilizes PLC (Power Line Communication) technology, utilising power lines for data transmission.

At the end of 2023, the Czech government notably approved the amendment to the Energy Act, called LEX OZE II. For distribution system operators, this amendment brought several positive changes that will allow energy companies to optimise the functioning of the energy system. An important change is the establishment of the Elektroenergetické datové centrum (EDC), in which PREdistribuce holds a 25% share. The task of EDC will be to facilitate the sharing of electricity within energy communities and active customers.

## Strategy and future outlook

The energy sector faced several significant challenges in 2023. The ongoing shift away from coal and the increase in energy produced from renewable sources are positive trends that will lead to a more sustainable and environmentally friendly system. In the context of geopolitical instability, particular attention must be paid to energy security. Government programs to support the energy sector should further accelerate the transformation of the energy sector.

Our strategic segments – sustainable production infrastructure, urban infrastructure and smart customer infrastructure – faced several stress factors, whether it was government regulation in the form of price caps, persistently high inflation or volatile wholesale prices and intensified competition. It turned out that strategic initiatives is not only well-balanced and prepared to face short-term market changes but also designed to leverage key long-term trends and the unprecedented transformation that the energy sector is undergoing, towards future sustainable growth. 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.

As part of our main operational sustainability principle, we aim to become carbon-free by 2030, and thus significantly contribute to the ambitious climate plan of the city of Prague. We are well aware of our responsibility towards the environment, offering sustainable solutions that balance economic, social and environmental impacts. The Czech Republic has updated its National Climate and Energy Plan towards a higher share of renewable sources, and PRE, as a significant player in the energy market, commits to decarbonisation goals and will play an active role in the energy transformation.

We are now more sure than ever that our decision to direct our efforts towards emission-free and sustainable energy was correct, as it is confirmed not only by the changes brought in the legislative framework but also by changing attitudes of companies and individuals, who increasingly value environmental protection and assess the impact of their activities on the environment in their decision-making. This trend has only been intensified by the ongoing war in Ukraine and widespread concerns about the availability of energy supplies. Although dependence on fossil fuels from Russia has been eliminated due to the rapid response of the EU and individual states, the demand for emission-free energy solutions keeps growing.

At PRE, we will continue to support the decentralization of energy through energy services that bring stability, energy savings and help increase energy self-sufficiency. We will continue to digitize our systems and processes to improve our product portfolio while efficiently managing our costs.

That is why we will strengthen development investment in smart grid solutions. New technologies will enable us to efficiently utilise energy networks forming part of urban infrastructure, connect them to the public charging networks, data networks and smart elements of urban infrastructure. Thanks to smart grids, further development of renewable sources is also possible, which can be expected following the new legislation allowing for electricity sharing. We are preparing new products to support energy communities.

We will further develop our network of public charging stations with the support of public funds. We have successfully completed existing construction projects and will continue with new ones. We will fulfil the trilateral memorandum signed between the City of Prague, Škoda Auto and PRE supporting the expansion of fast charging stations in Prague. As part of this, we will also prepare projects to develop new charging hubs. In the corporate and private charging sector, we will further standardise our offerings to expand our cooperation with developers and other partners from the corporate sector.

We will expand our portfolio of renewable energy production capacity with the support of European subsidies and on a purely commercial basis. The goal is to commission new installations by 2030, not only photovoltaic but also wind power plants with a capacity of several hundred megawatts. In 2023, we identified new locations. We have already completed the first projects and secured financing for others which will be gradually implemented. We will develop PRE locations through the planning and construction of smart buildings with the latest available technologies to meet growing demands for residential and office space, as well as sustainability.

### **Conclusion**

The year 2023 was not easy at all; on the contrary, it was very challenging in many respects. Pražská energetika lived up to its reputation and remained a trustworthy and reliable partner even in such difficult times.

In spite of everything, many challenges still await us in the coming years. We can assure you that we will do our best to make 2024 another successful year, to meet the requests of our customers and to continue bringing value to our shareholders, customers and the region of the capital city of Prague, a place of high-quality living standards and well-being.

We would like to express our gratitude to our employees who contributed to the excellent results, the continuous operation of the energy infrastructure and the provision of services to our customers. Thank you for your trust and collaboration in 2023, and we look forward to successful cooperation in the future.

In Prague, 2 May 2024

Signed by

**Pavel Elis**  
chairperson of the Board of Directors

Signed by

**Alexander Manfred Sloboda**  
vice-chairperson of the Board of Directors

IPRE



**Electricity helps us heal and restore health and energy to the sick or injured. It sounds simple, but it takes effort to supply the energy.**

**Ivan Landor**

head of the 1<sup>st</sup> Orthopedic Clinic, 1<sup>st</sup> Faculty of Medicine,  
Charles University and Motol University Hospital

# Selected financial indicators for the PRE Group

## Selected financial indicators for the PRE Group

	Unit	2023	2022	Calculation formula
Total revenues	MCZK	48,194	38,095	Profit from generated and sold electricity and gas + Other operational profit
Sales margin	MCZK	9,739	8,246	Gross profit from the sale of commodities
Profit after tax	MCZK	3,118	3,335	
Equity proportion to total invested capital	%	44.4	52.1	Equity attributable to the parent company shareholders : total assets x 100
Return on capital employed (ROCE)	%	21.7	15.2	ROCE = EBIT / (Equity attributable to the parent company shareholders + Loans* + Deferred tax liability) x 100
Work productivity out of total revenue	TCZK / employee	28,139	22,689	(Profit from generated and sold electricity and gas + Profit from services + Investment contributions) : Average adjusted number of employees
EBIT	MCZK	5,257	4,280	Profit before tax + Loan expenses
EBITDA	MCZK	6,874	5,824	Profit before tax + Loan expenses + Depreciation/Amortisation
Net profit per share	CZK	806	862	Profit after tax / Registered capital x 1000

\* Loans – long-term, or short-term where it can be assumed that they will be refinanced using a long-term loan within 1 year.

## Other indicators

	Unit	2023	2022
Gross distributed electricity	GWh	5,856	6,000
Total purchase of electricity	GWh	6,122	6,390
Purchase of gas	GWh	847	988
Generation of electricity	GWh	37	37

# Strategie

The cornerstone of PRE's strategy lies 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. The PRE Group has been a guarantee of a reliable energy infrastructure in the capital for 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.

PRE's long-term development strategy recognises three key areas: smart customer infrastructure, city infrastructure and sustainable energy generation infrastructure. With a view to new opportunities and a strengthened market position, PRE updated its strategy and adjusted the group's financial goal for the year 2030 at the EBITDA level to a value higher than CZK 6.5 billion.

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 respect, PRE will continue its digitisation efforts with a particular focus on the harmonisation of its digital channels as well as user-friendliness and efficiency of its internal processes. This area was profoundly influenced by the energy crisis and the hike in commodity prices followed by a high inflation rate. As customers continue to seek stability, energy savings and greater self-sufficiency, the Group has seen a significant increase in the amount of new installations in households (both private and multi-family homes) as well as companies and public institutions. The latter have been increasingly interested in the Group's portfolio of sophisticated services with guaranteed energy savings which are offered under guaranteed savings contracts called EPC ('Energy Performance Contracting'). The technological focus of energy services has been on rooftop photovoltaic systems, heat pumps, replacement of the current lighting systems as well as battery systems and private electric car charging solutions.

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 digitalisation 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 meters. The modernisation of the distribution network will enable PRE to better tackle future challenges, such as the increase in the generation of decentralised electricity from rooftop photovoltaic panels, the growth of e-mobility and energy communities. For its part, the strategic development of city infrastructure focuses on four main elements: charging stations for electric vehicles, optical networks, generation and consumption management systems and smart buildings. Electromobility is seen as an important field of the future energy sector. That is why PRE has been building and operating an extensive network of charging stations, currently comprising more than 1,000 charging points, making it one of the three largest players in this field in the Czech Republic. In terms of optical networks, the aim is to ensure a reliable connection of the smart grid components and to rent out excess capacity to telecommunications firms. With regard to generation and consumption management systems, the group's objective is to build further capacities to enhance the network's resilience and ensure a safe and reliable supply of commodities especially to the capital city of Prague. PRE sustains its development strategic initiatives in the area of smart buildings across the whole of Prague. The aim 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's final important strategic development area is sustainable infrastructure for the generation of electricity from renewable sources. A particular focus will be given to solar and, with the prospect of a more favourable legislative framework, also to wind energy. PRE has set itself the goal of expanding its current installed capacity to 300 MW by 2030

mainly by organic means. To achieve this, 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 or other available funding options. The PRE Group also plans to fulfil its acquisition strategy by making opportunistic real estate investment in its generation plants. Further general expansion of renewable energy will enable PRE to respond to the ever-growing demand for green energy among environmentally conscious customers, offering them a wide range of products, ranging from guarantees of origin to Power Purchase Agreement (PPA) products (long-term contracts for the supply of renewable energy).

During the energy crisis, PRE quickly adapted to market uncertainties and ensured the continuation of its operations. The company swiftly responded to new legislative requirements, adapted its IT systems and expanded its online service offerings focused on e-commerce and digitisation. This manifest flexibility and built-up ability to quickly respond to changes in the market environment will continue to be utilised by PRE to maintain and further expand its activities and achieve strategic goals.

Given the long-term ambition of PRE, all of the above-mentioned initiatives are implemented respecting the principles of operational excellence and climate neutrality whose importance has grown in light of the latest developments on the market and in the legislative framework. Efforts to protect the environment and promote sustainability involve the Group's commitment to achieve climate neutral operations by 2030 as well as a number of other business initiatives supporting its customers and partners in their endeavour to reduce their emissions. Thanks to its well-balanced portfolio of activities in all areas, PRE is poised for long-term growth and resilience. 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 the customers and partners also in times of new challenges on the energy market.

# Trading in electricity and gas

The year 2023 was one marked by considerable challenges for the wholesale electricity and gas market. Due to the relatively warm winter months at the beginning of the year and the construction of LNG terminals across Europe, the anticipated gas shortages did not materialise and record electricity and gas prices began to stabilise and gradually decline. However, market volatility remained high, and the market often reacted unexpectedly or excessively to negative news.

Throughout 2023, liquidity in the Czech forward market declined, and some volumes shifted to the financial market, which is more demanding in terms of financing but significantly reduces default risks. The number of active counterparties in the wholesale market decreased as a result. In response to market risks, PRE reduced the rating of some counterparties and excluded some of them from trading. Nevertheless, PRE continued to be an important trading partner for large market participants.

Despite the challenging context, PRE fulfilled all its commitments, and managed to prevent disruptions in deliveries to its partners or customers throughout the year. This has only reaffirmed PRE's role as one of the largest and most stable trading partners in the Czech Republic. As part of commodity procurement optimization and risk diversification, PRE acquires commodities on various European markets, utilising physical transit lines for electricity or gas transport to the Czech Republic.

To ensure gas supply to its customers, PRE also utilises a gas storage facility, where it stores gas for its customers, ensuring the safety standard of delivery even in extreme market situations during the winter.

For producers, including small sources, PRE remains a sought-after trader. The company's portfolio includes hydroelectric power plants, biogas stations, and wind or solar power plants, covering a portion of deliveries of green (renewable) electricity. Additional needs of its customers are covered through the purchase of the so-called guarantees of origin.

## Sales – B2B segment

The most prominent change of 2023 occurred in relation to the Czech government's decision to cap commodity prices, thus bringing state regulation back to the open energy market. This step has resulted in a complex compensation system for traders and new requests for B2B customers.

Despite the unfavourable geopolitical context, the electricity price for 2024 on the energy exchange slightly decreased, falling from 200 EUR/MWh to less than 100 EUR/MWh. The gas price decreased from 80 EUR/MWh to 38 EUR/MWh.

Customers have grown more interested in online electricity procurement, divided into several tranches, using the web portal "Moje PRE". In 2024, over 400 wholesale consumers secured electricity using this portal, with a trading volume of around 3 TWh. PRE also finalised the gas offer management system and is currently working on expanding the "Moje PRE" portal offerings to include online gas procurement.

In 2023, PRE resumed offering multi-year contracts, which was a segment that had come to a complete halt in 2022 because of the extremely high energy prices.

The sale of electricity from renewable sources decreased from 677 to 506 GWh compared to 2022.

The energy sector in the Czech Republic continued to develop rapidly in 2023. Customer interest shifted towards the construction of small and fast electricity sources that provide balancing services, such as frequency restoration reserve. OTE, the electricity and gas market operator, is preparing to transition from an hourly to a 15-minute settlement period. Customers will also be newly allowed to share electricity within energy communities beyond the scope of a single property, and there will be more changes to the tariff structure at the HV and MV levels. All these changes will require significant adjustments to current IT systems.

Last year, PRE's strategy was to maintain its market share in both commodities and moderately increase its profitability.

The total volume of electricity sold to customers in 2023 in the B2B segment was 4,113 GWh, which is approximately 4% less than in 2022. In 2023, the total volume of natural gas sold was 424 GWh, which represents a year-on-year decrease of 17%. The contracted electricity supply for 2023 was actually 270 GWh higher compared to the actual consumption in 2022, and the contract gas supply was the same as the consumption. However, given the abnormally warm winter and energy-saving efforts of customers, the total deliveries were significantly lower than what customers had demanded. Also, the lower deliveries must be seen against the backdrop of a generally badly performing Czech economy.

## Sales – B2C segment

In 2023, the sale of both commodities (electricity and gas) was impacted by customers' increasing inclination to save, which is a clear change compared to 2022. PRE motivated its customers to save energy consumption through the PRÉMIE program, which continued from the previous autumn through the heating season until mid-April 2023. A total of 73% of all participating households managed to reduce consumption, earning them a motivational bonus.

The energy market saw some turbulent changes in the last two years. During 2021, commodity prices began to rise gradually, and this upward trend continued in 2022, reaching record highs. This has led to a significant slowdown in the B2C segment and the implementation of government price caps. As wholesale market prices started to decrease throughout 2023, PRE expected the market to gradually recover. By spring, it became evident that the recovery would be faster than anticipated. The declining energy market prices led to increased demand for products offering prices below the government-set caps. In response to this trend, as of mid-March, PRE launched a series of fixed-price products, both for electricity and gas. These products, called PRE PROUD/PLYN FIX, offer electricity at fixed prices below the government ceiling. They are designed for conservative customers fearing potential price increases and looking for the certainty of a guaranteed price for a designated period.

Given the continued strong demand for solar panels and photovoltaic installations, PRE reintroduced the PRE PROUD SOLAR product in March, which had been suspended in October 2022 due to instability in the wholesale market. Owners of microgrids could once again enter into contracts for electricity supply, offering them rewards for unused generated electricity. From May onwards, following a project from 2020–2022, PRE relaunched the seasonal offer of the PRE PROUD KLIMA product for customers who purchased air conditioning from PRE. The offer was supported by an outdoor campaign and newsletters sent to selected customers. In October, PRE resumed the sale of the PRE PROUD EKO product using all of its channels, offering customers electricity from renewable sources. A media campaign was launched to increase awareness of the PRE PROUD EKO product and promote its sales. Since January 2024, the premium product PRE PROUD PLUS is once again available, offering customers not only electricity supply but also the possibility to use home electrical installation control services.

In the first half of 2023, PRE launched a new version of its website. The current website structure places greater emphasis on the sales page and allows for more flexible promotion of selected products, including energy services. Simultaneously, PRE is working on the development of a new website devoted to e-mobility as well as a new online ordering system for products and services.

Given the ongoing positive trend in energy prices on the wholesale market, PRE initiated a campaign in early September to inform B2C customers about a unilateral reduction in energy prices. Prices were reduced by up to 20% for electricity and 30% for gas. This reduction applied to all customers with non-fixed contracts.

### **Sales – eYello CZ, k.s.**

In 2023, the company eYello CZ, k. s., (Yello) focused on fulfilling and complying with the legislative framework, providing for the so-called price capping. Subsequently, it needed to adapt to the new market situation in supplying electricity and gas to customers in the household and small business segment. Yello offers simple and clearly defined products at attractive prices, flexible communication and comfortable administration through the Moje Yello (My Yello) online portal.

In 2023, the company supplied electricity and gas to more than 60 thousand customers. Yello has retained its clients even in light of the so-called price capping policy, and subsequently notably lowered prices for the vast majority of its customer base.

Throughout the year, Yello managed to maintain its brand awareness, following the brand rejuvenation campaign inspired by its German counterpart, which provides a licence for the brand's use in the Czech Republic. The updated brand continued using the constantly popular television spot from the previous year.

# Electromobility

As one of the leading energy companies in the Czech Republic, PRE believes that the future of mobility lies in electric vehicles. That is why, since 2010, it has been developing e-mobility, thus supporting the long-term sustainability goals backed by the entire society.

Following the organisational changes in 2022, a new strategy was implemented for this segment of PRE's activities: its mission lies in building charging infrastructure that will provide drivers with the freedom to charge their cars at home, at work or on the road.

PRE managed to weather the energy crisis as well as the slower uptake of electric vehicles coupled with low government support for electric vehicle sales. Despite all these difficulties, PRE concluded subsidy schemes (PRE Backbone Network, CEUC and Metropolitan Network II) in 2023 and continued building and strengthening the public charging network, PRE POINT. Drivers of plug-in cars can now charge at a total of 660 PRE charging stations, totalling 1,040 charging points. The major driving forces behind PRE's growth in electromobility in 2023 included a well-defined strategy, attractive products and prices, the support of a strong and well-established company as well as the firm support of the company's management. Last year, customers completed a total of 3030 thousand charges, representing a 76% increase year-on-year. The number of customers using PRE's charging chip increased by 54% compared to 2022. The overall electricity consumption for public charging of electric vehicles reached 5.27 GWh, indicating a year-on-year increase of 69%. The new strategy also encouraged the strengthening of the performance of individual fast-charging stations with a minimum capacity of 150 kW. All energy supplied through the PRE POINT network is guaranteed to be produced from 100% renewable sources. Another important step was taken in 2023, when PRE introduced a dedicated customer relationship management (CRM) system for its electromobility clients. This has improved the quality and effectiveness of customer service, leading to faster and simplified invoicing, including reminders, payment processing and other related banking services (e.g., direct debit), harnessing operational synergies of PRE's energy and non-energy services.

In private and workplace charging, PRE focused primarily on standardising its product offering and selecting suppliers that will be able to provide comprehensive solutions and services tailored to the individual needs of the growing number of customers. 2023 saw a further strengthening of cooperation with developers of residential buildings. In this segment, PRE has established itself as a reliable supplier of charging system components meeting the strict requirements of the distribution system operator. PRE's solutions ensure electromobility readiness of the entire residential building and offer charging services for individual users, including the management of charging stations as well as the possibility to have access to public charging tariffs. PRE has completed several charging infrastructure installations for various organisations, including private companies such as Vodafone and IKEA as well as government organisations.

PRE is actively involved in the ongoing efforts to promote electromobility by co-creating a legal framework necessary for its development. To achieve this goal, PRE is a member of the Platform for Electromobility, an advocacy alliance bringing together actors from the energy and automotive sectors, and also an active participant working on the creation and implementation of the National Action Plan for Clean Mobility of the Czech Republic. It also cooperates with individual committees of Prague City Hall with an interest in this field. Furthermore, it actively cooperates with its mother company EnBW where it draws inspiration and promotes the implementation of international electromobility standards in the Czech Republic.

Electromobility has tremendous potential, and PRE is solidifying the foundations for fulfilling its strategy in this area through its actions, particularly in the non-public charging segment, through the establishment of charging hubs and the provision of related services.

IPRE



**Our clients show  
an indomitable will  
to live, an admirable  
determination to  
cope with adverse  
circumstances and  
tremendous energy  
to face challenges.  
That's what we have in  
common.**

**Jolana Voldánová**  
director of the Charter 77 Foundation

# Public relations

As we witnessed continuing turbulent changes on the energy market in 2023, the public relations policy of all of the PRE Group companies naturally prioritised establishing and maintaining a good reputation of the Group as a trustworthy trader of electricity and gas, a reliable distributor of electricity and an important and innovative provider of energy services. It was equally important to make sure that PRE is seen as a socially-responsible partner actively engaged in promoting the sustainable development of the entire Prague region.

## Philanthropy

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

The donor and sponsorship activities are run by the parent company, i.e., Pražská energetika, a.s., on behalf of the entire PRE Group. These endeavours emphasise the support of charitable work, 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 and even international charity projects. In 2023, PRE supported several hundreds of organisations and other entities. 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 exclusively 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.

2023 saw the continued close cooperation between PRE and the Charter 77 Foundation, which established and manages Fond PRE (the PRE Fund). The joint aim of the Foundation's representatives and PRE is to use the financial resources to help address healthcare and social needs of individuals with disabilities and to support organisations representing them. The cooperation with the Charter 77 Foundation and its charitable account Konto Bariéry increases 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 100 thousand. In 2023, the cooperation with the Charter 77 Foundation was reflected in PRE's marketing activities. One of PRE's marketing campaigns last year emphasised the help mediated by Konto Bariéry with the slogan "We have the energy to support strong stories".

In 2023, the total amount of donations made by PRE was almost CZK 8 million. A total of 41 organisations received direct funds and 77 more donations were made using Fond PRE established within the Charter 77 Foundation. The average contribution to a project from Fond PRE in 2023 was approximately CZK 40 thousand, totalling almost CZK 3 million.

Who received donations this year? PRE traditionally cooperates with healthcare providers, such as the Královské Vinohrady University Hospital (Fakultní nemocnice Královské Vinohrady), the Military University Hospital Prague (Vojenská fakultní nemocnice v Praze) and Apolinářská nedonošeňátka, z.s. PRE also supports social services providers working with children, sustaining its cooperation with the Foundation for Civil Society Development (Nadace rozvoje občanské společnosti) and its fundraising campaign Help Children (Pomozte dětem), the Our Child Foundation (Nadace Naše dítě), the Linka bezpečí helpline, the Association of the SOS Children's Villages (Dětské vesničky), the Centre LOCIKA and many more. Additionally, PRE supports associations and organisations helping people with disabilities, such as the Wheelchair Club Petýrkova (Klub vozíčkářů Petýrkova), the Czech Wheelchair Tennis Association (Český tenisový svaz vozíčkářů), the Open Workshop of Pavla Výborná (Otevřený ateliér Mgr. Pavly Výborné), Quiet World (Tichý svět), Deaf With Hope (Neslyšící s nadějí), and the Center for Children's Hearing Tamtam (Centrum pro dětský sluch Tamtam).

PRE did not forget about education, culture and professional development, thus continuing its support given to, among others, the Kampa Museum – Jan and Meda Mládek Foundation, the Altán Art Studio for People with Disabilities, the Prev-Center as well as the organisation PINK CROCODILE, which operates a school for disabled children while supporting other needy entities. PRE's cooperation with the Faculty of Electrical Engineering of the Czech Technical University in Prague (FEL ČVUT), which provides internships for prospective energy experts, is considered indispensable.

## Membership in organisations

The most notable organisations and associations the PRE Group companies belong to include the following: ČSZE (Czech Association of Energy Sector Employers), AEM (Association of Energy Managers), ČSRES (Czech Association of the Regulated Power Supply Companies), PVTS (Czech Association of Scientific and Technical Societies), ČK CIRED, EDSO for Smart Grids (European Distribution System Operators), EU DSO Entity (representation of the European Electricity Distribution industry), Association of High Voltage Test Facilities (Asociace zkušeben vysokého napětí), German-Czech Chamber of Commerce and Industry, American Chamber of Commerce in the Czech Republic, French-Czech Chamber of Commerce in the Czech Republic, Chamber of Commerce of the Capital City of Prague (Hospodářská komora hlavního města Prahy), SP ČR (Transport Union of the Czech Republic), ASEPT (Association of the Electric Vehicle Industry), Platform for Electromobility (Elektromobilní platforma), ČPA (Czech Parking Association), ANDE (Independent Energy Providers Association), Czech Company Lawyers Association (Unie podnikových právníků ČR), Czech Institute of Internal Auditors (Český institut interních auditorů), APEK (Association of Electronic Commerce), itSMF Czech Republic (The IT Service Management Forum), RIPE NCC (Regional Internet Registry), CACIO (Czech Association of IT Managers), CSIRT – Trusted Introducer, Chamber of Renewable Energy Sources (Komora obnovitelných zdrojů energie), ČSVE (Czech Wind Energy Association), CAFT (Professionals in Accumulation and Photovoltaic Systems), APES (Association of Energy Services Providers), Association of Energy Auditors – Energy Specialists (Asociace energetických auditorů – energetických specialistů, z.s.), and, Public Lighting Development Society (Společnost pro rozvoj veřejného osvětlení, z.s.).

## Subsidy schemes

The PRE Group participates in nationwide development projects, especially in the fields of e-mobility and electricity network management. It draws subsidies in accordance with the specific rules set out for individual subsidy schemes.

..... Metropolitan network II – 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 so-called residential charging in the capital. As part of the project, a total of 300 charging stations are planned to be constructed in different parts of the capital city of Prague. The project was launched in June 2020 and completed on 30 June 2023. A total of 265 charging stations have been put into operation, with the remaining ones not implemented due to legislative and permitting processes.

..... Charge.PRE.2022 (OPD84) – 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 completed on 31 March 2023. A total of 20 charging stations have been installed.

..... Central European Ultra Charging (CEUC) as part of Connecting Europe Facility - Grant Agreement No. INEA/CEF/TRAN/M2017/1489259 – No. 2017-EU-TM-0065-W

The project was launched in January 2018 and completed on 30 June 2023. 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 was in charge of 8 locations in the Czech Republic, where it successfully installed and put into operation 10 charging stations.

..... Pilot project aimed at using the 'spare capacity' of large battery systems for support services (Eflex) – No. TK03020118 in the Central Registry of Projects.

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. 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 also participates in this scheme, but in this case does not draw any resources. It was launched on 1 July 2020 and completed on 30 June 2023.

..... Load management for power distribution – No. TK04020195 in the Central Registry of Projects .

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. 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 also participates in this scheme, but in this case does not draw any resources. It was launched on 1 January 2022 and it is due to expire on 31 December 2024.

..... Optimisation of AMM roll-out based on pilot projects and testing value-added communication systems – No. TK04020157 in the Central Registry of Projects.

The project is provided by the Technology Agency of the Czech Republic within its THÉTA Programme (Programme aimed at supporting applied research, experimental development and innovation). 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 also participates in the project and draws money from the state subsidy scheme in line with the project's conditions. It was launched on 1 January 2022 and it is due to expire on 31 December 2024.

..... Design, development and practical testing of an IT system for the optimisation of spare capacity of distribution network for electric vehicles charging using the public charging network and the testing of dynamic management of charging using the V2G feature – No. TK04020147 in the Central Registry of Projects.

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. 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 also participates in this scheme, but in this case does not draw any resources. It was launched on 1 January 2022 and it 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 (*PREenergo since 1 January 2024*) was chosen to receive funding amounting to CZK 6.9 million for its photovoltaic power plant FVE Pozorka II (expansion of the existing FVE Pozorka). Construction works were launched in the last quarter of 2022. The project was completed and the facility put into operation.

The following projects also applied for subsidies for the implementation of photovoltaic panels under the programme titled RES+ No. 2/2021: FVE Mlýnec and FVE Nové Sedlo owned by PREm (*PREenergo since 1 January 2024*) and PRE FVE Nové Sedlo. The subsidy was granted to both projects (2022). The works on FVE Mlýnec are expected to be completed in the first quarter of 2024. In late 2023, building permits were obtained for the FVE Nové Sedlo project. Works are expected to start in 2024.

# Human resources

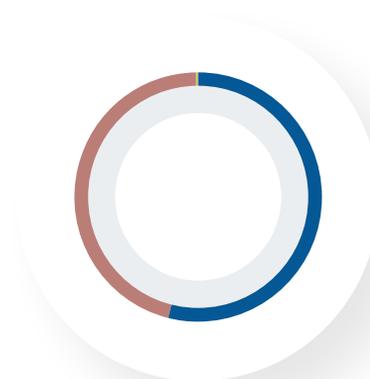
## Human resources management

For both the parent company and its subsidiaries, all of the personnel administration and related services are carried out by the Human Resources department. This includes a multitude of processes, from selecting and recruiting new employees, employee care during their employment, training and developments as well as services related to their departure from the company. In line with the PRE Group’s Internal standards, both tariff and negotiated wages are used within the Group.

The individual areas of this agenda, namely employment-related issues, social policy, wages, healthcare as well as occupational health and safety, are enshrined in a collective agreement. The provisions for each of the area are set out in more detail in internal regulations of each company. The collective agreement is concluded for a three-year period between the parent company and its subsidiaries, PREdi, PREenergo, PREzak, PREs and PREds. In late 2023, the companies signed a new collective agreement for the period of 2024–2026. Subsidiaries PREnetcom, Kormak, Voltcom and Yello have their own internal company standards that set out their specific principles.

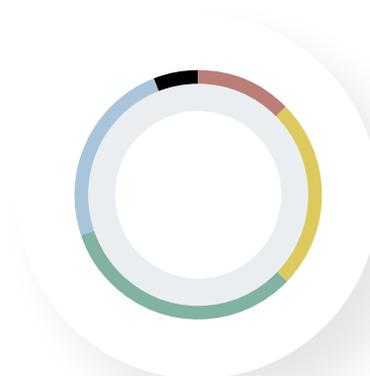
### PRE employee qualification structure

	%
■ University	54.04
■ Secondary concluded by an exam (maturita)	45.71
■ Secondary and secondary vocational	0.25
■ Elementary school	0.00



### PRE employee age structure

	%
■ under 20 years	0.00
■ 20–30 years	12.63
■ 30–40 years	24.75
■ 40–50 years	32.57
■ 50–60 years	24.24
■ over 60 years	5.81



The management of the personnel administration and wage calculations are carried out by the Human Resources department using the SAP HR module, whose processes are regularly updated to comply with the legislative requirements to make sure that the entire wage agenda is in line with law as currently applicable. A large portion of the related documentation and selected HR processes are regularly digitised to achieve higher efficiency.

The Human Resources department is equally in charge of providing services related to occupational health and safety as well as environmental protection. It carries out regular inspections of fire safety and environmental protection and, based on their results, proposes measures aimed at ensuring a functional system of OHS management.

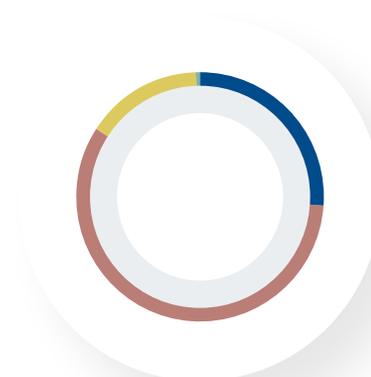
## Healthcare

In PRE's view, healthcare is a key area of employee care services, being one of its top priorities. Its aim most notably lies in maintaining and improving the Group's employees' good physical and mental health. It is perceived as a part of the personnel administration and, within the PRE Group, it consists of two key areas:

The first one is occupational healthcare provided by PRE to its employees in line with the applicable legislation. These services are provided by a medical professional from the healthcare facility Poliklinika Agel Praha. They most notably include pre-employment, special and regular preventive check-ups. Also, the occupational health professional cooperates

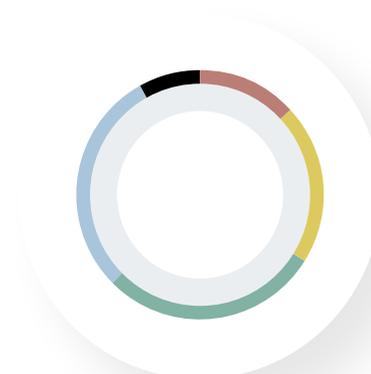
### PRE Group employee qualification structure

	%
■ University	26.29
■ Secondary concluded by an exam (maturita)	58.02
■ Secondary and secondary vocational	15.16
■ Elementary school	0.53



### PRE Group employee age structure

	%
■ Under 20 years	0.06
■ 20–30 years	13.23
■ 30–40 years	20.84
■ 40–50 years	28.63
■ 50–60 years	29.34
■ Over 60 years	7.90



closely with the Occupational Safety and Environmental Protection department (BPZP), carrying out occupational health inspections at workplaces. PRE also provides preventive vaccination to all its employees. Despite it not being required by law, this is done with a view to protect its employees good health.

In addition to the legally mandated occupational healthcare, employees have access to premium healthcare programs, including breast cancer screening, preventive thyroid screening, preventive urological programmes as well as full-scale dental care.

## **Social policy**

PRE's social policy attests to its long-standing commitment to improve the economic situation and living standards of its employees. A positive work environment enhances employees' health, well-being, motivation and behaviour, and, as such, is a necessary precondition for them to carry out their work duties successfully and to identify themselves with their company. At the same time, a robust social policy programmes increases the attractiveness of PRE as an employer.

The social care programme is implemented in the form of blanket and optional employee benefits designed in a just and transparent way.

## **Training**

PRE sees the development and training of its employees as one of the key areas of HR development, indispensable to enable to all of the PRE Group's employees to achieve and maintain the required qualifications and skills. With this approach, PRE encourages its employees to gain new skills and develop new competencies by providing specialised professional courses, seminars, workshops, open courses and development programs intended for employees and executives at all levels. PRE thus makes sure that its employees are experts in their field with a high degree of work flexibility. In light of new and constantly changing technologies, as well as the expanding use of AI, these initiatives help PRE enhance its competitiveness in the energy market.

Short-term development and education goals for different employee groups are defined on a yearly basis based on the specific needs and requirements of individual units and they are specified in the Education Development Plan. In 2023 the focus of educational programs was on technical skills and knowledge. In 2022 and 2023, employees underwent training in the areas of cybersecurity and compliance, in particular in response to the increasing threat of cyberattacks. In November 2023, PRE launched another training program for managers, designed for a total of 6 executives working as heads of departments and heads of groups.

In the field of training, PRE continues to cooperate with vocational schools, especially those specialised in electrical engineering. With its Trainee Program and other initiatives aimed at optimising its training strategy, PRE shows its continued commitment to attract young talent and foster long-term cooperation.

# Environmental protection and OHS

The PRE Group has considered environmental protection as well as the protection of the occupational health of its employees as one of its top long-term priorities. It is well aware of the fact that energy consumption has a great impact on the environment as well as public health. That is why it has been consistently taking active steps in line with its Environmental Protection, Safety and Energy Efficiency Policy, allocating resources to its implementation over the long term. 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. In its management systems, PRE Group has been adhering to the principles of the Safe Enterprise program and the Health Promoting Enterprise competition.

Notable steps taken to promote environmental protection and energy efficiency in 2023 include:

- ..... calculating the organisation's carbon footprint for the previous year and establishing initiatives and identifying competences aimed at its long-term reduction;
- ..... implementing projects aimed at enhancing the generation capacity of the organisation's own renewable sources;
- ..... increasing its fleet of electric vehicles and installing additional charging stations; and,
- ..... implementing measures aimed at reducing the energy consumption of workplaces.

In terms of the occupational health and safety of its employees, the PRE Group has been implementing preventive programmes aimed at the promotion of the good health of its employees, most notably dental care and cancer screening.

Throughout 2023, in this field, the PRE Group took the following steps:

- ..... fulfilling the requirements of the Safe Enterprise and the Health Promoting Enterprise at level 3: selected PRE Group companies managed to recertify within both programs and hold valid certifications;
- ..... implementing new educational programs designed for employees in electrical trades;
- ..... implementing projects aimed at enhancing fire protection measures at the companies' facilities; and,
- ..... integrating new companies within the PRE Group into occupational safety and health management systems meeting the Group standards.

In 2023, the PRE Group also took measures to comply with new legislative requirements for designated technical facilities and for verifying the health fitness of employees.



**Educating and preparing  
the future generation  
of energy specialists  
and experts for  
tomorrow's technical  
fields is the mission that  
drives us forward and  
charges us with great  
power.**

**Oldřich Starý**

vice-rector of the Czech Technical University

# 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 managing the major 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 PRE Group companies.

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 and evaluated for selected indicators.

To identify and classify individual risks, a risk map is used that recognises risks in four main categories: strategic, operational, financial and compliance risks.

Strategic risks are mainly connected to new technology developments, sustainability of operations and societal changes.

Operational risks relate to the company's business processes, operational activities, and 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 price changes in energy commodities, exchange rates or interest rates.

Compliance risks relate to 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 minimise 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 high-risk areas and business activities, and assesses the overall possible impact of risks to 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.

The internal audit activities are conducted by the Integrated Control System department in collaboration with the consulting company Grant Thornton Advisory, k.s.

Both the long- and short-term audit plans are drawn up taking into account the Group's risk analysis. They are in line with the PRE Group's business objectives and identify priorities for each internal audit. The Group's audit planning involves both internal and subsequent audits. If the situation so requires, audits based on a request from the management are conducted, too (they go beyond the scope of the audit plan). The long-term audit plan is approved by PRE's Board of Directors.

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 managements 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. The reports comprise all objective findings as well recommended measures. 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, the internal audits according to ISO 9001 and internal audits of occupational health and safety management system Safe Enterprise (Bezpečný podnik).

## Compliance

In 2023, the Group's unified Compliance Management System (CMS) was further extended and adjusted to reflect best practices and foster PRE's reputation as a well-established and fair company. The company wishes to be prepared to respond to new risks in the electricity and gas market associated with the altered international security situation. As a result, it continued duly monitoring them throughout 2023.

It improved its compliance management system in the area of criminal liability of legal persons by bringing precision to its classification of criminal offence risks. It also updated its corporate standard Compliance Management System and continued to harmonise its procedures of business partners screening. All employees underwent training in compliance and cybersecurity.

In connection with the whistleblower protection law becoming effective in the Czech Republic, the Group adjusted its ethics external hotline to meet new legal requirements. More measures were taken to enhance the protection of whistleblowers. The ethics hotline is seen as one of the tools to prevent illegal or unethical behaviour with potential to harm the company. That is why the company makes sure that its internal investigation processes respect whistleblower protection rules.

In 2024, compliance efforts will focus on non-financial reporting (ESG) in line with the newly proposed legislation regulating reporting on risks and impacts on sustainability.

No compliance incident that would have impacted the company's business activities was reported throughout 2023.

In the same vein, no compliance incident related to the protection of personal data and data in general was reported throughout the year in all of the PRE Group companies.

## 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 their exercising of their rights under the GDPR.

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 ombudsperson of the PRE Group is tasked with independently assessing the correctness of procedures undertaken by relevant departments in addressing complaints, submissions and customer inquiries related (not only) to electricity consumption, upon the customer's request. Their task is to facilitate informal avenues for problem resolution. The aim is to seek and find mutually satisfactory solutions.

In 2023, the total number of submissions recorded a slight decrease year-on-year. However, customers more frequently chose to approach the ombudsperson directly due to the overload and unavailability of standard communication channels. This fact was also one of the main issues pointed out by customers. Customers frequently turned to the ombudsman to ask for assistance with the change of provider or other contractual issues. Throughout 2023, the ombudsperson addressed more than 300 submissions.

# 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, in Roztoky and in Žalov covering an area of 504 km<sup>2</sup>. It has been carrying out its operations in accordance with the Energy Act in the public interest, as it has held 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 the ERÚ. PREdi officially started operating on 1 January 2006.

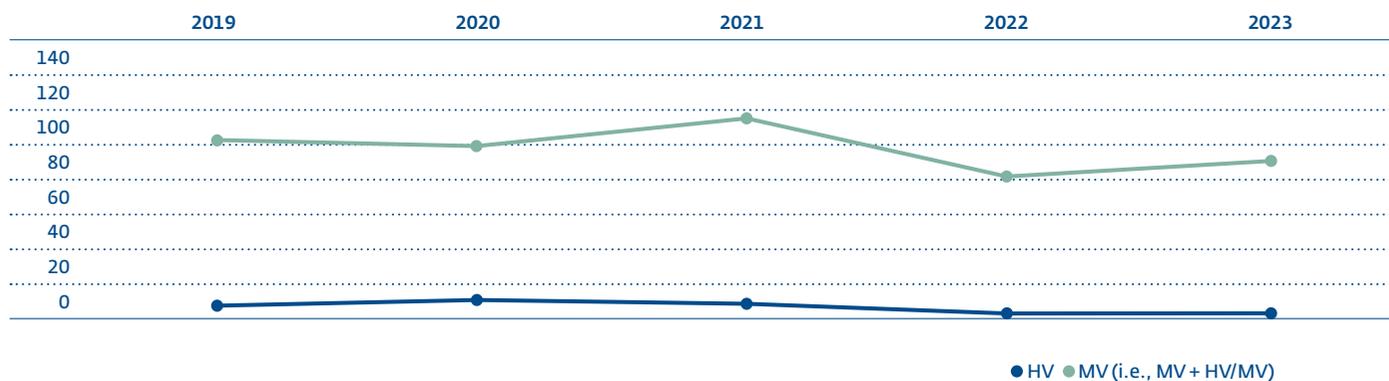
Its main mission lies in providing a high-quality, efficient, reliable and safe supply of electric energy to all its customers in the licensed territory. Its key processes and activities include ensuring a continuous energy supply as well as efficient renovation, development and modernisation of the 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 on 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 emphasised in its Annual Report in the section devoted to the implementation of equal treatment measures aimed at eliminating all discriminatory practices of the operator of the distribution network. The company continuously monitors and evaluates all indicators of the quality and reliability of electricity 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. According to the ERÚ quality standards, PREdi has become yet again the most reliable distribution company in the Czech Republic in recent years,

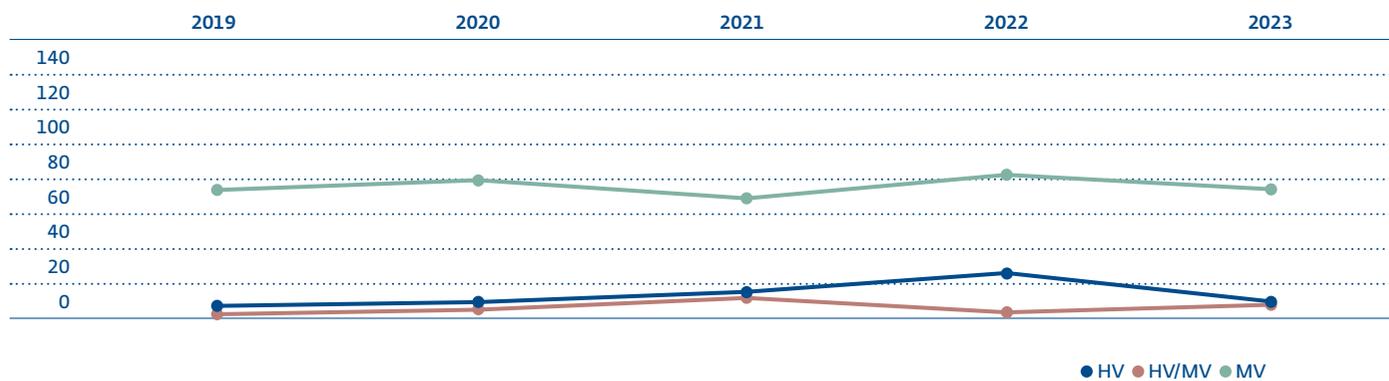
The distribution system consists of 110 kV, 22 kV and 0.4 kV overhead lines and cable lines, 110/22 kV transformer stations and 22/0.4 kV distribution transformer stations. Its operations are overseen and managed by the Energy dispatcher control station. In 2023, the smooth operation of the distribution system was not affected by any natural disaster. No extensive technical failures occurred in its distribution equipment, which helped maintain a high level of reliability and the quality of services provided. PREdi ensured high-quality maintenance of the distribution network under the standards and requirements set forth in the Rules of preventive maintenance.

At the end of 2023, more than 838 thousand consumption points were connected to the distribution network, representing a 0.9% increase year-on-year. The maximum load of the distribution system reached 1,110 MW on 4 December 2023, representing a moderate decrease year-on-year. During 2023, PREdi distributed 5,856 GWh through the grid at all voltage levels. This year-on-year decrease is primarily due to the continuing trend of energy-saving measures.

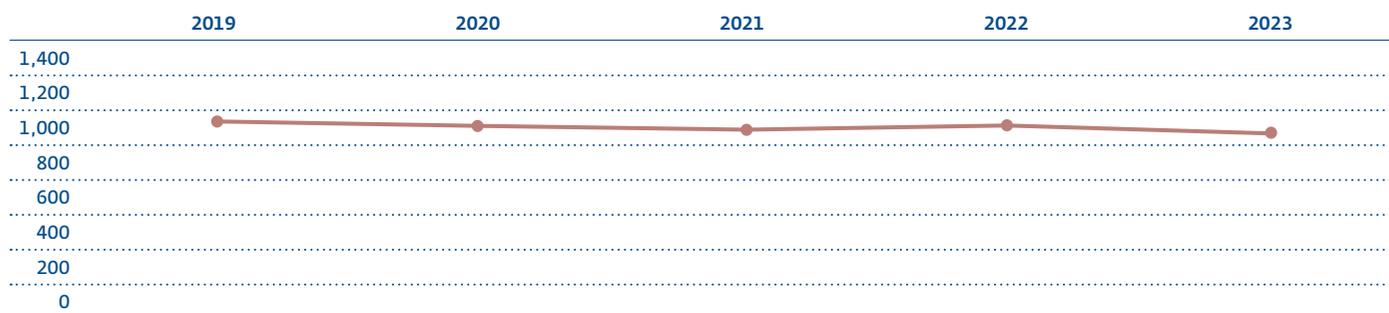
### Number of HV and MV failures



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



### Maximum achieved load (MW)



Due to the persistent instability in the energy sector, PREdi did not achieve its planned economic results. Its EBITDA reached CZK 2,751 million, which was CZK 247 million less than what was planned for 2023.

In 2023, PREdi invested CZK 2,150 million (including capitalisation) in the renovation and development of its distribution network, which is CZK 194 million more than in 2022. Investments were made in the networks of all voltage levels. The major projects completed in 2023 include the finalisation of the construction of the Slivenec TR; the continued construction of the cable tunnel connecting the Karlín TR with the Hlávka Bridge and the cable tunnel Invalidovna; the reconstruction of the 110 kV distribution system and the control system at the Jih TR; and, the launch of the renovation works on the 110 kV cable (K 110) between the Sever and Holešovice TRs.

As part of 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 Sever TR. This project is scheduled to be fully operational by 2027. In this context, in 2023, PREdi signed a memorandum of cooperation with the city of Prague and ČEPS to better coordinate the preparation of their various investment activities.

Aside from the main listed strategic constructions in the backbone 110 kV networks and the 110/22 kV transformer stations, the company also continued with the renovation of 22/0.4 kV switching and distribution stations and MV and LV cable lines. This continuous work is crucial for maintaining and improving the overall quality of the infrastructure and ensuring a stable supply of electricity for all PREdi customers.

In response to the new trends in the energy sector and the increasing demand for modern technologies, PREdi allocated a significant portion of funding to projects aimed at smartening the MV and LV networks and to the construction of the connected telecommunication infrastructure. Without this infrastructure, a modern distribution network could not function optimally. The establishment of sufficiently fast, robust and reliable telecommunications infrastructure is seen by PREdi as a necessary prerequisite for the future development of smart grids. In the development of the optical infrastructure, PREdi is assisted by its 100% subsidiary PREnetcom, which focuses on the use and operation of metallic cables and the development of optical communications cables that are installed together with the distribution system to allow for monitoring, metering, data transfer and remote management and operation control of smart grids. The development of the optical network enables PREdi to cope with technological changes and challenges related to the growth of decentralised generation, the

### Selected network indicators

	Unit	2023	2022	2021	2020	2019
Maximum network load	MW	1,110	1,137	1,117	1,121	1,162
Total length of electricity networks	km	12,640	12,541	12,468	12,422	12,372
of which: HV	km	220	220	220	220	221
MV	km	3,955	3,937	3,914	3,906	3,899
LV	km	8,465	8,384	8,334	8,296	8,252
Number of HV/MV transformer stations	pieces	27	26	26	26	25
of which: owned by PREdi	pieces	26	25	25	25	24
owned by other entities	pieces	1	1	1	1	1
Number of MV/LV distribution stations	pieces	3,281	3,272	3,253	3,237	3,221
Total number of MV/MV stations and MV/LV stations	pieces	5,024	5,001	4,968	4,934	4,906

development of e-mobility, increasing demands on the reliability of the distribution network and the expected increase in the volume of measured and transmitted data from smart metering systems.

Smartening of 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 in 2019. Throughout 2023, PREdi managed to implement more than a hundred 22/0.4 smart distribution transformer stations, helping to enhance the reliability of electricity supply. PREdi continued its preparation of the Automated Metering Systems (AMM), with the goal of implementing them at one-third of the consumption points by the end of 2027. The company also focused much of its attention on the development of electromobility, accumulation and related services, which are highly relevant for distribution networks in an urban agglomeration.

At the end of 2023, the Czech government adopted an amendment to the Energy Act (referred to as LEX OZE II), bringing modifications to community sharing of energy and opening up opportunities to achieve a higher degree of energy independence and collaboration between citizens. Under this amendment, as of 1 July 2024, it will now be possible to share energy via the data centre operated by Elektroenergetické datové centrum (EDC), a newly established company where PREdi has a 25% share ownership.

The key task for PREdi is to advance in the digitalisation of customer-oriented processes. This includes the implementation of modern technologies and systems that will enable more efficient communication with clients and provide them with online access to information and services.

2023 was not easy for PREdi, bringing together a whole host of challenges that needed to be addressed – be it strategic planning, effective management, or flexibility in responding to the rapidly changing environment in the energy sector.

PREdi's mission remains to be its ambition to achieve a high level of reliability and quality of its electricity supply while ensuring its networks' safety on all voltage levels that reflect the ever-changing context and needs of the energy sector. PREdi's use of modern technologies helps enhance the standard of living of Prague citizens, improve energy consumption savings and reduce the environmental burden.

## 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 took over all activities of the company ODEM, a.s. (specialised in readings of metering devices) and selected activities linked to installations and purchase of metering devices 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 the companies Pražská plynárenská Distribuce, a.s. and Pražská teplotárenská, a.s.

### Number of electricity meter installations carried out in 2023

■ Customer requests	9T
■ New consumption	12T
■ Verification	50T
■ Certified consumption points	4T
<b>Total</b>	<b>75T</b>



### Number of meter readings in 2023

■ Gas	405T
■ Heat	7T
■ Electricity	824T
<b>Total</b>	<b>1,236T</b>



### Revenues generated by RSE in 2023 (TCZK)

■ FVE PREm	367,486
■ PRE FVE Světlík	48,600
■ PRE VTE Částkov	36,546
<b>Total</b>	<b>452,632</b>



The company produces electricity using photovoltaic power plants and wind farms with a total installed capacity of 31 MW.

Since 2013, it has been developing its portfolio of energy services across all customer segments mainly by organic means.

In 2018, PREm became the sole shareholder of two companies: SOLARINVEST – GREEN ENERGY, s.r.o. (Solarinvest), which sells, designs and installs photovoltaic power plants, heat pumps and air-conditioning systems to both B2C and B2B customers, and FRONTIER TECHNOLOGIES, s.r.o. (Frontier), which sells, designs and installs LED lighting systems and B2B solutions with energy savings guarantees.

In the second half of 2023, PREm underwent a significant organisational reform effective as of 1 January 2024. As a result, the original PREm divided, spinning off designated activities into PRE distribuční služby, a.s., (PREds), a 100% subsidiary of PRE.

PREds' scope of activities includes meter readings, the purchase, installation and calibration of electricity meters, primarily for PREdi and Pražská plynárenská distribuce, a.s.

Since 1 January 2024, PREm has been operating under the new name PREenergo, a.s. (PREenergo), and will engage in the open market. It will focus on providing energy services to external customers as well as the development and operation of renewable energy sources.

### Renewable sources of energy operated by PREm

Renewable sources of energy	construction / start of operations	acquisition	installed capacity	total generated energy for 2023
Photovoltaic power plant Jinonice	2010		0.173 MWp	169 MWh
Photovoltaic power plant Lhotka	2010		0.060 MWp	56 MWh
Photovoltaic power plant Pražka (I-III)	2010		0.138 MWp	107 MWh
Photovoltaic power plant Hrouda	2010		0.028 MWp	22 MWh
Photovoltaic power plant Sever	2010		0.204 MWp	205 MWh
Photovoltaic power plant Kondrac	2009	11/2011	1.109 MWp	1,195 MWh
Photovoltaic power plant Hořovice	2010	12/2011	1.087 MWp	1,091 MWh
Photovoltaic power plant Pozorka	2010	2/2013	3.998 MWp	4,244 MWh
Photovoltaic power plant Ořešovská	2009	12/2013	3.168 MWp	3,478 MWh
Photovoltaic power plant Rajhradská	2009	12/2013	3.168 MWp	3,453 MWh
Photovoltaic power plant Dačice	2009/2010	12/2014	4.848 MWp	4,936 MWh
Photovoltaic power plant Mikulov	2009	12/2014	0.941 MWp	1,065 MWh
Photovoltaic power plant Pozořice	2010	4/2015	4.596 MWp	4,844 MWh
Photovoltaic power plant Holešovice	2018		0.007 MWp	5 MWh
Photovoltaic power plant Kormak	2021/2022		0.067 MWp	58 MWh
Photovoltaic power plant Pozorka	2023		0.996 MWp	379 MWh
<b>In total photovoltaic power plants PREm</b>			<b>24.588 MWp</b>	<b>25,307 MWh</b>
PRE FVE Světlík	2009/2010	11/2017	2.154 MWp	3,094 MWh
<b>In total photovoltaic power plants</b>			<b>26.742 MWp</b>	<b>28,401 MWh</b>
PRE VTE Částkov I	2009	12/2019	2.000 MW	4,242 MWh
PRE VTE Částkov II	2009	12/2019	2.000 MW	4,242 MWh
<b>In total wind farms</b>			<b>4.000 MW</b>	<b>8,484 MWh</b>
<b>In total renewable sources of energy</b>			<b>30.742 MW</b>	<b>36,885 MWh</b>



**When competing, one can feel the tension in every nerve, in every touch with the ball. Our aim is to transform the energy generated through training and thorough preparation into Olympic medals, proudly wearing the national team jersey. Being the best is our goal.**

**Jan Haták**

Czech boccia athlete

### **eYello CZ, k.s.**

SeYello 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 (*PREenergo since 1 January 2024*) the limited partner with 10%. Since 2012 it has been offering supply of electricity and since 2013 supply of gas to its end customers all over the Czech Republic.

The company, operating under the Yello Energy brand, has ranked among the continuously 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 since 1999 electricity supply under the Yello brand in the German market, where it ranks among one of the most successful alternative energy suppliers.

The company's activities for 2023 are stated in more detail in chapter "Trading with electricity and gas" under the section "Sales – eYello CZ, k.s."

### **KORMAK Praha a.s.**

KORMAK Praha a.s. (Kormak) has been a member of the PRE Group since 14 March 2016 as a 100% subsidiary of PRE. It provides comprehensive engineering, design and construction services in the field of electricity power structures ranging from 0.4 to 110 kV, 22/0.4 kV transformer stations and charging infrastructure for electric vehicles. Additionally, it performs maintenance of facilities at the LV and MV levels, including inspections, offers continuous fault services as well as installations of terminations and MV couplings into the PREdi network. The company is also involved in the restoration of 110/22 kV transformers as well as the construction and maintenance of public lighting. PREdi is its main client for projection and implementation services in the field of energy structures.

In 2023, one of the most significant contracts was the project documentation for the renovation of the HV cable line between Holešovice TR and Sever TR and the actual laying of this cable line. The new line was put into operation in February 2024. Other significant contracts include the project documentation for the renovation of HV and LV cable lines in the Spořilov area. This project is starting to be implemented. As part of another project, Kormak completed the adjustment of the total installed capacity of Uhřetěves TR in the direction of the Prague neighbourhood Petrovice, thus optimising the operation of the MV network in this area.

Kormak is also actively involved in implementing projects related to new energy trends within the PRE Group. They include the development of charging infrastructure for e-mobility, the establishment of optical infrastructure, the production of switchboards for control and dispatch technology and other smart city projects. As part of the smart city projects, the implementation of EVR lamps in the Vršovice area (Estonská, Mexická streets) began in 2023, to be completed in 2024. In 2023, Kormak completed not only the project documentation for the Metropolitní síť II project but also fully implemented it, involving the installation of charging infrastructure throughout Prague.

### **PREservisní, s.r.o.**

PREservisní, s.r.o., (PREs) is a 100% subsidiary of PRE. As of 1 January 2019, it 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, purchasing and operation of the Group's fleet of vehicles and other mobility mechanisms. PREs also carries out investments 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, PRE and PREm.

2023 was a significant year for PREs as it marked its first year in a new role. Throughout the year, it actively participated in two development projects. The first project involved the preparation of a residential construction project adjacent to the Jínonice TR. The company acquired the neighbouring land, which will enhance the value of this project in the future. The second project was in Vysočany, where PREs became the owner of land and buildings pertaining to the Východ TR in the cadastral community Vysočany. Having signed a joint venture agreement (JVA) with Metrostav Development, a.s., on May 31, 2023, the company placed these properties into the joint venture entity called Rezydent Park 9 s.r.o., in which it acquired a 50% stake. The funding of these projects required an increase in the company's capitalization, which led to the decision to increase the company's share capital to CZK 150 million. Additionally, the company continued with the project involving engineering preparatory works for the construction of its new Transport and Logistics Area Sever. This project aims to replace the abandoned areas of the Central Warehouse in Prague – Čimice and the Transportation facility in Prague – Holešovice in the future.

In 2023, the following building projects were completed for PREdi under the guidance of PREs: the Karlín cable tunnel in the direction Hlávka Bridge (installation of cable support systems) and the new 110/22 kV distribution station of the Slivenec TR, which started operating in 2023. Further works were carried out in connection with the reconstruction of the Střed TR, the Jih TR and the construction of the Invalidovna cable tunnel, including the finalisation of cable tunnel lining. In the second half of 2023, PREs launched tunnelling works for the Rohan cable tunnel and construction works of a new distribution transformer warehouse SEVER. Thanks to PREs's involvement, a further 107 smart transformer stations were put into service. In cooperation with Technologie hlavního města Prahy (THMP), PREs helped connect a total of 200 EVR lamps at the Prague sites of Velká Ohrada, Prosek, Bohnice, Vinohrady, Kobylisy, Petřiny, Háje and Černý Most. It also continued to prepare the infrastructure for the connection of new charging points from the PREdi network.

In the middle of the year, PREs successfully completed the construction of charging stations for PRE as part of the subsidy programs Charge.PRE.2022, CEUC, and Metropolitan Network II. Further works were then carried out on the implementation of charging stations as regularly planned.

For PREm, PREs launched works on FVE Přimda I, which was completed and certified at the end of the year. Additionally, PREs ensured complete preparatory works and then launched the implementation of the frequency restoration reserve project using diesel generators of the Uhřetěves and Třeboradice construction projects.

In the area of material procurement, PREs also started to supply other PRE Group companies, namely PREm (with the frequency restoration reserve project using diesel generators for the Třeboradice project) and Solarinvest (with the FVE Přimda project), thus developing further synergies within the PRE Group. However, as prices of photovoltaic panels decreased over 2023, the company was forced to reevaluate its inventory and, as a result, had to account for impaired loss which had a negative impact on the company's financial results. The high costs associated with financing the purchase and storage of materials prompted the need to incorporate these expenses into the markup for sold materials for the first time in the company's history, positively affecting the company's economic results.

In the area of building management for the parent company PRE, PREs, in cooperation with other companies of the PRE Group, focused even more on energy-saving measures, implementing further innovations aimed at enhancing the energy efficiency of buildings.

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

### PREzákaznická, a.s.

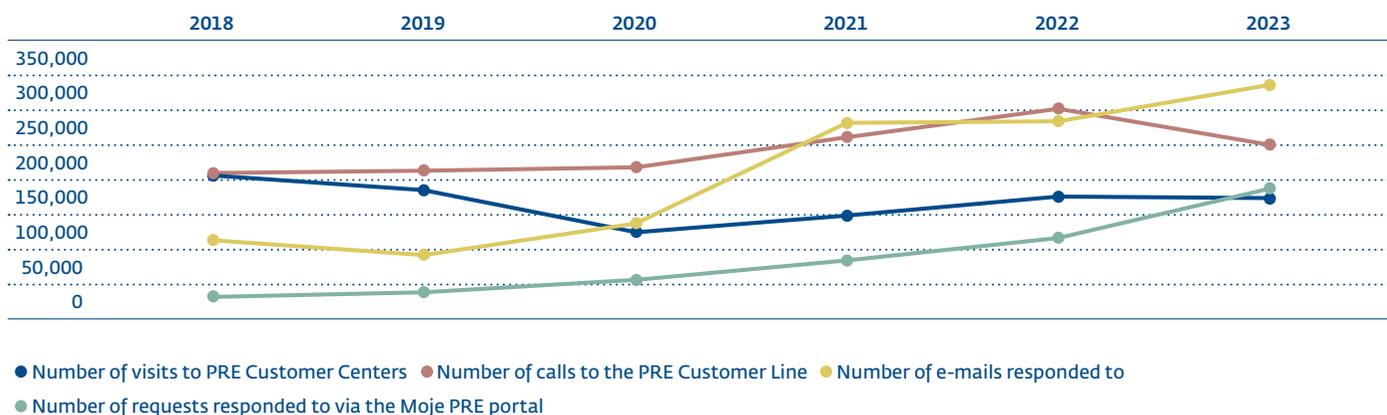
PREzákaznická, a.s., (PREzak), is a 100% subsidiary of PRE. It is in charge of all main customer service channels (the PRE Customer Centre, the PRE Call Centre, chat and e-mail communication) as well as the provision of customer support services on behalf of PRE, PREDi, PREm (PREenergo since 1 January 2024) and Yello. Since 31 December 2023, it has newly provided customer support to PREds as well. It also handles invoicing and subsequent debt recovery, including related system adjustments when legislative requirements change.

The main goal of PREzak is to provide high-quality customer services. 2023 saw an extreme increase in customer submissions, particularly sent by email. This was primarily down to the consequential changes in the energy market, including the energy price caps, the decline in energy prices during the second half of the year as well as the expected increase in distribution fees. All of this had to be duly communicated to customers. To this end, PREzak conducted numerous communication campaigns to communicate the adjusted amount of advance payments. Also, the company had to respond to the increased number of customers using self-meter reading.

At the same time, energy companies started again to fight for customers. PREzak processed a record number of price quotes for both electricity and natural gas.

Throughout 2023, PREzak faced significant employee turnover, especially in the customer service line, leading to lower availability and a decrease in the number of processed requests from calling customers.

### Number of requests responded to



The successful PRÉMIE campaign, designed to motivate customers to reduce consumption, significantly increased the workload on service channels.

As in previous years, in 2023, as part of its continuous efforts to improve its services, the company continued to monitor customer satisfaction levels for those in contact with PRE through the customer line, visits to customer centres, or the use of the My PRE portal for online processing of metering point transfers. The goal is to enhance positive brand perception, foster customer relationships while streamlining existing processes and procedures.

In collaboration with IPSOS, a mystery shopping project was conducted throughout the year to map the quality of services provided during customer interactions on the PRE Customer Line and identify common mistakes and deficiencies in conversations. Based on the findings, recommendations were formulated to pinpoint areas where operators can achieve even better results.

Additionally, in 2023, PREzak took over the provision of services for end customers of electromobility, including billing. Also, it managed to complete another of its projects allowing for the exchange of its knowledge base. Employees will be thus able to comfortably search for information as they communicate with customers. The project also includes training materials for new and existing employees in the Front Office department, ensuring unified customer service across all communication channels.

As the charts above show, the increase in customer requirements is extreme and the area of digitalisation and automation of activities is a necessity and a major goal for PREzak in the years to come.

## **VOLTCOM, spol. s r.o.**

VOLTCOM, spol. s r.o. (Voltcom) is a 100% subsidiary of PRE and has been part of the PRE Group since 30 April 2019.

In 2023, its further integration into the PRE Group continued. Voltcom also deepened its collaboration with PREdi and PREs and, as a result, its volume of orders to the PRE Group increased to 75.85 % of the total. Voltcom is regarded by PREdi as a highly competent partner, skilled not only in the field of construction, but also with experience in services related to the 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. In addition to this, Voltcom provides services related to the replacement of transformers in PREdi's distribution network.

In 2023, the company put into operation another 15 smart transformer stations and contributed to the further development of EVR lamps in the capital city of Prague.

Voltcom's strength lies in its employees' willingness to enhance their professional qualifications. A number of them are established as members of the Czech Chamber of Chartered Engineers and Technicians Engaged in Construction (ČKAIT) in several mutually interwoven fields directly linked to energy constructions.

Also, 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. As a member of design consortiums, Voltcom's Design section provides design services for PREdi as well as EG.D, a.s. and

ČEZ Distribuce, a.s. In 2023, Voltcom, as the leading member of a design consortium, met the qualification criteria for and won a tender for design works. In the fourth quarter of 2023, the company signed several framework contracts for provision of services in four areas with EG.D, a.s. (South Bohemian Region), ensuring a volume of design work for the consortium led by Voltcom at a minimum amount of approximately 20 million CZK per year for the following six years.

Voltcom managed to carry out 24.15 % of the total volume of contracts, amounting to CZK 66.42 million, outside of the PRE Group.

### **PREnetcom, a.s.**

PREnetcom, a.s., (PREnetcom) was founded on 27 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 as part of smart grids and smart metering in the distribution system. 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 2023, PREnetcom sustained its successful strategy of operating, maintaining and managing its passive communication infrastructure within the PRE Group. In order to reach operational synergies and draw on its know-how, PREnetcom also focused on bringing smart distribution transformer stations and pilot AMM into operation. Throughout 2023, it managed to smarten more than 100 smart distribution transformer stations. As last year saw the trend of an increased demand for the connection of small generation units with more than 100 kW, in total, 20 such units were put into operation.

PREnetcom then focused its attention on further developing the ESO system it uses for the planning, construction and operation of its passive communication infrastructure. It developed the functions of specifications, implementation and automation in invoicing, which will, in turn, help save manual work in the future.

Also, it completed a number of commercial pilot projects of different sizes (i.e., the number of consumption points, or apartments) at various sites in Prague and with different layouts to the surrounding buildings. It completed the construction of a new passive optical network at the following sites in Prague: Hodkovičky, Kunratice, Krč, Hostivař and Nové Město. As a result, the optical network has expanded by a further 70 kilometres. PREnetcom installed more than 900 electrical boxes and prepared connectivity infrastructure for more than 6,000 flats and family houses.

In 2023, PREnetcom's key task was to prepare and launch the construction of a power distribution system inside of multi-family and family houses. In cooperation with several other providers, it managed to standardise its procedure to connect family houses, and it continues to develop methods to implement comprehensive solutions, including those for apartment buildings.

The company also managed to foster its cooperation with property developers. It sustained its fruitful collaboration with the FINEP company with a number of projects, but also managed to implement several other projects with other property developers, such as Sekyra Group, Trigema and Metrostav.

## **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 (PREenergo since 1 January 2024). 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 2023, Solarinvest sustained its growth by increasing revenues by over 40% compared to 2022, exceeding CZK 300 million. It was extraordinarily successful in the segment of large industrial installations. In other segments, the company's performance was stable. It did not, however, manage to achieve the planned growth in the B2C photovoltaic power plants installations. As the market suddenly and markedly cooled down, Solarinvest was unable to offset the effects in time by enhanced marketing efforts or introducing new sales channels. Also, its good economic results come down to the fact that it managed to implement a number of internal changes, including the digitisation of processes aimed at improving services and streamlining and simplifying its activities.

## **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 (PREenergo since 1 January 2024). It offers services focused on energy efficiency solutions.

Frontier develops, manufactures, designs, and implements interior LED lighting, primarily for administrative buildings, industrial facilities, sports venues and schools. It also provides outdoor lighting and designs and installs public lighting solutions.

Energy analyses and audits constitute another key area of its activities. It designs, implements and operates projects with guaranteed savings (via Energy Performance Contracting - EPC).

Within the PRE Group, Frontier handles business operations and, in cooperation with sister companies, also carries out implementation activities in the field of photovoltaic power plants for the B2B and B2G sectors. In this segment, it offers additional energy services, such as energy contracting (EC) projects.

The most significant projects carried out in 2023, significantly contributing to the company's results, involved the implementation of public and interior lighting in the city of Aš, the reconstruction of lighting through the EPC method for the Czech Railways' south depot, the implementation of interior lighting for the company Thermo King as well as the supply of luminaires, control elements and EVR lamp components for THMP. In the energy services sector, Frontier completed an EPC project for the Cadastral Office in Zlín for PRE. Also, it initiated the verification of the EPC project for the Zličín Depot for the Prague Public Transit Company. The project was selected as the winning one at the end of 2023.

In the field of photovoltaic power plants, Frontier implemented a 1 MWp rooftop solar power plant for ČerozFrucht in 2023. Two photovoltaic projects with a total capacity of 1.3 MWp for Arrowe are in the final stages of completion. The company signed more contracts for the implementation of a 1 MWp ground installation photovoltaic system with ThermoKing and a rooftop installation through the energy contracting (EC) method with Partner in Pet Food CZ.

Frontier conducted energy assessment, audit and analysis projects for a number of companies, such as VAMED MEDITERRA, a.s., the Bishopric of Hradec Králové and Elis Textil Servis, s.r.o.

### **PRE FVE Světlík, s.r.o.**

PRE FVE Světlík, s.r.o., has been since November 2017 a 100% subsidiary with no employees owned by PREm (*PREenergo as of 1 January 2024*). 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 2023, the power plant generated approximately 3.1 GWh of electricity, which translated into a total of approximately CZK 48.6 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 (*PREenergo as of 1 January 2024*). It became part of the PRE Group in December 2019. It is a wind farm with the 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 2023, the power plant generated approximately 8.5 GWh of electricity, which translated into a total of approximately CZK 36.5 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 (*PREenergo as of 1 January 2024*). It was established in 2021 with the aim of constructing a major photovoltaic power plant that is planned to be built in Western Bohemia. The total installed capacity of this new energy source is projected to amount to 23.5 MWp. The construction is scheduled to begin in the second half of 2024. Currently, the project is in its preparatory phase.

### **NETFIN Infrastructure, a.s.**

NETFIN Infrastructure, a.s. (Netfin) is a joint venture of FINEP HOLDING, SE, and PREnetcom, a.s. It was established in 2022 to foster joint cooperation in the development of real estate projects carried out by the FINEP Group, especially in the area of electromobility and optical network connections (with other areas of cooperation being possible, too).

In 2023, Netfin focused on establishing optical and charging infrastructure for the first development projects of FINEP in the residential segment, particularly in the areas of Elektra (Hloubětín), Západní Město (Stodůlky), and Kaskády Barrandov. Currently, the infrastructure is already being utilized by the initial hundreds of customers, and their number is expected to gradually increase with the expansion into existing as well as new projects.

### **Rezident Park 9 s.r.o.**

The company Rezident Park 9 s.r.o. (RP9) is a joint venture between PREservisní, s.r.o. (with a 50% stake in RP9) and Metrostav Development, a.s. (with a 50% stake in RP9). The Joint Venture Agreement, which laid the foundation for collaboration between the two partners of RP9, was signed on 31 May 2023. The objective of this joint venture is the preparation of the site and the construction of a residential project on Ke Klíčovu Street, Prague 9 – Vysočany, expected around 2028. The first stages of the project involve changes to the land-use plan, relocation of the current distribution substation, and completion of permitting processes.

### **Elektroenergetické datové centrum, a.s.**

Elektroenergetické datové centrum, a.s., (EDC) was founded on 13 December 2023, with the aim of addressing new trends in the energy market. Firstly, its establishment will allow for the sharing of electricity beyond one delivery point, and that already in 2024. EDC will also help address additional planned changes, such as flexibility aggregation, accumulation and other innovations. Its sole shareholders are ČEPS, a.s., ČEZ Distribuce, a.s., EG.D, a.s., and PREdistribuce, a.s., each with a 25% ownership stake.

# Structure of shareholders

## Shareholders

All shareholders have access to important information about the company either directly on the company's website ([www.pre.cz](http://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 December	2023	2022	2021	2020	2019	2018
Pražská energetika Holding, a.s.	58.05	58.05	58.05	58.05	58.05	58.05
EnBW Central and Eastern Europe Holding GmbH *)	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 September 2021 EnBW Energie Baden-Württemberg AG

## Structure of PRE shareholders (%)

As of 31 December	2023		2022		2021		2020	
	Number of shareholders	Nominal value (TCZK)						
Tuzemští akcionáři	5,125	2,267,596	5,214	2,267,596	5,306	2,266,204	5,386	2,266,190
Zahraniční akcionáři	10	1,601,847	10	1,601,847	12	1,603,239	13	1,603,253
Akcionáři celkem	5,135	3,869,443	5,224	3,869,443	5,318	3,869,443	5,399	3,869,443
Fyzické osoby	5,121	21,572	5,209	21,569	5,301	20,045	5,380	20,030
Právnícké osoby	14	3,847,871	15	3,847,874	17	3,849,398	19	3,849,413

# Information from the General Meeting

The Annual General Meeting of Pražská energetika, a.s., held on 23 June 2023,

1) approved:

- ..... permanent Rules of Procedure of the General Meeting in its proposed form;
- ..... the consolidated financial statements for 2022 in its proposed form;
- ..... the separate financial statements for 2022 in its proposed form;
- ..... the proposal for the distribution of 2022 profit, including determination of the amount of profit shares (dividends) and directors' fees for 2022 and their method of payment;
- ..... the contract on the performance of the duties of the newly elected members of the Supervisory Board, including remuneration;
- ..... the contract on the performance of the duties of the newly elected members of the Works Council Board, including the services provided;
- ..... the presented proposal for the total amount of donations in 2024;

2) decided to change its Rules of Procedures under Article 5 "Company's scope of business", section 10, in its proposed form;

3) decided to remove from office the following member of the Supervisory Board:

- ..... Michael Koch as of 23 June 2023;

4) elected new members of the Supervisory Board:

- ..... Johannes Zügel as of 23 June 2023;
- ..... David Procházka as of 24 June 2023;
- ..... Jan Chabr as of 22 June 2024 for a subsequent term; and,

5) discussed the Supervisory Board Report, including its opinion on the report on the company's business activities and its assets for 2023.

# 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 five meetings of the Supervisory Board in 2023 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 of Directors.

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 2023, the Supervisory Board, among other:**

- ..... 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 2022;
- ..... debated and reviewed the Report on Relations for 2022 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 Supervisory Board Report on Activities in 2022;
- ..... debated the 2022 Annual Report;
- ..... debated and reviewed the consolidated and separate financial statements for 2022 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 Report of the Board of Directors on Business Activities and Assets for 2022;
- ..... debated and reviewed the proposal for the distribution of 2022 profit, including the determination of the amount of profit shares (dividends) and directors' fees for 2022, and the method of payment;
- ..... debated and adopted the drafted amendment of the statutes;
- ..... debated the materials to be debated by the General Meeting in 2023;
- ..... approved the 2023 update of the PRE Group strategy for 2024-2030;
- ..... elected Markus Baumgärtner and Pavel Elis as members of the Board of Directors for a subsequent term;
- ..... elected David Vodrážka as and Jaromír Beránek as members of the Board of Directors to succeed to Radim Kříž, whose term has expired, and Marek Ženíšek, who resigned from his functions;

..... debated and approved the resignation of Aurélie Alemany, member of the Board of Directors;  
..... approved the economic plan for 2024 and took account of the draft plan for 2025-2026;  
..... approved the top management's objectives for 2024;  
..... debated the plan of audits; and,  
..... approved the project of selling the residential complex K Ládví owned by subsidiary PREDistribuce, a.s.

The Supervisory Board declares that the company's economic results in 2023 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, 27 March 2024

Signed by

**Jan Chabr**

chairperson of the Supervisory Board

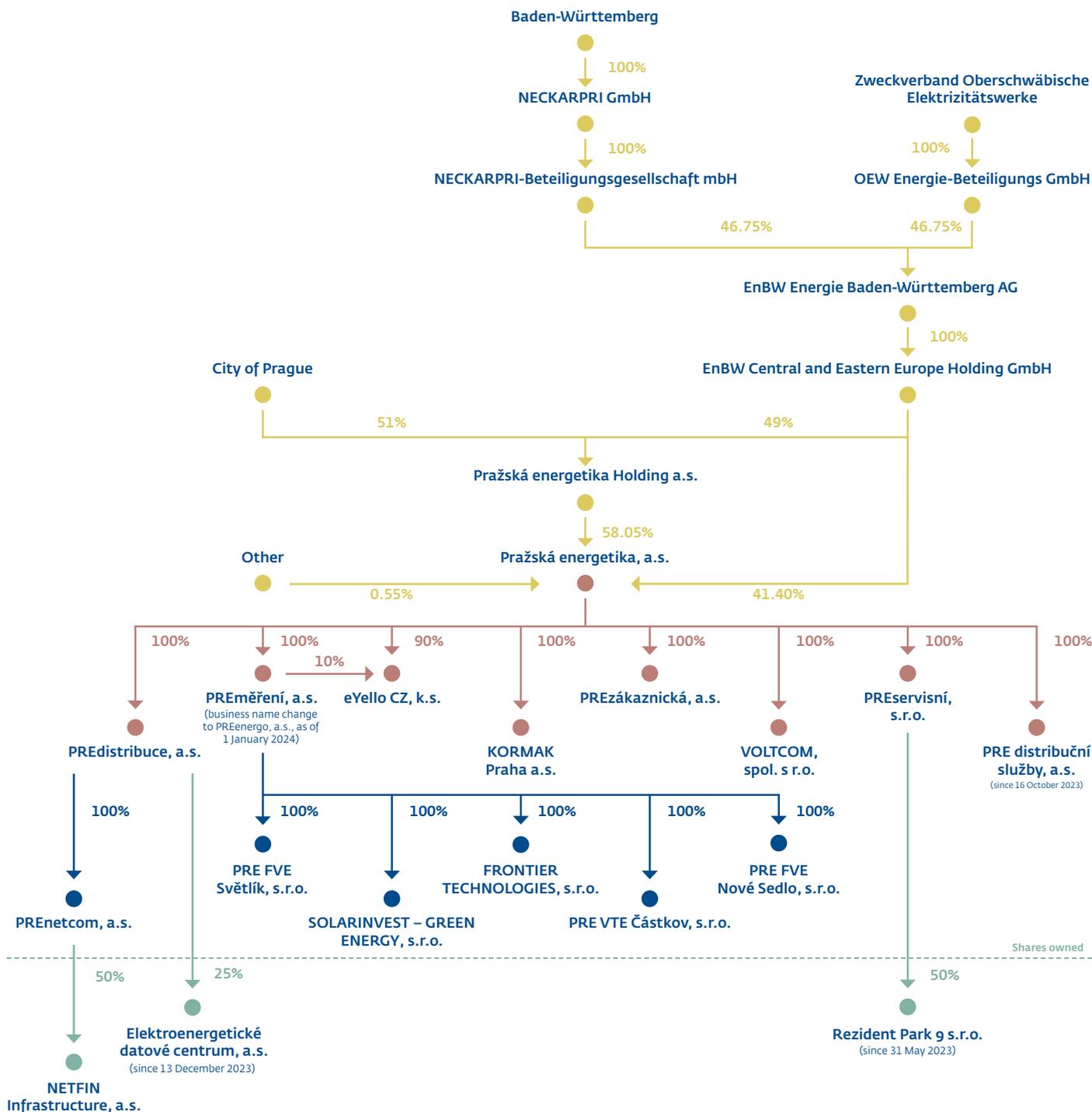
IPRE



**Life on stage brings with it literally electrifying experiences and atmosphere. During each performance, there is a real transfer of energy between us, performers, and the audience. This mutual recharging propels us forward.**

**Linda Finková**  
actress and singer

# Report on Relations



## Report on Relations of Pražská energetika, a.s., for 2023

("the Report on Relations") drawn up in accordance with Section 82 of Act No. 90/2012 Sb., on Business Corporations and Cooperatives ("the Business Corporations Act") for the accounting period of 1. 1. – 31. 12. 2023. 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. The structure of the relations between the controlled entity and the controlling entity, 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 00 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, file 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 00 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 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 2023, 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 1 November 2018 for an indefinite period of time

---

### **II. Contracts concluded by PRE with EnBW and with the entities controlled by EnBW**

---

Business cooperation agreement concluded with EnBW (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 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 division – in effect from 12 January 2016 until the coming into effect of the lease contract

---

### III. Contracts concluded by PRE with its subsidiaries

#### a. Contracts between PRE and PREdi

Contract on the provision of services No. PS20000023/005 – in effect from 1 January 2023 for an indefinite period of time

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, as amended

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

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

Lease contract – plastic advertising pannels – No. NO21106/001 – in effect from 30 December 2005 for an indefinite period of time, as amended

Lease contract No. NO21109/006 on the lease of the premises of Malešice training centre – in effect from 1 April 2009 for an indefinite period of time

10 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 and 2 April 2048

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

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

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

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

Contract on join 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. NV/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. NV/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, as amended

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, as amended

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

Contract on the provision of short-term loans No. PS20000017/009 – in effect from 17 February 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 and 31 December 2028

Contract on the sale of electricity in PREpoint public 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 linked to damage-causing events) – in effect from 21 July 2021 for an indefinite period of time

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

Contract on long-term loan No. 1/2022 PS20000022/018 – in effect from 27 June 2022 and 15 July 2034

Contract on long-term loan No. 1/2023 PS20000023/029 – in effect from 25 July 2023 and 25 July 2035

3 agreements on the conclusion of a future agreements on the establishment of an easement

Purchase agreement for the acquisition of immovable assets in Čimice, No. KV/G33/16441/2363994 – in effect from 3 November 2023 for an indefinite period of time

Purchase agreement for the acquisition of cranes – dTrans Sever warehouse, No. KV/S21/16441/2365313 – in effect from 1 November 2023 and 30 December 2023

126 contracts in effect on the lease of a part of an immovable asset (charging posts)

The PRE Group and PREdi have concluded contracts on the conclusion of a contract on the connection to the distribution system for all new 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, as amended

Lease contract No. G3530/NO/03/2016/32451, M5000/NV/2016/33228 – in effect from 1 March 2016 for an indefinite period of time, as amended

Lease contract No. G3530/NO/05/2016/33671, M5000/NV/2016/34134 – in effect from 1 April 2016 for an indefinite period of time, as amended

Lease contract No. G3530/NO/05/2016/33808, M5000/NV/2016/34760 – in effect from 1 April 2016 for an indefinite period of time, as amended

Contract on the provision of short-term loans No. C00186/05 (G3160/PREM-KRDUV/2005/02) – in effect from 30 November 2005 for an indefinite period of time, as amended

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 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, as amended

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, as amended

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, as amended

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, as amended

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, as amended

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, as amended

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, as amended

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, as amended

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. C00542/11, G4630/2011/0005 – in effect from 5 December 2011 for an indefinite period of time, as amended

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//01/2016/0002 – in effect from 21 January 2016 for an indefinite period of time, as amended

Servicing contract No. G3530/10, M6100/SE/2016/0020 – in effect from 1 March 2016 for an indefinite period of time, as amended

Contract on long-term loan No. 2/2014 (C00807/O/2015/14, G1020/PREM-VSU2/2014/06) – in effect from 28 February 2014 to 28 February 2023

Contract on long-term loan No. 3/2014 (C00808/O/2015/14, G1020/PREM-VSU3/2014/07) – in effect from 28 February 2014 to 29 February 2024

Contract on long-term loan No. 4/2014 (C00809/O/2015/14, G1020/PREM-VSU4/2014/08) – in effect from 28 February 2014 to 29 February 2024

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 (M5000/DAC/2015/0015, G1020/BLACKUVER/2014/01) – 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/Požořice/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 long-term loan for Pozorka RSE No. 1/2023 (M5000/O/2023/009) – in effect from 25 July 2023 and 25 July 2029

Contract on operational cash transfer No. G1020/POKLAD\_PREM/2017/1, M5000/O2017/0001 – in effect from 17 February 2017 for an indefinite period of time

Contract on the supply of electricity from Holešovice RSE No. M6100/E/2018/0179 – in effect from 15 November 2018 for an indefinite period of time

Contract on joint electricity supply services 'Dvouletky' No. M6100/E/2018/0106 – in effect from 28 June 2018 for an indefinite period of time

Contract on the establishment of easement No. M5000/G33/2020/0002, G3539/2020/10/010 – in effect from 12 May 2020 for an indefinite period of time

Contract on cash pooling ZBA/2019/13 (M5000/O/2020/0003) – in effect from 13 February 2020 for an indefinite period of time

Contract on the supply of electricity from Kondrac RSE No. M5500/E/2022/003 – in effect from 1 January 2023 and 31 December 2023

Contract on the supply of electricity from Hořovice RSE No. M5500/E/2022/005 – in effect from 1 January 2023 and 31 December 2023

Contract on the supply of electricity from Pozorka RSE No. M5500/E/2022/009 – in effect from 1 January 2023 and 31 December 2023

Contract on the supply of electricity from Pozořice RSE No. M5500/E/2022/006 – in effect from 1 January 2023 and 31 December 2023

Contract on the supply of electricity from Pozořice RSE No. M5500/E/2022/007 – in effect from 1 January 2023 and 31 December 2023

Contract on the supply of electricity from Dačice RSE No. M5500/E/2022/004 – in effect from 1 January 2023 and 31 December 2023

Contract on the supply of electricity from Mikulov RSE No. M5500/E/2022/002 – in effect from 1 January 2023 and 31 December 2023

Contract on the supply of electricity from Syrovice RSE No. M5500/E/2022/008 – in effect from 1 January 2023 and 31 December 2023

Contract on the supply of electricity from Syrovice RSE No. M5500/E/2022/010 – in effect from 1 January 2023 and 31 December 2023

Contract on the supply of electricity from Pozorka II RSE No. M5500/E/2023/011 – in effect from 1 January 2023 and 31 December 2023

Contract on the supply of electricity from Kormak RSE No. M5500/E/2022/011 – in effect from 1 January 2022 for an indefinite period of time

Framework purchase agreement "Metropolitan network of charging stations PRE II – wallboxes and stands" No. M6100/RS/2021/005 – in effect from 7 April 2021 to 6 April 2025

Framework purchase agreement "Metropolitan network of charging stations PRE II – charging stands with smart control systems for multiple and stands" No. M6100/RS/2021/006 – in effect from 7 April 2021 and 6 April 2025

Contract on the supply of electricity 3510530720 /EE/202001, M6100/E/2020/0073 – in effect from 18 December 2019 for an indefinite period of time

Charging stations servicing contract No. V4020/PRE/10/2021/015, M6200/SE/2021/010 – in effect from 13 January 2022 for an indefinite period of time

Contract for work No. V4020/PRE/05/2022/001, M6100/O/2022/005 – in effect from 3 January 2022 and 3 January 2027

Contract for work No. V4020/PRE/05/2022/003, M6100/O/2022/006 – in effect from 3 January 2022 and 3 January 2027

Contract for work No. V4020/PRE/05/2022/002, M6100/O/2022/007 – in effect from 3 January 2022 and 3 January 2027

Contract on the lease of land No. G1240/004, M5000/NV/2023/63142 – in effect from 20 March 2023 and 19 March 2064

Contract on the provision of services No. M5000/O/2023/002 (P/Pm -23) – in effect from 1 January 2023 for an indefinite period of time

Contract on the provision of services No. M5000/O/2023/006 (Pm-P-23) – in effect from 1 January 2023 for an indefinite period of time

Contract on the establishment of an easement No. G3539/VV/16061/2361687 – in effect from 6 March 2023 for an indefinite period of time

Lease contract No. G1240/2023/004, M5000/NV/2023/63142 – in effect from 20 March 2023 and 19 March 2064

Contract on the supply of electricity from Přimda RSE No. E7000/E/2024/030 – in effect from 15 November 2023 and 31 December 2024

Order sheets for electricity installation services for 2023 – 39 copies

### c. Contracts between PRE and Yello

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

General contract for work No. PG3530/06/NS2128/00199 – in effect from 31 May 2013 to 31 March 2024, 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, as amended

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 (C00203/0010) – in effect from 1 July 2014 for an indefinite period of time, as amended

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

Contract on the provision of services No. P-Y-23, contract on the processing of personal data – in effect from 1 January 2023 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/YK23, Contract on personal data processing – in effect from 1 January 2023 for an indefinite period of time

Contract on the sale of electricity in PREpoint charging stations No. 191600176 – in effect from 20 February 2019 for an indefinite period of time

76 contracts/orders for planning and construction work

**e. Contracts between PRE and PREs**

Contract on the provision of services No. Ps-P-23, Contract on personal data processing – in effect from 1 January 2023 for an indefinite period of time

Contract on long-term loan No. 1/2016 – in effect from 20 July 2016 to 29 July 2026

Contract on long-term loan No. 1/2017 – in effect from 10 April 2017 to 10 April 2027

Contract on electricity supply No. 30401546 – in effect from 16 June 2020 for an indefinite period of time

Contract on electricity supply No. 30401548 – in effect from 2 June 2020 for an indefinite period of time

Contract on electricity supply No. 30313819 – in effect from 2 June 2020 for an indefinite period of time

Contract on electricity supply No. 30410019 – in effect from 16 October 2020 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 HR19 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 long-term loan No. 1/2022 – in effect from 15 June 2022 and 16 June 2034

Contract on long-term loan No. 1/2023 (G3160/SERV\_DL\_UV/2023/01) – in effect from 26 January 2023 and 1 February 2033

Contract on long-term loan No. 2/2023 (G3160/SERV\_DL\_UV2/2023/03) – in effect from 22 May 2023 and 31 May 2026

Contract on long-term loan No. 3/2023 (V4000/PRESERV/ DÚ/2023/017) – in effect from 15 August 2023 and 31 May 2026

Framework agreement for the provision of a safety plan, coordination of safety and health protection activities at the construction site (OSH) – in effect from 1 January 2023 for an indefinite period of time

**f. Contracts between PRE and PREzak**

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

Contract on the provision of services No. P-Pz-23 – in effect from 1 January 2023 for an indefinite period of time

Contract on the provision of services No. Pz-P-23 – in effect from 1 January 2023 for an indefinite period of time

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

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

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

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/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/06/2018/40214 – in effect from 1 January 2018 and 31 July 2033, as amended

Sub-lease contract No. G3530/NO/06/2018/40215 – in effect from 1 January 2018 to 31 July 2033

Sub-lease contract No. G3530/NO/06/2018/40216 – in effect from 1 January 2018 and 31 July 2033, as amended

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

Sub-lease contract No. G3530/NV/06/2019/46631 – in effect from 1 September 2019 and 28 February 2023, as amended

Sub-lease contract No. G3530/NO/04/2023/62288 – in effect from 1 March 2023 for an indefinite period of time, as amended

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

**g. Contracts between PRE and Voltcom**

Lease contract and sub-lease contract of a part of real estate 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 21 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

Contract on the provision of services No. PS20000019/23 – in effect from 1 January 2023 and 31 December 2023

Contract for work No. V4030/ PRE/01/2023/034 – in effect from 22 June 2023 and 31 December 2023

Contract for work No. V4030/ PRE/01/2023/078 – in effect from 11 December 2023 and 31 December 2023

#### 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. G3400/4699, PS20000019/010 – in effect from 1 January 2019 to 31 December 2048

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

##### b. Contracts between PRE and PREnetcom

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 – in effect from 1 January 2023 for an indefinite period of time

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

General contract on the provision of services No. IT – in effect from 4 October 2022 and 3 October 2024

Mapping of fiber optic connections – order from 8 November 2023

Contract on the assignment of contract to ČEPS – in effect from 1 January 2019 for an indefinite period of time

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

##### c. Contracts between PRE and Solarinvest

Contract on short-term loans No. G3160/05/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 29 May 2018 to 31 January 2025

Contract on intragroup loan No. G3160/SIGE\_VSU1/2019/02) – in effect from 2 May 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 G3160/SIGE\_VSU1/2020/03 – in effect from 24 February 2020 and 28 February 2024

Contract on long-term loan No. 2/2020 G3160/SIGE\_VSU2/2020/04 – in effect from 24 February 2020 and 30 March 2024

Contract on long-term loan No. 3/2020 G3160/VSU3/2018/09 – in effect from 11 September 2020 to 15 August 2028

Contract on long-term loan No. 1/2021 G3160/VSU1/2018/01 – in effect from 1 March 2021 to 28 February 2025

Contract on long-term loan No. 1/2023 G3160/VSU4/2018/04 – in effect from 1 March 2023 for an indefinite period of time, as amended

##### 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 1 April 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 July 2022 for an indefinite period of time

Contract on the provision of expert services in the area of protection of personal data No. G 10100/2020/003 – in effect from 1 August 2020 for an indefinite period of time

Contract on the provision of expert services in the area of protection of personal data No. G10100/2022/003 – in effect from 15 February 2022 for an indefinite period of time

Framework contract on work – provision of supplies of comprehensive lighting systems – in effect from 4 May 2021 for an indefinite period of time

Contract for work No. V4030/PREs/01/2022/090 – in effect from 2 November 2022 and 31 March 2023

Contract for work No. V4030/PRE/01/2023/005 – in effect from 31 January 2023 and 15 April 2023

Contract for work No. V4030/PREs/01/2023/006 – in effect from 1 February 2023 and 15 May 2023

Contract for work No. V4030/PRE/01/2023/030 – in effect from 17 July 2023 and 31 August 2023

Contract for work No. V4030/PRE/01/2023/031 – in effect from 17 July 2023 and 30 November 2023

Contract for work No. V4030/PRE/01/2023/051 – in effect from 10 August 2023 and 30 September 2023

---

#### e. Contracts between PRE and PRE FVE Světlick

Contract on loan – in effect from 30 November 2017 to 28 November 2027

Contract on cashpooling No. G3160/FVE\_KRD\_UV/2018/03 – in effect from 29 November 2018 for an indefinite period of time

---

#### f. Contracts between PRE and PRE VTE Částkov

Contract on short-term loans No. G3160/CAST\_KRDUV/2020/08 – in effect from 14 July 2020 for an indefinite period of time

Contract on long-term loan No. 1/2020 G3160/ČÁST\_VSU1/2020/05 – in effect from 24 February 2020 and 2 March 2028

---

#### g. Contracts between PRE and PRE FVE Nové Sedlo

Contract on the provision of services No. P-NS-23 dated 31 December 2022 for an indefinite period of time

Contract on short-term loans dated 25 October 2021 – in effect until 31 December 2023

---

### V. Contracts between PRE subsidiaries

#### a. Contracts between PREdi and PREm

Contract on the provision of services No. PS20000023/002, M5000/O/2023/0008 – in effect from 1 January 2023 and 31 December 2023

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 and 31 December 2030

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

Contract on the lease of land No. N21110/039, C00436/10 – in effect from 1 October 2010 and 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/S25/2361726, M5200/RS/2022/0003 – in effect from 1 January 2023 and 31 December 2026

7 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/O2021/151 – in effect from 9 August 2021 for the time of the effect of the above-listed contracts on cooperation

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  
 Contracts on the purchase of movable assets (electric bike)  
 PREm and PREdi have concluded contracts on the connection to the distribution system for all consumption points.

#### b. Contracts between PREdi and Yello

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, as amended  
 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. PS27200021/2019/008 – 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. PS27200022/002 – in effect from 11 January 2022 and 14 December 2026  
 Lease contract – supply contract No. NV/S24/1946371 – in effect from 11 July 2019 for an indefinite period of time  
 Contract on the provision of services No. K-Pd-23, PS20000023/003 – in effect from 1 January 2023 for an indefinite period of time  
 Contract on the provision of dispatcher control services and handling No. PS23330223/011 – in effect from 1 January 2023 and 31 December 2023  
 General purchase agreement to supply SG5 boxes, including orders, No. V 4010/PREdi/2021/001 – in effect from 30 March 2021 for an indefinite period of time, as amended  
 Purchase agreement No. KV/S21/2361335/2052088 (sale of surplus dismantled material) – in effect from 3 January 2023  
 General Purchase agreement No. M6100/ S24/2365069 (provision of AXH distribution boards) – in effect from 24 August 2023 for an indefinite period of time, as amended  
 Contract for work No. PS21001023/001 – in effect from 3 January 2023 and 31 March 2023  
 Contract on work - provision of design and engineering services for the construction of a relay equipment within the distribution system, No. 99/S24/PR/2363502 – in effect from 16 August 2023 and 30 April 2024, as amended  
 9 contracts for work on carrying out repairs of distribution network  
 108 contracts for work on the provision of design and engineering services for the construction of distribution system equipment  
 147 contracts for work on carrying out construction of distribution system equipment

#### d. Contracts between PREdi and PREs

Contract on the provision of services No. PS20000023/006 – in effect from 1 January 2023 for an indefinite period of time  
 General contract on electricity supply No. G4100/ S24/2361411 – in effect from 1 January 2023 for an indefinite period of time, including 3 orders  
 Contract on the establishment of easement No. VV/G33/16240/2362666 – in effect from 25 April 2023 and 30 December 2030 or until the 1st day of the month following the commissioning of the new TR (whichever occurs earlier)  
 Purchase agreement No. KV/G33/16438/2363992 (on immovable assets) – in effect from 1 November 2023  
 Purchase agreement No. KV/G33/15932/2260753 (on immovable assets) – in effect from 25 April 2023

#### e. Contracts between PREdi and PREzak

Contract on the provision of services No. PS20000023/004 – in effect from 1 January 2023 for an indefinite period of time

**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 and 31 December 2023  
Contract on personal data processing No. PS27200019/2019/012 – 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 and 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/S21/2261180 (installation, dismantling and disposal of transformers) – in effect from 1 January 2023 and 31 December 2025  
Contract for work No. PS23330223/001 (dispatch services and manipulation) – in effect from 1 January 2023 and 31 December 2023  
4 contracts on work to perform a job – in effect from 10 January 2023 and 31 December 2023  
3 contracts for work on the provision of design and engineering services for the repairs of distribution system equipment  
18 contracts for work on carrying out repairs of distribution system equipment  
110 contracts for work on the provision of design and engineering services for the construction of distribution system equipment  
81 contracts for work on carrying out construction of distribution system equipment  
2 purchase agreements for the sale of transformers

---

**g. Contracts between PREm and Kormak**

---

General contract on work on servicing of transformer stations 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  
2 contracts and order for planning and construction works  
1 order on implementation works

---

**h. Contracts between PREm and PREs**

---

Contract on the provision of services No. M5000/O/2023/004, V4000/PRESERV/2023/004, Contract on personal data processing – in effect from 1 January 2023 for an indefinite period of time  
Contract on electricity supply No. V4020/SERV/2017/2021 – in effect from 1 April 2021 for an indefinite period of time  
Contract on connection No. V4020/ SER/2021/01 – in effect from 1 April 2021 for an indefinite period of time  
Framework agreement for the provision of a safety plan, coordination of OSH coordinator activities at construction site no. M5500/RS/2023/010, V3000/PRESERV/2023/003 – in effect from 1 January 2023 for an indefinite period of time

---

**i. Contracts between PREm and PREzak**

---

Contract on the provision of services No. M5000/O/2023/003, Pz/Pm/23, Contract on personal data processing – in effect from 1 January 2023 and 31 December 2023

---

**j. Contracts between PREm and Voltcom**

---

Contract No. 5200/O/23/ 001, 202330010 – in effect from 1 January 2023 and 31 December 2023  
15 orders on work on electric equipment installations

---

**k. Contracts between Yello and PREs**

---

Contract on the provision of services No. V4000/PRESERV/2023/007, including the approved budget with anticipated costs for 2023 – in effect from 31 December 2022 for an indefinite period of time  
Contract on the provision of services No. P-Y-23, contract on the processing of personal data – in effect from 1 January 2023 for an indefinite period of time

---

**I. Contracts between Yello and PREzak**


---

Contract on the provision of services No. Y-Pz-23, contract on the processing of personal data – in effect from 1 January 2023 for an indefinite period of time

---

Contract on the provision of services No. Pz-Y-23, contract on the processing of personal data – in effect from 1 January 2023 for an indefinite period of time

---

**m. Contracts between Kormak and PREs**


---

Contract on the lease of non-residential premises for business No. V4020/ NO/ 2020/49122 – in effect from 1 April 2020 for an indefinite period of time, as amended

---

Contract on the lease of non-residential premises for business No. V4020/ NO/ 2020/52209 – in effect from 1 December 2020 for an indefinite period of time, as amended

---

Lease contract No. V4020/NO/04/2023/61354 – in effect from 1 October 2022 and 31 December 2027

---

Purchase agreement on the provision of AYP01 boxes No. 19003694

---

Contract on the provision of services No. Ps-K-23 – in effect from 1 January 2023 for an indefinite period of time

---

Contract on the provision of services No. V4020/SERV/S/04/2023/005 – in effect from 1 September 2023 for an indefinite period of time, as amended

---

1 lease contract No. V4020/NO/04/2023/61354 – in effect from 1 October 2022 and 31 December 2027

---

**n. Contracts between Kormak and Voltcom**


---

4 orders for the provision of SD boxes

---

5 orders for installation works

---

**o. Contracts between PREs and PREzak**


---

Contract on the provision of services No. Ps/Pz/-23, Contract on personal data processing – in effect from 1 January 2023 for an indefinite period of time

---

**p. Contracts between PREs and Voltcom**


---

Contract on the provision of services No. Ps/K/23 – in effect from 1 January 2023 and 31 December 2023

---

**VI. Contracts between PRE subsidiaries and their subsidiaries****a. Contracts between PREdi and PREnetcom**


---

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)

---

Lease contract No. NO/S21/1943803 – in effect from 1 January 2019 for an indefinite period of time, as amended

---

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

---

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

---

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

---

**b. Contracts between PREm and Solarinvest**


---

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 execution of the construction of photovoltaic power plants M6100/RS/2016/0088 – in effect from 1 September 2016 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 the sale of batteries No. M6100/K/2017/0130 – in effect from 3 November 2017 for an indefinite period of time, as amended

---

General Purchase agreement 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/2018/0114 – in effect from 23 July 2018 for an indefinite period of time

Contract on the supply of electricity from Pozorka II RSE No. M5500/E/2022/012 – in effect from 29 September 2022 and 27 June 2023

Contract on the supply of electricity from Pozorka II RSE No. M5500/E/2022/012A – in effect from 14 March 2023 and 23 January 2024

Agency contract No. M5500/O/2023/019 – in effect from 7 August 2023 and 7 August 2023

---

#### c. Contracts between PREm and Frontier

Sub-licence contract No. M6100/2022/139 – in effect from 1 July 2022 for an indefinite period of time

---

#### d. Contracts between PREm and PRE FVE Světlík

Contract on the provision of services No. Pm-S-23, M5000/O/2023/005 – in effect from 1 January 2023 for an indefinite period of time

---

#### e. Contracts between PREm and PRE VTE Částkov

Contract on the provision of services No. Pm-Č-23, M5000/O/2023/007 – in effect from 1 January 2023 for an indefinite period of time

---

#### f. Contracts between PREm and PRE FVE Nové Sedlo

Contract on the provision of counselling services No. M5500/2023/015 – in effect from 21 September 2023 and 31 January 2024

---

#### g. Contracts between PREm and PREnetcom

5 received orders on work on electric equipment

2 received orders for fibre optic mapping

---

#### h. Contracts between PREs and PREnetcom

Contract on the provision of services No. PS-Pn-23, PS/N90/2361810 – in effect from 1 January 2023 for an indefinite period of time

---

#### i. Contracts between PREs and PRE VTE Částkov

Contract on the provision of services No. Ps-Č-23 – in effect from 1 January 2023 for an indefinite period of time

---

#### j. Contracts between PREs and PRE FVE Nové Sedlo

Framework agreement for the provision of Occupational Health and Safety (OSH) Plan Development V3000/PREserv/2023/004 January 2 January 2023 - in effect until 31 December 2024

Service agreement No. Ps-NS-23 dated 31 December 2022 for an indefinite period

---

#### k. Contracts between PREs and RP9

Purchase agreement for the transfer of real estate No. V4020/KV/16241/2362667 dated 31 May 2023

Loan agreement No. V4000/PREserv/RP9/011 May 31 May 2023 – for an indefinite period

---

## I. Contracts between Voltcom and Frontier

Contract for construction and assembly works of public lighting for the project "Modernization of public lighting network – EVR location Kobylysy – non-synergistic part" – in effect from 8 March 2023 and 30 November 2023

1 order for installation works

### 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 settled 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 PRE, 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, 7 March 2024

Signed by

**Pavel Elis**

chairperson of the Board of Directors

Signed by

**Alexander Manfred Sloboda**

vice-chairperson of the Board of Directors

## Appendix No. 1 to the Report on Relations of PRE for 2023

### Controlled and connected entities of EnBW (as of 31 December 2023)

#### SALES

##### Fully consolidated companies

Alectron AG, Ruswil / Switzerland
BroadNet Deutschland GmbH, Köln / Germany
ED Liegenschaften GmbH, Rheinfelden / Germany
EnBW Contracting GmbH, Stuttgart / Germany
EnBW Energy Factory GmbH, Stuttgart / Germany
EnBW Smart Meter GmbH, Karlsruhe / Germany (formerly symbiotic services GmbH, Karlsruhe / Germany)
EnBW Telekommunikation GmbH, Karlsruhe / Germany
EnBW Vertriebsbeteiligungen GmbH, Stuttgart/Germany
ESD Energie Service Deutschland GmbH, Offenburg/Germany
eYello CZ, k. s., Prague/Czech Republic
fonial GmbH, Cologne/Germany
G.EN. Gaz Energia Sp. z o.o., Tarnowo Warsaw/Poland
Gasversorgung Süddeutschland GmbH, Stuttgart/Germany
Gasversorgung Unterland GmbH, Heilbronn/Germany
goldgas GmbH, Eschborn/Germany
goldgas GmbH, Vienna/Austria
HANDEN Sp. z o.o., Tarnowo Warsaw/Poland
HEV Hohenloher Energie Versorgung GmbH, Ilshofen/Germany
Messerschmid Energiesysteme GmbH, Bonndorf/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
PREzákaznická, a.s., Prague/Czech Republic
SENEC GmbH, Leipzig/Germany
SENEC Italia s.r.l., Řím / Italy
Studer Söhne Elektro AG, Visp / Switzerland
Studer Söhne Holding AG, Visp / Switzerland
tritec-winsun AG, Steg-Hohtenn / Switzerland
Ventelo GmbH, Cologne/Germany
VNG Austria GmbH, Gleisdorf / Austria
VNG Energie Czech s.r.o., Praha / Czech Republic
VNG-Erdgascommerz GmbH, Leipzig/Germany
VOLTCOM, spol. s r.o., Prague/Czech Republic
Yello Solar GmbH, Karlsruhe/Germany

Yello Strom GmbH, Cologne/Germany  
 ZEAG Immobilien GmbH & Co. KG, Heilbronn/Germany  
 EnBW mobility+ AG & Co. KG, Karlsruhe/Germany  
 Erdgas Südwest GmbH, Karlsruhe/Germany  
 NetCom BW GmbH, Ellwangen/Germany  
 Energieversum GmbH & Co. KG, Gütersloh / Germany  
 SMATRICS EnBW GmbH, Vienna/ Austria  
 BSH GmbH & Co. KG, Bad Königshofen i. Grabfeld / Germany  
 Solarmeisterei GmbH, Schwielowsee / Germany  
 Pražská energetika, a.s., Praha / 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  
 EnBW Contracting Service GmbH, Stuttgart / Germany  
 Energieversum Verwaltungs GmbH, Gütersloh / Germany  
 F&Q Netzbetriebs GmbH & Co. KG, Cologne/Germany  
 GIBY GmbH, Leipzig/Germany  
 mobility+ Beteiligungs GmbH, Karlsruhe / Germany  
 NatürlichEnergie Projekte GmbH, Wittlich / 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  
 SENECloud s.r.l., Rim / Italy  
 SENE Fachpartner GmbH, Leipzig / Germany (formerly EnBW Omega 138. Verwaltungsgesellschaft mbH, Stuttgart / Germany)  
 SMATRICS EnBW Italia S.R.L., Bozen / Italy  
 T & Q Netzbetriebs GmbH & Co. KG, Cologne/Germany  
 VNG ViertelEnergie GmbH, Leipzig/Germany  
 VNG-Erdgastankstellen GmbH, Leipzig/Germany  
 ZEAG Immobilien Verwaltungsgesellschaft mbH, Heilbronn/Germany  
 effizienzcloud GmbH, Leipzig / Germany  
 Elektrizitätswerk Weißenhorn AG, Weißenhorn / Germany  
 Glasfaser Gesellschaft Dinkelsbühl GmbH, Dinkelsbühl / Germany (formerly EnBW Omega 145. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)  
 grünES GmbH, Esslingen am Neckar/Germany  
 Stromvertrieb Backnang Verwaltungs GmbH, Backnang/Germany  
 BSH Verwaltungs-GmbH, Bad Königshofen i. Grabfeld / Germany

**Companies consolidated under the equity method**

Fernwärme SBH AG, Grafenhausen / Germany  
 SMATRICS GmbH & Co KG, Vienna / Austria  
 MITGAS Mitteldeutsche Gasversorgung GmbH, Halle (Saale) / Germany

---

**Joint ventures**

bmp greengas GmbH, München/Germany  
 Senec Australia PTY Ltd. i.L., Sorrento / Australia  
 AutenSys GmbH, Karlsruhe / Germany  
 backnangstrom GmbH & Co. KG, Backnang / Germany  
 CleverShuttle Düsseldorf GmbH, Düsseldorf / Germany  
 Energiewerker GmbH, Östringen / Germany  
 my-e-car GmbH, Lörrach / Germany  
 Regionah Energie GmbH, Munderkingen / Germany  
 Rezydent Park 9 s.r.o., Praha / Czech Republic  
 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  
 BEN Fleet Services GmbH i.L., Karlsruhe / Germany  
 Gasversorgung Pforzheim Land GmbH, Pforzheim / Germany  
 Sautter PE GmbH, Ellhofen / Germany  
 caplog-x GmbH, Leipzig / Germany  
 Visp Infra AG, Visp / Switzerland  
 IDR Infrastrukturdienste Raron AG, Raron / Switzerland  
 Gemeinschaft für Energieeffizienz GmbH, Düsseldorf / Germany  
 espot GmbH, Stuttgart / Germany  
 Tempus s.r.l., Torri di Quartesolo / Italy  
 Energie 360 GmbH & Co. KG, Korbach / Germany  
 Schön Verwaltungsgesellschaft mbH, Korbach / Germany  
 Sungrade Photovoltaik GmbH, Günzburg / Germany  
 E-Mobility Provider Austria GmbH, Vienna / Austria  
 ehoch7 GmbH, Schönaich / Germany  
 Energieagentur Heilbronn GmbH, Heilbronn / Germany  
 Stadt- und Überlandwerke GmbH Luckau-Lübbenau, Luckau / Germany  
 EDSR Energiedienste Staldenried AG, Staldenried / Switzerland  
 Wolkenhaus GmbH, Visp / Switzerland

---

## NETWORKS

### Fully consolidated companies

---

ED Netze GmbH, Rheinfelden / Germany
EnBW Kommunale Beteiligungen GmbH, Stuttgart / Germany
EnBW Nachhaltige Quartiere GmbH, Karlsruhe / Germany (formerly EnBW Omega 143. Verwaltungsgesellschaft mbH, Karlsruhe/Germany)
EnBW Netze BW Beteiligungsgesellschaft mbH, Stuttgart / Germany
EnBW REG Beteiligungsgesellschaft mbH, Stuttgart / Germany
EnBW Urbane Infrastruktur GmbH, Karlsruhe / Germany
Energieversorgung Südbaar GmbH & Co. KG, Blumberg / Germany
EnPulse Ventures GmbH, Stuttgart / Germany
EVGA Grundstücks- und Gebäudemanagement GmbH & Co. KG, Obrigheim / Germany
FRONTIER TECHNOLOGIES, s.r.o., Praha / Czech Republic
G.EN. Operator Sp. z o.o., Tarnowo Podgórze / Poland
GDMcom GmbH, Leipzig / Germany
GEOMAGIC GmbH, Leipzig / Germany
KORMAK Praha a.s., Praha / Czech Republic
Netze BW Wasser GmbH, Stuttgart / Germany
Netze ODR 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
PRE distribuční služby, a.s., Praha / Czech Republic
PREdistribuce, a.s., Praha / Czech Republic
PREměření, a.s., Praha / Czech Republic
PREnetcom, a.s., Praha / Czech Republic
Q-Süd Gewerbe GmbH & Co. KG, Heilbronn/Germany
Q-Süd Wohnen GmbH & Co. KG, Heilbronn/Germany
RBS wave GmbH, Stuttgart/Germany
SMIGHT GmbH, Karlsruhe / Germany
terranets bw GmbH, Stuttgart / Germany
TransnetBW GmbH, Stuttgart / Germany
ZEAG Engineering GmbH, Heilbronn / Germany
EnBW Ostwürttemberg DonauRies AG, Ellwangen / Germany
ZEAG Energie AG, Heilbronn / Germany
Gas-Union GmbH, Frankfurt am Main / Germany
FoxInsights GmbH, München / Germany
Netze BW GmbH, Stuttgart / Germany
WTT CampusONE GmbH, Ludwigsburg/Germany
Stadtwerke Düsseldorf AG, Düsseldorf / Germany

---

EnBW Übertragungsnetz Immobiliengesellschaft mbH & Co. KG, Karlsruhe/Germany

Stromnetzgesellschaft Heilbronn GmbH & Co. KG, Heilbronn/Germany

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

---

**Related but unconsolidated companies**

---

Batteriegesellschaft Kupferzell GmbH & Co. KG, Kupferzell / Germany

CENTRALE HYDROGENE DE LA GRANDE BORNE SAS, Montpellier / France

CENTRALE HYDROGENE DE THENNES SAS, Montpellier / France

ChargeHere GmbH, Karlsruhe / Germany

DZ-4 GmbH, Hamburg / Germany

Elektrizitätswerk Aach GmbH, Aach / Germany

EnBW Cyber Security GmbH, Karlsruhe / Germany

Energieversorgung Gaildorf OHG der EnBW Kommunale Beteiligungen GmbH und NWS REG Beteiligungsgesellschaft mbH, Gaildorf / Germany

GDMcom Bau GmbH, Cavertitz / Germany (formerly Schneider GmbH, Cavertitz / Germany)

GDMcom Netze GmbH, Leipzig / Germany

GDMcom Planung GmbH, Zeulenroda-Triebes / Germany (formerly IBZ Neubauer GmbH, Zeulenroda-Triebes / Germany)

GEOMAGIC Utility Solutions Inc., Houston / USA

IBZ Bau GmbH, Zeulenroda-Triebes / Germany

InfraKom GmbH, Rheinfeldern Baden / Germany

InfraKom WaR GmbH, Rheinfeldern Baden / Germany

MoviaTec GmbH, Leipzig / Germany

Neckar Netze Verwaltungsgesellschaft mbH, Esslingen am Neckar / Germany

Netze Regional GmbH, Stuttgart / Germany

NHL Verwaltungs-GmbH, Heilbronn / Germany

OSG ONTRAS Servicegesellschaft mbH, Leipzig / Germany

Rieger Beteiligungs-GmbH, Lichtenstein, Kreis Reutlingen / Germany

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

Verwaltungsgesellschaft Batteriespeicher Kupferzell mbH, Kupferzell / Germany

Weishaupt Planungen GmbH, Grimma / Germany

Wärmegesellschaft Heilbronn GmbH, Heilbronn / Germany

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

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

Energieversorgung Donautal GmbH, Gundelfingen a.d. Donau / 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

---

### Companies consolidated under the equity method

Stadtwerke Esslingen am Neckar GmbH & Co. KG, Esslingen am Neckar / Germany  
 Pražská energetika Holding a.s., Praha / 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  
 Energieversorgung Rheinfelden/Grenzach-Wyhlen GmbH & Co. KG, Rheinfelden Baden / Germany  
 Stadtwerke Karlsruhe GmbH, Karlsruhe / Germany  
 Zweckverband Bodensee-Wasserversorgung, Stuttgart / 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  
 Flexcess GmbH, Bayreuth / Germany  
 Fränkische Wasser Service GmbH, Crailsheim / Germany  
 ictor GmbH, Leipzig / Germany  
 NETFIN Infrastructure, a.s., Praha / Czech Republic  
 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  
 Netzgesellschaft Gerstetten mbH, Gerstetten / Germany

Stadtwerke Esslingen-Verwaltungsgesellschaft mbH, Esslingen am Neckar / Germany

Energie Sachsenheim GmbH & Co. KG, Sachsenheim / Germany

Energie Sachsenheim Verwaltungs-GmbH, Sachsenheim / 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

Gemeindewerke Bodanrück GmbH & Co. KG, Allensbach / Germany

Gemeindewerke Bodanrück Verwaltungs-GmbH, Allensbach / 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

VED Visp Energie Dienste AG, Visp / Switzerland

nue GmbH, Berlin / Germany (formerly certflow GmbH, Stuttgart / Germany)

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

Levl Energy GmbH, Stuttgart / 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

Elektroenergetické datové centrum, a.s., Praha / Czech Republic

Switchboard GmbH, Stuttgart / 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

q-bility GmbH, Gerolsbach Alberzell / 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
Cambert Énergie SARL, Montpellier / France
Centrale Photovoltaïque de la Forêt Bagnolais SARL, Montpellier / France
Centrale Photovoltaïque de la ZA de Gaudet SARL, Montpellier / France
Centrale Photovoltaïque de Saint Quentin la Tour SAS, Montpellier / France
Centrale Solaire d'Exideuil SARL, Montpellier / France
Centrale Solaire de Bors de Montmoreau 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 Erneuerbare Operation & Service GmbH, Klausdorf / Germany (formerly EnBW Offshore Service GmbH, Klausdorf / Germany)
EnBW Etzel Speicher GmbH, Karlsruhe / Germany
EnBW France GmbH, Stuttgart / Germany
EnBW Grundstücksverwaltung Rheinhafen GmbH, Karlsruhe / Germany
EnBW Holding A.S., Gümüssuyu-Istanbul / Turecko
EnBW Kraftwerk Lippendorf Beteiligungsgesellschaft mbH, Stuttgart / Germany
EnBW Mainfrankenpark GmbH, Dettelbach/Germany
EnBW NAG-Beteiligungsgesellschaft mbH, Stuttgart / Germany
EnBW Norway AS, Oslo / Norsko
EnBW Offshore 1 GmbH, Stuttgart / Germany
EnBW Offshore 2 GmbH, Stuttgart / Germany

EnBW Offshore 3 GmbH, Stuttgart / Germany  
 EnBW Offshore 4 GmbH, Stuttgart / Germany  
 EnBW Offshore Service Denmark ApS, Skødstrup / Denmark  
 EnBW Renewables International GmbH, Stuttgart / Germany  
 EnBW Rückbauservice GmbH, Stuttgart / Germany  
 EnBW Solar GmbH, Stuttgart / Germany  
 EnBW Solarpark Gottesgabe GmbH, Stuttgart / Germany  
 EnBW Solarpark Tuningen GmbH, Stuttgart / Germany  
 EnBW Solarpark Weesow-Willmersdorf GmbH, Stuttgart / Germany  
 EnBW Sverige AB, Falkenberg / Sweden  
 EnBW UK Limited, London / Velká Británie  
 EnBW Wind Onshore 1 GmbH, Stuttgart / Germany  
 EnBW Windkraftprojekte GmbH, Stuttgart / Germany  
 EnBW Windpark Hemme GmbH, Stuttgart / Germany  
 EnBW Windpark Prötzel GmbH, Stuttgart / Germany  
 ENERGIEUNION GmbH, Schwerin / Germany  
 Erdgasspeicher Peissen GmbH, Halle (Saale) / 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  
 Gesellschaft für nukleares Reststoffrecycling mbH, Neckarwestheim / Germany  
 Gramentes Énergie SAS, Montpellier / France  
 Grünwerke GmbH, Düsseldorf / Germany  
 Heizkraftwerk Stuttgart GmbH, Stuttgart / Germany  
 Interconnector GmbH, Karlsruhe/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  
 MSE Mobile Schlammwässerungs GmbH, Karlsbad-Ittersbach / Germany  
 naturenergie hochrhein AG, Rheinfelden Baden / Germany (formerly Energiedienst AG, Rheinfelden Baden / Germany)  
 Parc Éolien de Bornay 2 SARL, Montpellier / France  
 Parc Éolien de Breuillac SARL, Montpellier / France  
 Parc Éolien de Champs Perdus 2 SARL, Montpellier / France  
 Parc Éolien de la Vallée de Belleuse SARL, Montpellier / France  
 Parc Éolien de le Quesnel SARL, Montpellier / France  
 Parc Éolien de Maredeuil SARL, Montpellier / France  
 Parc Éolien du Mont de l'Echelle SARL, Montpellier / France  
 Parc Éolien du Mont de Maisnil SARL, Montpellier / France  
 PRE FVE Nové Sedlo, s.r.o., Praha / Czech Republic  
 PRE FVE Světlík, s.r.o., Praha / Czech Republic  
 PRE VTE Částkov, s.r.o., Praha / Czech Republic  
 Socpe de Champs Perdus SARL, Montpellier / France  
 SOLARINVEST – GREEN ENERGY, s.r.o., Praha / Czech Republic

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 Gasspeicher Service GmbH, Leipzig / Germany  
VNG Handel & Vertrieb GmbH, Leipzig / Germany  
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  
EE BürgerEnergie Krautheim GmbH & Co. KG, Krautheim / Germany  
EE BürgerEnergie Roigheim GmbH & Co. KG, Roigheim / Germany  
EnBW Kernkraft GmbH, Obrigheim / Germany  
EnAlpin AG, Visp / Switzerland  
Erneuerbare Energien Tauberbischofsheim GmbH & Co. KG, Tauberbischofsheim / Germany  
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  
JatroSolutions GmbH, Karlsruhe / Germany (formerly JatroSolutions GmbH, Stuttgart / Germany)  
EE BürgerEnergie Rosenberg GmbH & Co. KG, Rosenberg / Germany  
EnPV GmbH, Karlsruhe / 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  
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  
Rheinkraftwerk Neuhausen AG, Neuhausen / Switzerland  
EnBW Solarpark Ingoldingen GmbH, 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

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 He Dreiht GmbH & Co. KG, Biberach an der Riß / Germany (formerly EnBW He Dreiht GmbH, Varel / Germany)

EnBW SunInvest GmbH & Co. KG, Stuttgart / Germany

EnBW WindInvest GmbH & Co. KG, Stuttgart / Germany

EnBW Windpark Buchholz III GmbH, Stuttgart / Germany

Windenergie Tautschbuch GmbH, Riedlingen / Germany

EnBW Onshore Portfolio GmbH, Stuttgart / Germany

EnBW Solarpark Birkenfeld GmbH, Stuttgart / Germany

Energie Renouvelable du Languedoc SARL, Montpellier / France

Joncels Energie SARL, Montpellier / France

#### 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

Bliekevare Nät AB, Falkenberg / Sweden

CarbonBW (Thailand) Ltd., Bangkok / Thailand

CAS DE BROSSAC SARL, Montpellier / France

CAS DE CANET SAS, Montpellier / France

CAS DE CUSEY SAS, Montpellier / France

CAS DE LA DURANDIERE SAS, Montpellier / France

CAS DE LA LOGE SAS, Montpellier / France

CAS de la Plaine SAS, Montpellier / France

CAS DE LIGLET SAS, Montpellier / France

CAS DE LIGNAC SAS, Montpellier / France

CAS DE L'ABBAYE LE CLOU SAS, Montpellier / France

CAS DE MALIGNY SARL, Montpellier / France

CAS DE MEILLANT SASU, Montpellier / France

CAS DE MONTIGNY-SUR-AUBE SAS, Montpellier / France  
CAS de Raix SAS, Montpellier / France  
CAS DE RUNASQUER SARL, Montpellier / France (formerly CAS DE SOULERIS SARL, Montpellier / France)  
CAS DE SAUVIGNAC SAS, Montpellier / France  
CAS DE TAUROU-BAYSSIÈRES SARL, Montpellier / France  
CAS DE TOTAINVILLE SAS, Montpellier / France  
CAS DE TREVOL SAS, Montpellier / France  
CAS EXPERIMENTATION AGRO-CINERGIE SARL, Montpellier / France (formerly Parc Éolien de Bornay SARL, Montpellier / France)  
Centernach Énergie SARL, Montpellier / France  
Centrale de stockage d'énergie de Barre SARL, Montpellier / France (formerly Ferme Éolienne de la Ferrière-de-Flée SARL, Montpellier / France)  
Centrale de stockage d'énergie de Foulventour SAS, Montpellier / France (formerly PE des Paqueriès SAS, Montpellier / France)  
Centrale Photovoltaïque de Sirius SARL, Montpellier / France  
Centrale Photovoltaïque des Gravières SARL, Montpellier / France  
Centrale Photovoltaïque Retour sur l'Isle SARL, Montpellier / France  
Centrale Sol. de la Forêt au Maître SAS, Montpellier / France  
Centrale Solaire de Beauce SARL, Montpellier / France  
Centrale Solaire de Biltagarbi 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  
Centrale Solaire de Colombiers 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 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 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 Tertre SAS, Montpellier / France  
Centrale Solaire d'Aguessac SAS, Montpellier / France  
Centrale Solaire EuroPrimeur SARL, Montpellier / France  
Centrale Solaire la Charme SARL, Montpellier / France  
Centrales Solaires d'Hyperion SARL, Montpellier / France

Centrales Solaires de Terreneuve 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 BLENEAU SAS, Montpellier / France

CS DE CLUNDOC'H SARL, Montpellier / France

CS DE COURTENAY SASU, Montpellier / France

CS DE DAMMARIE EN PUISAYS SAS, Montpellier / France

CS DE DOMERAT SASU, Montpellier / France

CS DE FONTAINES SARL, Montpellier / France

CS DE GRON SAS, Montpellier / France

CS DE LA GOUTTE SARL, Montpellier / France (formerly Parc Éolien du Bois du Piné SARL, Montpellier / France)

CS DE LA GRANDE MAIRÉE SARL, Montpellier / France

CS DE LA GROLLE SASU, Montpellier / France

CS DE LA TOUREILLE SARL, Montpellier / France

CS DE LA VALLEE SARL, Montpellier / France

CS DE LIGUGE SAS, Montpellier / France

CS DE LONGUYON SASU, Montpellier / France

CS DE L'ATELIER COMMUNAL SAS, Montpellier / France

CS DE L'ANCIENNE CARRIERE D'HAMEL SARL, Montpellier / France

CS DE MAGNY SUR TILLE SASU, Montpellier / France

CS DE MAGNY-DANIGON-PUITS-ARTHUR SAS, Montpellier / France

CS DE MORNAY SUR ALLIER SASU, Montpellier / France

CS DE PANZOULT SAS, Montpellier / France

CS DE PEZENES SARL, Montpellier / France

CS DE PIERREFITE SAS, Montpellier / France

CS DE SAINT-JULIEN-LE-MONTAGNIER SAS, Montpellier / France

CS DE SALLAUMINES SARL, Montpellier / France

CS DE SANCOINS SASU, Montpellier / France

CS DE SCHOENECK SAS, Montpellier / France

CS DE VERETZ SAS, Montpellier / France

CS DES CHAUMES SASU, Montpellier / France

CS DES GRANDS CHAMPS SASU, Montpellier / France

CS des Roches Bleues SARL, Montpellier / France

CS DES TROIS VALLEES SARL, Montpellier / France

CS DU CAKEMPIN SARL, Montpellier / France

CS DU CARROI SARL, Montpellier / France

CS DU PRAT DEL FOUR SARL, Montpellier / France (formerly Centrale Photovoltaïque de Pavailier SARL, Montpellier / France)

CS D'AMPUS SAS, Montpellier / France (formerly Centrale Photovoltaïque Domitita SAS, Montpellier / France)

CS LAS SERETTES SASU, Montpellier / France

CS Ste AGATHE LA BOUTERESSE SARL, Montpellier / France (formerly Centrale Solaire d'Algosud SARL, Montpellier / France)

CS VEINAZES SASU, Montpellier / France

Düsseldorfer Entsorgungs- und Stadtreinigungsgesellschaft mbH, Düsseldorf / Germany

EnBW Albatros Management GmbH, Biberach an der Riß / Germany

EnBW Baltic 1 Verwaltungsgesellschaft mbH, Biberach an der Riß / Germany

EnBW Baltic 2 Management GmbH, Biberach an der Riß / Germany

EnBW Baltic Windpark Verwaltungsgesellschaft mbH, Stuttgart / Germany

EnBW Bürgerbeteiligung Wind 1 GmbH, Stuttgart / Germany

EnBW Energy SA, Lausanne / Switzerland

EnBW Generation UK Limited, London / Velká Británie

EnBW He Dreih Management GmbH, Stuttgart / Germany

EnBW Hohe See Management GmbH, Biberach an der Riß / Germany

EnBW Holm Vind AB, Falkenberg / Sweden

EnBW International Markets GmbH, Karlsruhe / Germany

EnBW Kusberget Vind AB, Falkenberg / Sweden

EnBW Neue Energien GmbH, Stuttgart / Germany

EnBW Offshore 5 GmbH, Karlsruhe / Germany (formerly EnBW Omega Sechsendachtzigste Verwaltungsgesellschaft mbH, Karlsruhe / Germany)

EnBW Offshore 6 GmbH, Karlsruhe / Germany (formerly EnBW Omega Vierundneunzigste Verwaltungsgesellschaft mbH, Karlsruhe / Germany)

EnBW Offshore 7 GmbH, Karlsruhe / Germany (formerly EnBW Omega Fünfundneunzigste Verwaltungsgesellschaft mbH, Karlsruhe / Germany)

EnBW Okome Vind AB, Falkenberg / Sweden

EnBW Solar Verwaltungsgesellschaft mbH, Stuttgart / Germany

EnBW Solarpark Emmingen-Liptingen GmbH & Co. KG, Stuttgart / Germany

EnBW Solarpark Gickelfeld GmbH & Co. KG, Stuttgart / Germany

EnBW Solarpark Groß Lübbenau GmbH & Co. KG, Stuttgart / Germany

EnBW Solarpark Göritz GmbH & Co. KG, Stuttgart / Germany

EnBW Solarpark Kroppen GmbH & Co. KG, Stuttgart / Germany

EnBW Solarpark Lauenhagen GmbH, Stuttgart / Germany

EnBW Solarpark Lindenau GmbH & Co. KG, Stuttgart / Germany

EnBW Solarpark Rot an der Rot GmbH & Co. KG, Stuttgart / Germany

EnBW Solarpark Sonnewalde GmbH & Co. KG, Stuttgart / Germany

EnBW SunInvest Management GmbH, Stuttgart / Germany

EnBW Wind Onshore Portfolio 2019 GmbH, Stuttgart / Germany

EnBW Wind Onshore Verwaltungsgesellschaft mbH, Stuttgart / Germany

EnBW WindInvest Management GmbH, Stuttgart / Germany

EnBW Windpark Kleinliebringen GmbH, Stuttgart / Germany

EnBW Windpark Ober-Ramstadt GmbH, Ober-Ramstadt / Germany

EnergieFinanz GmbH, Schwerin / Germany

Ferme Éolienne Beaucamps-le-Jeune SARL, Montpellier / France

Ferme Éolienne de Donzère SARL, Montpellier / France

Ferme Éolienne de la Vallée de Valenne SARL, Montpellier / France

Ferme Éolienne de Plo d'Amoures SAS, Montpellier / France

Grünwerke Verwaltungs GmbH, Düsseldorf / Germany

HAUT DU VAL DE SAONE ENERGIE SASU, Montpellier / France

Mistral SAS, Aix-en-Provence / France

Mélagues Energie SAS, Montpellier / France

NatürlichSonne Trogen GmbH & Co. KG, Wittlich / Germany

NatürlichSonne Trogen Verwaltungs GmbH, Ettlingen / Germany

Norseman Wind AS, Kristiansand / Norsko (formerly Norseman Wind AS, Oslo / Norsko)

ODR Erneuerbare Energien GmbH, Ellwangen Jagst / 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 Boussais SARL, Montpellier / France  
Parc Éolien de Champ Serpette SARL, Montpellier / France  
Parc Éolien de Chan des Planasses SARL, Montpellier / France  
Parc Éolien de Chasseneuil SARL, Montpellier / France  
Parc Éolien de Combaynard 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'Épinette 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 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 Lupsault SARL, Montpellier / France  
Parc Éolien de l'Étourneau SARL, Montpellier / France  
Parc Éolien de Mandres la Cote SAS, Montpellier / France  
Parc Éolien de Monsures 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  
Parc Éolien de Pugny SARL, Montpellier / France  
Parc Éolien de Revelles SAS, Montpellier / France  
Parc Éolien de Ribemont SARL, Montpellier / France  
Parc Éolien de Saint-Ygeaux SAS, Montpellier / France  
Parc Éolien de Sery-les-Mezières 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 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 du Bel Essart SARL, Montpellier / France

Parc Éolien du Bois de la Motte SARL, Montpellier / France

Parc Éolien du Bois du Raz SAS, 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 Moulin a Vent SARL, Montpellier / France

Parc Éolien du Puy Peret SARL, Montpellier / France

Parc Éolien le Mont du Bouillet SAS, Montpellier / France

PE CHEMIN JUSTICE SAS, Amiens / France

PE de Brion SAS, Montpellier / France

PE DE CHAMPAGNE MOUTON SAS, Montpellier / France

PE DE FAUJOL SAS, Montpellier / France

PE DE FORBEAUVOISIN SAS, Montpellier / France

PE DE JAPPE-RENARD SAS, Montpellier / France

PE DE LA CHAPELLE SAINT ETIENNE SARL, Montpellier / France

PE DE LA CHENAIE D'EOLE SAS, Montpellier / France

PE DE LA FAVILLIERE SAS, Montpellier / France

PE DE LA GRANDE BORNE SARL, Montpellier / France

PE DE LA PATURELLE SAS, Montpellier / France

PE DE LA PLAINE DE GRUCHET SAS, Montpellier / France

PE DE LA RIXOUSE SAS, Montpellier / France

PE DE LA RONCE SARL, Montpellier / France (formerly PE DES POMMERAIES SARL, Montpellier / France)

PE DE LANN DU SAS, Montpellier / France

PE DE LONGECOURT SARL, Montpellier / France (formerly Parc Éolien de Ravery SARL, Montpellier / France)

PE DE MAREILLES SAS, Montpellier / France

PE DE RAIX SAS, Montpellier / France

PE DE ROCHE-ET-RAUCOURT SAS, Montpellier / France

PE DE SAINT-GENOU SAS, Montpellier / France

PE DE TENNIE SASU, Montpellier / France

PE DES BRANDIERES SASU, Montpellier / France

PE DES BRETONNIERES SARL, Montpellier / France

PE DES EPIS DE BLE SARL, Montpellier / France

PE DES LAVIERES SAS, Montpellier / France

PE DES MAZOIRES SAS, Montpellier / France

PE DU BINGARD SARL, Montpellier / France

PE du Bois Breton SAS, Montpellier / France

PE DU MOULIN DE LA BUTTE SAS, Montpellier / France

PE DU PIROUET 2 SAS Montpellier / France

PEVENTE-BEN SARL, Montpellier / France

POSTE PRIVE DE LA VALLEE D'AUGE SARL, Montpellier / France (formerly Parc Éolien des Terres de Caumont SARL, Montpellier / France)

POSTE PRIVE DE MAINE-ET-LOIRE SUD SARL, Montpellier / France (formerly PE DU PIROUET SARL, Montpellier / France)

POSTE PRIVE DU GRELLE SARL, Montpellier / France (formerly Parc Éolien des Navarros SARL, Montpellier / France)

Poste privé du Bois de Grassy SARL, Montpellier / France (formerly Parc Éolien de Mouterre-Silly SARL, Montpellier / France)

P² Plant & Pipeline Engineering GmbH, Essen / Germany

Röbergsfjället Nät AB, Falkenberg / Sweden

SENEC Solar s.r.l., Bari / Italy

Sepe de la Gare SAS, Montpellier / France

SP 33 GmbH & Co. KG, Cottbus / Germany

SP 34 GmbH & Co. KG, Cottbus / Germany

Valeco Énergie Québec Inc., Montréal / Canada

VNG Italia S.r.l., Bologna / Italy

Windpark Wiemerstedt II GmbH & Co. KG, Stuttgart / Germany

ZEAG Erneuerbare Energien GmbH, Heilbronn / Germany

ZEPHYR HOLDING SAS, Montpellier / France (formerly Ferme Éolienne de Thalys SAS, Montpellier / France)

EE Bürgerenergie Bühlerzell GmbH & Co. KG, Bühlerzell / Germany

EE Bürgerenergie Hardheim GmbH & Co. KG, Hardheim / Germany

EE Bürgerenergie Höpfingen GmbH & Co. KG, Höpfingen / Germany

EE Bürgerenergie Frankenhardt GmbH & Co. KG, Frankenhardt / Germany

EE BürgerEnergie Neudenu GmbH & Co. KG, Neudenu / Germany

EE BürgerEnergie Osterburken GmbH & Co. KG, Osterburken / Germany

EE BürgerEnergie Pfaffenhofen GmbH & Co. KG, Pfaffenhofen / Germany

EE Bürgerenergie Sulzbach-Laufen GmbH & Co. KG, Sulzbach-Laufen / Germany

EE BürgerEnergie Zaberfeld GmbH & Co. KG, Zaberfeld / Germany

Neue Energie Billigheim GmbH & Co. KG, Billigheim / Germany

EE BürgerEnergie Schöntal GmbH & Co. KG, Schöntal / Germany

EnBW Solarpark Gückelhirn GmbH & Co. KG, Stuttgart / Germany

Parc Éolien des Bruyères SAS, Plaisance / France

CS DE TEILHEDE SAS, Montpellier / France

EE BürgerEnergie Heuchelberg GmbH & Co. KG, Schwaigern / Germany

Parc Éolien des Moussières SARL, Montpellier / France

PE DE LAPAIROUSE SAS, Montpellier / France

PE DES ESSARDS SAS, Montpellier / France

PE DE LA FONTAINE OISEAU SAS, Montpellier / France

CAS DE SAIGUEDE SAS, Montpellier / France

CAS DES MAROUILLERS SAS, Montpellier / France

Parc Éolien de la Lanques-sur-Rognon SARL, Montpellier / France

PE DE LA JARROUE SAS, Montpellier / France

PE DES HAUTES-FAGES 2 SAS, Montpellier / France

PE DES POMMERAIES SAS, Montpellier / France

PE DU FOSSE PICARD SAS, Montpellier / France

Parc Éolien de Brebières SAS, Montpellier / France

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

PE DU GRAND CHANOIS SAS, Montpellier / France  
PE DE LA GRANDE CHARME SAS, Montpellier / France  
HOLDING DE LA VILAINE SAS, Montpellier / France  
JatroGreen S.A.R.L., Antananarivo / Madagaskar  
PE DE LA LANDE LIVREUL SAS, Montpellier / France  
Nahwärme Düsseldorf GmbH, Düsseldorf / Germany  
Labruguière Énergies SAS, Montpellier / France  
Hydro Léman SARL, Montpellier / France  
PE DES LANDES DE LA GRENOUILLERE SASU, Montpellier / France  
Alb-Windkraft Verwaltungs GmbH, Geislingen an der Steige / Germany  
Neuenstadter Energie GmbH & Co. KG, Neuenstadt am Kocher / Germany  
Solarpark Leutkirch Verwaltungsgesellschaft mbH, Leutkirch im Allgäu / Germany  
PE DES PISTES SAS, Amiens / France  
Sonnensysteme AF GmbH, Ottobrunn, Landkreis München / Germany  
Kemberg Windpark Management GmbH & Co. Betriebsgesellschaft KG, Düsseldorf / Germany

---

#### Companies consolidated at equity

Valeco Ren SAS, Montpellier / France  
Borusan EnBW Enerji yatırımları ve Üretim Anonim Şirketi, Istanbul / Turecko  
Elektrizitätswerk Rheinau AG, Rheinau / Switzerland  
Fernwärme Ulm GmbH, Ulm / Germany  
Mona Offshore Wind Holdings Limited, Sunbury-On-Thames / Velká Británie  
Morgan Offshore Wind Holdings Limited, Sunbury-On-Thames / Velká Británie  
Morven Offshore Wind Holdings Limited, Sunbury-On-Thames / Velká Británie  
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

---

#### Joint ventures

Netzanschlussgesellschaft Windparks Ostercappeln/Bohmte mbH, Kirchdorf / Germany  
UW Obhausen GmbH & Co. OHG, Stuttgart / Germany  
PE DE POULGAT SAS, Montpellier / France  
Centrale Solaire des Calottes SARL, Montpellier / France  
Aranea Battery Solutions GmbH, Stuttgart / Germany  
BALANCE EnviTec Bio-LNG GmbH & Co. KG, Ahrensfelde / Germany (formerly BALANCE EnviTec Bio-LNG GmbH, Ahrensfelde / Germany)  
biogasNRW GmbH i.L., Düsseldorf / Germany  
Centrale Electrique Rhénane de Gamsheim SA, Gamsheim / France  
Centrale Solaire Lac Bedorede SAS, Montpellier / France  
EE BürgerEnergie Buchen GmbH & Co. KG, Buchen Odenwald / Germany  
EE BürgerEnergie Lauffen am Neckar GmbH & Co. KG, Lauffen am Neckar / Germany  
EnergyIncore GmbH, Schwerin / Germany

---

Holding de la Montagne Noire SARL, Montpellier / France  
 KDM Kompostierungs- und Vermarktungsgesellschaft für Stadt Düsseldorf/Kreis Mettmann mit beschränkter Haftung, Ratingen / Germany  
 Kraftwerk Aegina A.G., Obergoms / Switzerland  
 Kraftwerk Reckingen AG, Reckingen / Germany  
 Parc Éolien des Quintefeilles 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  
 „MOWA Mobile Waschanlagen GmbH“, Overath / Germany  
 EE BürgerEnergie Adelsheim GmbH & Co. KG, Adelsheim / Germany  
 Elektrolyse Mitteldeutschland GmbH, Düsseldorf / Germany  
 KW Jungbach AG, St. Niklaus / Switzerland  
 Projektentwicklung Waldeck-Frankenberg Verwaltungs GmbH, Korbach / Germany  
 REMONDIS Rhein-Wupper Verwaltungs GmbH, Düsseldorf / Germany  
 Windpark Halsberg GmbH & Co. KG, Bad Arolsen / Germany (formerly Projektentwicklung Waldeck-Frankenberg GmbH & Co. KG, Korbach / Germany)  
 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  
 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. KG, Walddorfhäslach / Germany  
 Windpark Prützke II GmbH & Co. KG, Düsseldorf / 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  
 EE BürgerEnergie Talheim GmbH & Co. KG, Talheim / Germany  
 Kooperation Erneuerbare Energien im Landkreis Rottweil GmbH, Schramberg / Germany  
 ANOG Anergienetz Obergoms AG, Obergoms / Switzerland  
 KWOG Kraftwerke Obergoms AG, Obergoms / Switzerland  
 CARDABELLE HOLDING SAS, Montpellier / France  
 Wasserkraftwerk Pfinztal GmbH & Co. KG, Pfinztal / Germany

## 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  
EnBW Central and Eastern Europe Holding GmbH, Stuttgart / Germany  
EnBW City GmbH & Co. KG, Obrigheim / Germany  
EnBW Immobilienbeteiligungen GmbH, Karlsruhe / Germany  
EnBW International Finance B.V., Amsterdam/Niederlande / Germany  
EnBW New Ventures GmbH, Karlsruhe / Germany  
EnBW Perspektiven GmbH, Karlsruhe / Germany  
Facilma Grundbesitzmanagement und -service GmbH & Co. Besitz KG, Obrigheim / Germany  
MURVA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG, Grünwald / Germany  
Neckarwerke Stuttgart GmbH, Stuttgart / Germany  
NWS Finanzierung GmbH, Karlsruhe / Germany  
VNG AG, Leipzig / Germany  
ED Kommunal GmbH, Rheinfelden / Germany  
EnBW Versicherungsvermittlung GmbH, Stuttgart / Germany

---

### Related but unconsolidated companies

---

EnBW Bürgerbeteiligung Solar 1 GmbH, Stuttgart / Germany  
EnBW France SAS, Boulogne-Billancourt / France  
EnBW Omega 107. Verwaltungsgesellschaft mbH, Stuttgart / Germany  
EnBW Omega 108. Verwaltungsgesellschaft mbH, Stuttgart / Germany  
EnBW Omega 121. Verwaltungsgesellschaft mbH, Karlsruhe/Germany  
EnBW Omega 122. Verwaltungsgesellschaft mbH, Karlsruhe/Germany  
EnBW Omega 123. Verwaltungsgesellschaft mbH, Stuttgart / Germany  
EnBW Omega 124. Verwaltungsgesellschaft mbH, Stuttgart / Germany  
EnBW Omega 125. Verwaltungsgesellschaft mbH, Stuttgart / Germany  
EnBW Omega 126. Verwaltungsgesellschaft mbH, Stuttgart / Germany  
EnBW Omega 132. Verwaltungsgesellschaft mbH, Stuttgart / Germany  
EnBW Omega 133. Verwaltungsgesellschaft mbH, Stuttgart / Germany  
EnBW Omega 134. Verwaltungsgesellschaft mbH, Stuttgart / Germany  
EnBW Omega 139. Verwaltungsgesellschaft mbH, Stuttgart / Germany  
EnBW Omega 140. Verwaltungsgesellschaft mbH, Stuttgart / Germany  
EnBW Omega 141. Verwaltungsgesellschaft mbH, Karlsruhe/Germany  
EnBW Omega 144. Verwaltungsgesellschaft mbH, Karlsruhe/Germany  
EnBW Omega 146. Verwaltungsgesellschaft mbH, Stuttgart / Germany  
EnBW Omega 147. Verwaltungsgesellschaft mbH, Stuttgart / Germany  
EnBW Omega 148. Verwaltungsgesellschaft mbH, Stuttgart / Germany  
EnBW Omega 149. Verwaltungsgesellschaft mbH, Stuttgart / Germany

---

EnBW Omega 150. Verwaltungsgesellschaft mbH, Stuttgart / Germany

EnBW Omega 151. Verwaltungsgesellschaft mbH, Stuttgart / Germany

EnBW Omega 152. Verwaltungsgesellschaft mbH, Stuttgart / Germany

EnBW Omega 153. Verwaltungsgesellschaft mbH, Stuttgart/Germany

EnBW Omega 154. Verwaltungsgesellschaft mbH, Stuttgart / Germany

EnBW Omega 155. Verwaltungsgesellschaft mbH, Stuttgart / Germany

EnBW Omega 156. Verwaltungsgesellschaft mbH, Karlsruhe/Germany

EnBW Omega 157. Verwaltungsgesellschaft mbH, Karlsruhe/Germany

EnBW Omega 158. Verwaltungsgesellschaft mbH, Karlsruhe/Germany

EnBW Omega 159. Verwaltungsgesellschaft mbH, Karlsruhe/Germany

EnBW Omega 160. Verwaltungsgesellschaft mbH, Karlsruhe/Germany

EnBW Omega 161. Verwaltungsgesellschaft mbH, Karlsruhe/Germany

EnBW Omega 162. Verwaltungsgesellschaft mbH, Karlsruhe/Germany

EnBW Omega 163. Verwaltungsgesellschaft mbH, Karlsruhe/Germany

EnBW Omega 164. Verwaltungsgesellschaft mbH, Karlsruhe/Germany

EnBW Omega 165. Verwaltungsgesellschaft mbH, Karlsruhe/Germany

EnBW Omega Dreiundneunzigste Verwaltungsgesellschaft mbH, Karlsruhe/Germany

EnBW Real Estate GmbH, Obrigheim / Germany

EnBW Senergi Immobilien GmbH, Karlsruhe / Germany

EnBW vernetzt Beteiligungsgesellschaft mbH, Stuttgart / Germany

KMS Verwaltungsgesellschaft mbH, Stuttgart / Germany

MGMTree GmbH, Leipzig / Germany

MURVA Grundstücks-Verwaltungsgesellschaft mbH, München / Germany

Regionalnetze GmbH & Co. KG, Stuttgart / Germany

Regionalnetze Verwaltungs-GmbH, Stuttgart / Germany

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

VNG Innovation GmbH, Leipzig / Germany

GDiesel Technology GmbH, Leipzig / Germany

EnBW Übertragungsnetz Immobilien Verwaltungsgesellschaft mbH, Karlsruhe / Germany

#### Joint ventures

UnigestionFLEX SCS SICAV RAIF, Luxemburg / Lucembursko

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

vialytics GmbH, Stuttgart / Germany

GasLINE Telekommunikationsnetz-Geschäftsführungsgesellschaft deutscher Gasversorgungsunternehmen mbH, Straelen / Germany



**KPMG Česká republika Audit, s.r.o.**

Pobřežní 1a  
186 00 Praha 8  
Czech Republic  
+420 222 123 111  
www.kpmg.cz

*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 (together "the Group"), prepared in accordance with IFRS Accounting Standards as adopted by the European Union, which comprise the consolidated statement of financial position (balance sheet) as at 31 December 2023, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, comprising material accounting policies and other explanatory information. 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 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting 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 33 of the Consolidated Financial Statements.

#### ***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 designation of a given transaction to the relevant portfolio 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 assessed whether the accounting policy applied to transactions to buy or sell energy and gas complies with the relevant accounting framework;
- 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 2023;
- 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;
- assisted by 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.



#### Government compensations

See Note 4, section “Revenues and costs related to the supply and distribution of commodities (compensation of MCZK 7,967)” of the Consolidated Financial Statements.

#### *The key audit matter*

The government announced the capping of electricity (5 CZK/kWh) and gas (2.50 CZK/kWh) prices for 2023 based on Government Decree No. 298/2022 Coll., on the determination of electricity and gas prices in an extraordinary market situation. Subsequently, in January 2023, Government Decree No. 5/2023 Coll., on compensation provided for the supply of electricity and gas at capped prices was issued. Based on the abovementioned Decrees, the Group was entitled to the compensation for lost revenues and the amount of compensation was determined to approximate eligible costs increased by a reasonable profit, as specified for the various categories of customers in the said Decree. Due to the material amount of government compensation and complexity of its calculation, 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 obtained understanding of the Group's process over the determination of the key inputs into the calculation of the compensations including appropriate categorization of the customers into eligible and not-eligible, determination of the gas and electricity consumption for eligible customers with their relevant supply points as well as determination of the eligible costs or applicable market prices;
- we assessed whether the total number of eligible supply points of gas and electricity included in the monthly compensation requests together with not-eligible supply points agree with the publicly available external data from the market operator (OTE);
- for a sample of supply points throughout the year, we evaluated the appropriateness of their categorization by inspecting the underlying source documents such as customer contracts or binding offers confirmed by customers. For the same sample, we recalculated the compensation amounts based on data inputs applicable to the particular category. These inputs included primarily either actual consumption from meter reading or estimated energy consumption and the applicable market price equivalent depending on the applicable category of customers;
- we recalculated the average net cost of purchased gas and electricity for the year (so called “calculation price”, as defined by the Decree No. 5/2023 Coll.), which served as a base for determination of the lost revenues for category “B” supply points. In addition, we assessed the appropriateness of data on volume and prices for electricity purchases and sales for relevant supply points by reference to a sample of underlying purchase and sales contracts and with respect to market price of electricity to publicly available data on spot prices of the market operator (OTE);
- we assessed the completeness of compensation requests by inspecting and evaluating the management's rationale for a sample of supply points excluded from the compensation requests.



### ***Other Information***

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the 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 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 the consolidated financial statements is, in all material respects, consistent with the 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 IFRS Accounting 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.



## 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 IFRS Accounting Standards as adopted by the European Union, which comprise the statement of financial position (balance sheet) as at 31 December 2023, and the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flow for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information. 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 unconsolidated financial position of the Company as at 31 December 2023, and of its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with IFRS Accounting 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.

#### *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 designation of a given transaction to the relevant portfolio 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 assessed whether the accounting policy applied to transactions to buy or sell energy and gas complies with the relevant accounting framework;
- 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 Company 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 2023;
- 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;
- assisted by 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.



#### Government compensations

See Note 4, section “Revenues and costs related to the supply and distribution of commodities (compensation of MCZK 7,731)” of the Separate Financial Statements.

#### *The key audit matter*

The government announced the capping of electricity (5 CZK/kWh) and gas (2.50 CZK/kWh) prices for 2023 based on Government Decree No. 298/2022 Coll., on the determination of electricity and gas prices in an extraordinary market situation. Subsequently, in January 2023, Government Decree No. 5/2023 Coll., on compensation provided for the supply of electricity and gas at capped prices was issued. Based on the abovementioned Decrees, the Company was entitled to the compensation for lost revenues and the amount of compensation was determined to approximate eligible costs increased by a reasonable profit, as specified for the various categories of customers in the said Decree. Due to the material amount of government compensation and complexity of its calculation, 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 obtained understanding of the Company's process over the determination of the key inputs into the calculation of the compensations including appropriate categorization of the customers into eligible and not-eligible, determination of the gas and electricity consumption for eligible customers with their relevant supply points as well as determination of the eligible costs or applicable market prices;
- we assessed whether the total number of eligible supply points of gas and electricity included in the monthly compensation requests together with not-eligible supply points agree with the publicly available external data from the market operator (OTE);
- for a sample of supply points throughout the year, we evaluated the appropriateness of their categorization by inspecting the underlying source documents such as customer contracts or binding offers confirmed by customers. For the same sample, we recalculated the compensation amounts based on data inputs applicable to the particular category. These inputs included primarily either actual consumption from meter reading or estimated energy consumption and the applicable market price equivalent depending on the applicable category of customers;
- we recalculated the average net cost of purchased gas and electricity for the year (so called “calculation price”, as defined by the Decree No. 5/2023 Coll.), which served as a base for determination of the lost revenues for category “B” supply points. In addition, we assessed the appropriateness of data on volume and prices for electricity purchases and sales for relevant supply points by reference to a sample of underlying purchase and sales contracts and with respect to market price of electricity to publicly available data on spot prices of the market operator (OTE);
- we assessed the completeness of compensation requests by inspecting and evaluating the management's rationale for a sample of supply points excluded from the compensation requests.



### ***Other Information***

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the 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 separate financial statements does not cover the other information. In connection with our audit of the separate 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 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 financial statements is, in all material respects, consistent with the separate 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 Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.



### ***Responsibilities of the 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 IFRS Accounting 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 2023. 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 2023 contains material factual misstatements.



### Statutory Auditor Responsible for the Engagement

Petr Kuna is the statutory auditor responsible for the audit of the separate and consolidated financial statements of Pražská energetika, a.s. as at 31 December 2023, based on which this independent auditor's report has been prepared.

Prague  
2 May 2024

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

*Signed by*

Petr Kuna  
Partner  
Registration number 2467

# Consolidated financial statements

Consolidated financial statements of Pražská energetika, a.s., as at 31 December 2023

Prepared in compliance with International Financial Reporting Standards (IFRS accounting standards) as adopted by the EU

## Consolidated income statement (MCZK)

	Note	2023	2022
Revenue from electricity produced		453	431
Revenue from electricity and gas sold		46,755	36,858
Cost of electricity and gas sold		(37,469)	(29,043)
<b>Gross profit from the sale of commodities</b>	<b>(4)</b>	<b>9,739</b>	<b>8,246</b>
Other operating revenue	(4)	986	806
Personnel expenses	(6)	(2,099)	(1,847)
Amortisation and depreciation	(15, 16)	(1,459)	(1,383)
Depreciation of the right-of-use	(17)	(158)	(161)
Cost of purchased services, material and energy	(7)	(2,226)	(1,801)
Borrowing costs	(8)	(144)	(137)
Capitalisation	(9)	526	336
Impairment (gains) losses for financial assets	(10)	(53)	(66)
Other gains and losses	(11)	1	150
<b>Profit before tax</b>		<b>5,113</b>	<b>4,143</b>
Income tax	(12)	(1,995)	(808)
<b>Profit after tax</b>		<b>3,118</b>	<b>3,335</b>
Basic and diluted earnings per share attributable to ordinary shares (CZK)	(14)	806	862

## Consolidated statement of comprehensive income (MCZK)

		2023	2022
<b>Profit after tax</b>		<b>3,118</b>	<b>3,335</b>
<b>Items that cannot be subsequently reclassified to profit or loss:</b>			
Revaluation of net payables from defined benefits	(31)	(20)	38
<b>Items that may be subsequently reclassified to profit or loss:</b>			
Cash flow hedges, net of tax	(31)	(5,285)	(747)
<b>Total other comprehensive income after tax</b>		<b>(5,305)</b>	<b>(709)</b>
<b>Comprehensive income attributable to the parent company's shareholders</b>		<b>(2,187)</b>	<b>2,626</b>

## Consolidated statement of financial position (balance sheet) (MCZK)

Assets	Note	2023	2022
Property, plant and equipment	(15)	27,371	26,507
Intangible assets	(16)	577	537
Share in joint venture		19	1
Right-of-use	(17)	1,589	1,694
Trade and other receivables	(21)	268	231
Receivables from revaluation of derivatives	(20)	245	716
Loans granted	(22)	49	--
Deferred tax asset	(12)	1,195	45
<b>Non-current assets</b>		<b>31,313</b>	<b>29,731</b>
Inventories	(23)	441	1,060
Contract assets	(19)	1,069	753
Tax assets	(12)	118	14
Receivables from revaluation of derivatives	(20)	1,385	4,701
Trade and other receivables	(21)	5,193	4,791
Loans granted	(22)	1	--
Cash and cash equivalents	(24)	2,506	2,309
<b>Current assets</b>		<b>10,713</b>	<b>13,628</b>
<b>Total assets</b>		<b>42,026</b>	<b>43,359</b>
<b>Equity and liabilities</b>			
Share capital	(30)	3,869	3,869
Reserves	(31)	(3,350)	1,955
Retained earnings		18,146	16,771
<b>Equity attributable to the parent company's shareholders</b>		<b>18,665</b>	<b>22,595</b>
Loans received	(25)	500	3,100
Contract liabilities	(26)	1,820	1,778
Payables from revaluation of derivatives	(27)	922	390
Trade and other payables	(28)	11	10
Lease liabilities	(17)	1,465	1,580
Provisions	(29)	267	259
Deferred tax liability	(12)	2,487	2,394
<b>Non-current liabilities</b>		<b>7,472</b>	<b>9,511</b>
Loans received	(25)	2,647	67
Contract liabilities	(26)	2,325	2,584
Tax liabilities	(12)	534	330
Payables from revaluation of derivatives	(27)	5,953	4,642
Trade and other payables	(28)	3,997	3,191
Lease liabilities	(17)	208	192
Provisions	(29)	225	247
<b>Current liabilities</b>		<b>15,889</b>	<b>11,253</b>
<b>Total liabilities</b>		<b>42,026</b>	<b>43,359</b>

## Consolidated statement of changes in equity (MCZK)

	Share capital	Reserves and other funds	Retained profits	Equity attributable to the parent company's shareholders
<b>Balance at 31 December 2021</b>	<b>3,869</b>	<b>2,664</b>	<b>15,179</b>	<b>21,712</b>
Dividends and directors' fees paid	--	--	(1,743)	(1,743)
Other comprehensive income	--	(709)	--	(709)
Net profit for 2022	--	--	3,335	3,335
<b>Balance at 31 December 2022</b>	<b>3,869</b>	<b>1,955</b>	<b>16,771</b>	<b>22,595</b>
Dividends and directors' fees paid	--	--	(1,743)	(1,743)
Other comprehensive income	--	(5,305)	--	(5,305)
Net profit for 2023	--	--	3,118	3,118
<b>Balance at 31 December 2023</b>	<b>3,869</b>	<b>(3,350)</b>	<b>18,146</b>	<b>18,665</b>

## Consolidated statement of cash flows (MCZK)

	Note	2023	2022
Opening balance of cash and cash equivalents	(24)	2,309	1,985
<b>Operating activities</b>			
<b>Accounting profit from ordinary activity, before tax</b>		<b>5,113</b>	<b>4,143</b>
Amortisation and depreciation	(15, 16, 17)	1,617	1,544
Write-offs of doubtful debts	(10)	28	14
Change in loss allowances and provisions		4	84
Gains (losses) from the sale and disposal of fixed assets	(11)	57	(104)
Interest charged to profit or loss	(8, 11)	(41)	64
Foreign exchange rate gains (losses)		(58)	78
Settlement of hedging derivatives		(601)	(1,181)
Remeasurement of financial instruments		(440)	222
<b>Net operating cash flow before changes in working capital</b>		<b>5,679</b>	<b>4,864</b>
Change in trade receivables and transitional accounts		(795)	(794)
Change in trade payables and transitional accounts		601	2,662
Change in inventories		604	(716)
<b>Net operating cash flow before tax and interest</b>		<b>6,089</b>	<b>6,016</b>
Interest paid		(160)	(71)
Interest received		186	72
Income tax paid		(1,568)	(454)
<b>Net cash flow from operating activities</b>		<b>4,547</b>	<b>5,563</b>
<b>Investing activities</b>			
Acquisition of fixed assets	(15, 16)	(2,474)	(2,221)
Acquisition of subsidiaries	(18)	(18)	(1)
Loan provision	(22)	(49)	–
Proceeds from the sale of fixed assets		44	184
<b>Net cash flow from investing activities</b>		<b>(2,497)</b>	<b>(2,038)</b>
<b>Financing activities</b>			
External loans repaid	(25)	(429)	(2,980)
External loans received	(25)	429	1,748
Lease payments	(17)	(152)	(142)
Dividends, profit shares and directors' fees paid	(13)	(1,743)	(1,743)
<b>Net cash flow from financing activities</b>		<b>(1,895)</b>	<b>(3,116)</b>
Change in cash and cash equivalents		155	409
Effect of foreign exchange rate movements		42	(85)
<b>Closing balance of cash and cash equivalents</b>	<b>(24)</b>	<b>2,506</b>	<b>2,309</b>

## Contents of the notes to the financial statements

1. General information
2. Adoption of new and amended International Financial Reporting Standards
3. Significant accounting policies
4. Revenues and costs related to the supply and distribution of commodities
5. Segment reporting
6. Personnel expenses
7. Cost of purchased services, material and energy
8. Borrowing costs
9. Asset capitalisation
10. Impairment (gains) losses for financial assets
11. Other gains and losses
12. Income tax
13. Dividends
14. Earnings per share
15. Property, plant and equipment
16. Intangible assets
17. Right-of-use and lease liabilities
18. Subsidiaries and joint ventures
19. Contract assets
20. Receivables from revaluation of derivatives
21. Trade and other receivables
22. Loans granted
23. Inventories
24. Cash and cash equivalents
25. Loans received
26. Contract liabilities
27. Payables from revaluation of derivatives
28. Trade and other payables
29. Provisions
30. Share capital
31. Reserves and other funds
32. Government grants
33. Financial instruments
34. Related party transactions
35. Post balance sheet events

**(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, post code 100 00, 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 Rožtoky, covering an area of approximately 504 km<sup>2</sup>. 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 Coll., as amended, and the related implementation guidance.

<b>PRE's principal shareholders</b>	<b>2023</b>	<b>2022</b>
Pražská energetika Holding a.s. (PREH)	58.05%	58.05%
EnBW Central and Eastern Europe Holding GmbH (EnBW CEE)	41.40%	41.40%
Other	0.55%	0.55%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

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

EnBW CEE 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

..... **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”.

The entity analysed cases that by their nature could be relevant to the new IFRS 17.

The identified cases (e.g., employee benefits, guarantees) were found to be exemptions to IFRS 17. The entity did not identify any material impact of IFRS 17 on its financial statements.

..... **Amendments to IAS 1 “Presentation of Financial Statements and Statement of Compliance – Materiality Judgements – Disclosure of Accounting Policies”** (effective for the annual IFRS financial statements for annual periods beginning on or after 1 January 2023)

The Group revised its accounting policies in accordance with the new amendments to IAS 1. Although these amendments did not result in any changes to the accounting policies, they had an impact on the information on accounting policies disclosed in the financial statements.

Amendments to IAS 1 require the disclosure of significant accounting policies and provide guidance on the determination of the materiality in the disclosure of accounting policies so that the financial statements provide the entity-specific information that users need to understand the financial statements. The Group publishes only significant accounting procedures in line with current requirements.

..... **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 “Income Taxes – 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)

As part of the adoption of the amendments to IAS 12 “Changes in Reporting Deferred Tax Assets and Liabilities Arising from a Single Transaction”, the Group reported the deferred tax asset on lease liabilities and the deferred tax liability on right-of-use assets separately in Note 12. These adjustments have no impact on the reporting of the deferred tax liability in the balance sheet, as the Group can offset these assets and liabilities in accordance with IAS 12 “Income Taxes”.

..... **Amendments to IAS 12 “Income Taxes – International Tax Reform – Pillar Two Model Rules”** (effective for the annual IFRS financial statements for annual periods beginning on or after 1 January 2023) – based on the analysis performed, the amendments have no impact on the Group.

Apart from the above mentioned amendments, the entity does not expect a significant impact of other amended or new standards on the financial statements.

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

..... **Amendments to IFRS 16 “Leases – Lease Liability in a Sale and Leaseback”** (effective for annual periods beginning on or after 1 January 2024)

..... **Amendments to IAS 1 “Presentation of Financial Statements – Classification of Liabilities as Current or Non-current”** (effective for annual periods beginning on or after 1 January 2024)

..... **Amendments to IAS 1 “Presentation of Financial Statements – Non-current Liabilities with Covenants”** (effective for annual periods beginning on or after 1 January 2024).

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 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), not yet endorsed by the EU
- ..... **Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures”** (effective for the annual IFRS financial statements for annual periods beginning on or after 1 January 2024), not yet endorsed by the EU
- ..... **Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates”** (effective for the annual IFRS financial statements for annual periods beginning on or after 1 January 2025), not yet endorsed by the EU.

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**

#### ***Valuation***

The financial statements have been prepared on the historical cost basis except for certain financial instruments described in Note 33 and the trading gas inventory acquired under the gas trading business model described in Note 23. The principal accounting policies are set out below.

#### **Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Group, its subsidiaries and joint ventures.

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.

Equity investments in joint ventures and associates are measured using the equity method.

#### **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.

### **Borrowing costs**

The Group capitalises borrowing costs related to the construction of qualifying assets in line with IAS 23. 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.

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.

### **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.

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 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, 18
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.

### 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 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. An impairment loss recognised for goodwill is not reversed in subsequent periods, despite it being indicated.

### Right-of-use and lease liabilities

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.

## **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 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, 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.

## **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. In determining the business model, 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 also 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.

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.

#### ***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. 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.

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.

### ***Initial and subsequent recognition of financial assets and financial liabilities***

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.

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.

### **Derivatives**

The Group uses term contracts (derivatives) primarily to manage market risks associated with its business, mainly price, currency and interest rate risks. It also enters into commodity derivatives transactions to derive profit from the short-term movements of prices.

Market risk management is based on the Group's risk management strategy and related regulations specifying the objectives, procedures and processes for managing individual risks.

The principal risk is the price risk associated with changes in market prices of commodities, i.e. electricity and gas. To manage the risk, the Group purchases and sells derivatives to hedge the purchase price of the commodity (in EUR) in the planned volume and form of supply.

Some of the purchases and sales of commodities in form of term contracts carried out by the Group are assumed to be physically delivered for subsequent consumption or sale as part of the Group's regular activities. In respect of contracts where the assumption of physical delivery is highly probable, the Group uses the own use exception and does not remeasure them at fair value.

The need to manage currency risk arises from the fact that the Group makes most of its deliveries to end customers in CZK and purchases commodities in EUR. As part of risk management, the Group executes forward sales of CZK and purchases of EUR in accordance with the plan of purchase and delivery of the commodity to end customers.

As the Group has been working with external funding sources for a long time, it is also exposed to the risk associated with the development of market interest rates. As part of its risk management, the Company ensures a stable cost of debt through interest rate derivatives by swapping the floating interest rate of external loans for a fixed rate.

The Group applies hedge accounting under IFRS 9 to derivatives entered into in accordance with its chosen risk management strategy.

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.

#### Hedge accounting

The Group designates hedging instruments 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**

The Group has applied hedge accounting according to IFRS 9 since 1 January 2023. Until 31 December 2022, it was applied according to IAS 39. With the exception of the term contracts used to hedge price risk on the commodity gas, the hedging relationships have not been terminated as at 31 December 2022 and are continuing as they fully meet all the conditions for the hedge accounting under IFRS 9. All term contracts classified as hedging instruments as at 31 December 2022 under IAS 39 have now entered into newly defined hedging relationships under IFRS 9. In relation to this change, the Group did not identify any impacts on the income statement in the current or comparative period.

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

<b>Revenue and expenses relating to the sale of electricity and gas</b>	<b>2023</b>	<b>2022</b>
Revenue from electricity produced	508	500
Payment for solar energy	(55)	(69)
<b>Total revenue from electricity production</b>	<b>453</b>	<b>431</b>
Sales of electricity B2B	17,427	15,684
Sales of distribution and system services B2B	3,380	4,200
Sales of electricity B2C	9,364	6,347
Sales of distribution and system services B2C	5,954	7,232
Sales of electricity to dealers	803	1,017
Revenue from electricity and fuels sold	72	30
<b>Total sales of electricity</b>	<b>37,000</b>	<b>34,510</b>
Revenue from the sales of gas B2B and B2C	1,892	1,728
Revenue from the sales of gas to dealers	(102)	334
<b>Total sales of gas</b>	<b>1,790</b>	<b>2,062</b>
Margin on trading	(2)	286
Electricity and gas price compensation	7,967	–
<b>Total revenues from electricity and gas sold</b>	<b>46,755</b>	<b>36,858</b>
Costs of purchases of sold electricity	(31,500)	(21,297)
Costs of purchases of distribution and system services	(3,966)	(5,952)
Costs of electricity and distribution services for fuel	(46)	(21)
Costs of purchases of gas	(1,957)	(1,773)
<b>Total costs</b>	<b>(37,469)</b>	<b>(29,043)</b>
<b>Gross profit from the sale of commodities</b>	<b>9,739</b>	<b>8,246</b>
<b>Other operating revenue</b>	<b>2023</b>	<b>2022</b>
Revenue from provided services	739	590
Investment contributions	199	193
Compensation for unauthorised consumption	6	3
Other	42	20
<b>Total</b>	<b>986</b>	<b>806</b>

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.

**Electricity and gas price compensation:** The government announced the capping of electricity (5 CZK/kWh) and gas (2.50 CZK/kWh) prices for 2023 based on Government Decree No. 298/2022 Coll., on the determination of electricity and gas prices in an extraordinary market situation. Subsequently, in January 2023, Government Decree No. 5/2023 Coll., on compensation provided for the supply of electricity and gas at fixed prices, was issued. Compensation for the difference between fixed prices and market prices involved the provision of compensation for eligible costs and a reasonable profit.

**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 2023

Contractual revenue	2024	2025	2026	2027	2028
Supplies of electricity	18,444	7,749	2,694	--	--
Supplies of gas	2,384	645	200	--	--
Other revenue	73	37	35	22	92
<b>Total</b>	<b>20,901</b>	<b>8,431</b>	<b>2,929</b>	<b>22</b>	<b>92</b>

**Supplies of electricity and gas:** Contractual revenue comprises the equivalent of supply fixed by a contract, measured at an average planned price. In respect of customers whose supply is not fixed, the supply is estimated for three months.

**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 2024, the revenues are expected to be approximately CZK 5 billion.

**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 (i.e., in the case of PRE Group until 2029 or 2030). Revenue is currently generated in the form of a so-called green bonus; in 2024, the revenue of approximately MCZK 450 is expected.

**Investment contributions:** Revenue relating to unsatisfied or partly satisfied performance obligations in respect of investment contributions totals MCZK 2,013 and its division into current and non-current is shown in contract liabilities under Note 26 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	2023	2022
Receivables included in trade and other receivables *)	4,314	3,410
Contract assets *)	1,069	753
Contract liabilities *)	4,145	4,362

\*) See Notes 19, 21 and 26.

Total amount of revenue and other revenue (except for margin on trading) stems from contracts with customers.

**Incremental costs for obtaining a contract** amount to MCZK 130 (as at 31 December 2022: MCZK 134), relate to the commissions paid for attracting new customers, are reported in trade and other receivables and written-off for 51 months in the cost of purchased services, material and energy.

## **(5) Segment reporting (MCZK)**

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 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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Electricity and gas/distribution</b>										
External revenue	43,909	33,375	2,846	3,483	453	431	--	--	47,208	37,289
Inter-segment revenue	317	326	4,562	5,574	--	--	(4,879)	(5,900)	--	--
External expenses	(35,443)	(25,479)	(2,026)	(3,564)	--	--	--	--	(37,469)	(29,043)
Inter-segment expenses	(4,552)	(5,563)	(317)	(326)	--	--	4,869	5,889	--	--
<b>Gross profit</b>	<b>4,231</b>	<b>2,659</b>	<b>5,065</b>	<b>5,167</b>	<b>453</b>	<b>431</b>	<b>(10)</b>	<b>(11)</b>	<b>9,739</b>	<b>8,246</b>
Other external operating revenue	126	50	336	291	524	465	--	--	986	806
Other inter-segment operating revenue	1,110	1,010	28	25	378	296	(1,516)	(1,331)	--	--
Personnel expenses	(965)	(849)	(821)	(721)	(313)	(277)	--	--	(2,099)	(1,847)
Amortisation and depreciation of non-current assets	(325)	(283)	(1,119)	(1,091)	(173)	(170)	--	--	(1,617)	(1,544)
Cost of purchased services, material and energy	(1,040)	(854)	(2,002)	(1,750)	(713)	(548)	1,529	1,351	(2,226)	(1,801)
Capitalisation	23	33	405	303	98	--	--	--	526	336
Impairment losses for assets	(53)	(65)	1	--	(1)	(1)	--	--	(53)	(66)
Other gains and losses less interest received	186	218	(231)	(111)	49	52	(3)	(9)	1	150
<b>Operating performance of the segment</b>	<b>3,293</b>	<b>1,919</b>	<b>1,662</b>	<b>2,113</b>	<b>302</b>	<b>248</b>	<b>--</b>	<b>--</b>	<b>5,257</b>	<b>4,280</b>
Revenues from dividends and interest received	1,954	2,405	3	2	2	1	(1,959)	(2,408)	0	--
Borrowing costs	(86)	(102)	(444)	(335)	(34)	(26)	420	326	(144)	(137)
Current income tax	(1,434)	(525)	(174)	(277)	(59)	(55)	--	--	(1,667)	(857)
Deferred income tax	(23)	109	(311)	(71)	6	11	--	--	(328)	49
<b>Financial performance of the segment</b>	<b>3,704</b>	<b>3,806</b>	<b>736</b>	<b>1,432</b>	<b>217</b>	<b>179</b>	<b>(1,539)</b>	<b>(2,082)</b>	<b>3,118</b>	<b>3,335</b>
<b>Other information</b>										
<b>Total assets</b>	<b>31,838</b>	<b>32,739</b>	<b>27,529</b>	<b>26,911</b>	<b>1,900</b>	<b>1,765</b>	<b>(19,241)</b>	<b>(18,056)</b>	<b>42,026</b>	<b>43,359</b>
Additions to tangible assets *)	320	337	1,902	1,864	130	21	--	--	2,352	2,222
Additions to intangible assets *)	150	116	12	1	--	--	--	--	162	117
Liabilities	18,327	15,910	22,987	21,794	1,288	1,116	(19,241)	(18,056)	23,361	20,764

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

**(6) Personnel expenses (MCZK)**

	2023	2022
	Staff including management	Staff including management
Average headcount	1,711	1,678
Salaries	1,285	1,124
Salaries paid depending on the fulfilment of the plan	85	73
Social security and health insurance	503	441
Remuneration to the members of the Group's bodies	77	72
Other social expenses <sup>*)</sup>	149	137
<b>Total</b>	<b>2,099</b>	<b>1,847</b>

<sup>\*)</sup> 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) totalling MCZK 1 (2022: MCZK 4).

**(7) Cost of purchased services, material and energy (MCZK)**

	2023	2022
Material and own consumed energy	406	379
Subcontracts and freight costs <sup>*)</sup>	495	326
Repairs of property, plant and equipment	340	307
Consulting services	43	36
Lease payments	69	54
Postage and telecommunication fees	55	59
IT support	224	189
Marketing	240	174
Personnel services and employee development	77	72
Other <sup>**)</sup>	277	205
<b>Total</b>	<b>2,226</b>	<b>1,801</b>

<sup>\*)</sup> 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 PRe měření, a.s., which provides electrical assembly work.

<sup>\*\*)</sup> 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.

In 2022, 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 MCZK 2.

**Costs of fees payable to the statutory auditor (MCZK)**

	PRE	PREdi	PREm	Yello	PREzak	PREs	PREnetcom	Total
Audit	1.9	1.5	0.4	0.4	0.2	0.4	0.2	5.0
Consulting services and other review services	2.1	--	--	--	--	--	--	2.1
<b>Total for 2023</b>	<b>4.0</b>	<b>1.5</b>	<b>0.4</b>	<b>0.4</b>	<b>0.2</b>	<b>0.4</b>	<b>0.2</b>	<b>7.1</b>
Audit	1.8	1.1	0.3	0.3	0.2	0.2	0.1	4.0
Consulting services and other review services	1.0	--	--	--	--	--	--	1.0
<b>Total for 2022</b>	<b>2.8</b>	<b>1.1</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>5.0</b>

KPMG Česká republika Audit, s.r.o., is the statutory auditor. The above stated costs also include fees of other KPMG network companies.

**(8) Borrowing costs (MCZK)**

	2023	2022
Interest on loan <sup>*)</sup>	54	77
Interest expense on employee benefits	4	5
Interest on leases	86	55
<b>Total</b>	<b>144</b>	<b>137</b>

<sup>\*)</sup> A portion of the borrowing costs of MCZK 19 (2022: MCZK 16) was capitalised in line with IAS 23. The capitalisation rate was 1.90% p. a. (2022: 1.90% p. a.).

**(9) Asset capitalisation (MCZK)**

	2023	2022
First-time assembly and branding of electricity meters	30	28
Internally produced assets (production of distribution assets)	496	308
<b>Total</b>	<b>526</b>	<b>336</b>

**(10) Impairment (gains) losses for financial assets (MCZK)**

	2023	2022
Write-offs of doubtful debts	28	14
Creation and release of loss allowances for receivables	20	64
Creation and release of loss allowances for contract assets	5	(12)
<b>Total</b>	<b>53</b>	<b>66</b>

**(11) Other gains and losses (MCZK)**

	2023	2022
Taxes and charges	(7)	(7)
Insurance premium	(9)	(9)
Foreign exchange rate gains (losses)	9	28
Interest received outside of the Group	185	73
Gain (loss) from the sale and disposal of assets	(57)	104
Gain (loss) from the sale and disposal of inventories	17	13
Hedge ineffectiveness	(119)	(2)
Other	(18)	(50)
<b>Total</b>	<b>1</b>	<b>150</b>

**(12) Income tax (MCZK)**

The current income tax is calculated at 19% of the estimated taxable profit plus excess profit tax, i.e. windfall tax. Excess profit is the portion of the tax base in excess of the average of the 2018–2021 tax bases plus 20%. The legal norm determines its effectiveness for the years 2023–2025, excess profits are taxed at an additional rate of 60%.

Deferred tax is calculated using the income tax rate anticipated in future periods, i.e., 21% (19% in 2022).

	2023	2022
Current tax	1,667	857
Deferred tax	328	(49)
<b>Total income tax</b>	<b>1,995</b>	<b>808</b>

Effective tax rate	2023		2022	
<b>Profit before tax</b>	<b>5,113</b>		<b>4,143</b>	
Income tax using the effective income tax rate	971	19.00%	787	19.00%
Windfall tax	746	14.59%	--	--
Impact of change in deferred tax rate	229	4.48%	--	--
Impact of items that are permanently tax non-deductible	49	0.96%	21	0.51%
<b>Total income tax/effective tax rate</b>	<b>1,995</b>	<b>39.03%</b>	<b>808</b>	<b>19.51%</b>

Deferred tax assets (-) and liabilities (+) recorded in the balance sheet relate to the following items:

	2023			2022			2021
	Recorded in profit or loss	Recorded in other comprehensive income	Recorded in profit or loss	Recorded in profit or loss	Recorded in other comprehensive income	Recorded in profit or loss	Recorded in other comprehensive income
Non-current assets	2,709	336	--	2,373	65	--	2,308
Right of use	334	12	--	322	(7)	--	329
Inventories	(46)	17	--	(63)	(93)	--	30
Provisions	(9)	5	--	(14)	(7)	--	(7)
Loss allowances for receivables	(37)	(7)	--	(30)	(9)	--	(21)
Loss allowances for inventories	(4)	(4)	--	--	--	--	--
Obligation from leasing	(351)	14	--	337	3	--	(340)
Obligation under the Collective Agreement	(90)	(17)	3	(76)	(1)	9	(84)
Cash flow hedge	(1,214)	--	(1,388)	174	--	(176)	350
<b>Total deferred tax liability</b>	<b>1,292</b>	<b>328</b>	<b>(1,385)</b>	<b>2,349</b>	<b>(49)</b>	<b>(167)</b>	<b>2,565</b>

Comparative information has been restated as a result of the adoption of the amendments to IAS 12 "Changes in Reporting Deferred Tax Assets and Liabilities Arising from a Single Transaction". In line with these amendments, the Group reported the deferred tax asset on lease liabilities and the deferred tax liability on right-of-use assets separately. These adjustments have no impact on the reporting of the deferred tax liability in the balance sheet, as the Group can offset these assets and liabilities in accordance with IAS 12 "Income Taxes".

The total deferred tax is reported in the balance sheet as a deferred tax asset of MCZK 1,195 (2022: MCZK 45) and a deferred tax liability of MCZK 2,487 (2022: MCZK 2,394).

The estimated current income tax for 2023 of MCZK 1,656 was reduced by income tax prepayments of MCZK 1,240 and the net difference is reported in tax receivables in the amount of MCZK 118 and in tax liabilities in the amount of MCZK 534. In 2022, the estimated current income tax for 2022 of MCZK 852 was reduced by income tax prepayments of MCZK 536 and the net difference was reported in tax receivables in the amount of MCZK 14 and in tax liabilities in the amount of MCZK 330.

The Group is currently analysing the draft bill on the top-up tax for large multinational groups and large domestic groups. The intention of the law is that for each country in which they operate through subsidiaries or permanent establishments, large multinational or national groups should pay a tax on profits such that their effective tax rate is at least 15%. Based on the assessment made to date, the Group does not expect that the introduction of this law will have any impact on the Group's current tax.

**(13) Dividends (MCZK)**

The following amounts were recognised as distribution of profit to shareholders in the relevant period:

	2023	2022
Final dividend for 2022 of CZK 440 (2021: CZK 440) per share	1,702	1,702

Directors' fees paid for 2023 amounted to MCZK 43 (2022: MCZK 43), and expired dividends returned to retained earnings amounted to MCZK 2 (2022: MCZK 2).

The proposed dividend for 2023 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 (MCZK)**

Earnings per share are calculated from the net profit for distribution of MCZK 3,118 (2022: MCZK 3,335) attributable to 3,869,443 shares, i.e., the earnings per share amount to CZK 806 (2022: CZK 862). 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	Telecommunication technologies and IT	Administrative buildings	Power plants – renewable resources	Electricity meters	Other	Under construction	Total
<b>Cost</b>										
<b>Balance at 31 December 2021</b>	<b>982</b>	<b>15,873</b>	<b>18,506</b>	<b>3,084</b>	<b>1,944</b>	<b>2,348</b>	<b>1,549</b>	<b>877</b>	<b>721</b>	<b>45,884</b>
Additions *)	11	350	856	142	18	--	95	90	537	2,099
Disposals	(25)	(91)	(84)	(5)	(64)	--	(63)	(50)	--	(382)
Transfers	--	138	115	44	46	1	19	43	(406)	--
<b>Balance at 31 December 2022</b>	<b>968</b>	<b>16,270</b>	<b>19,393</b>	<b>3,265</b>	<b>1,944</b>	<b>2,349</b>	<b>1,600</b>	<b>960</b>	<b>852</b>	<b>47,601</b>
<b>Accumulated depreciation</b>										
<b>Balance at 31 December 2021</b>	<b>(1)</b>	<b>(7,872)</b>	<b>(6,766)</b>	<b>(2,106)</b>	<b>(700)</b>	<b>(1,074)</b>	<b>(1,107)</b>	<b>(495)</b>	<b>--</b>	<b>(20,121)</b>
Depreciation expense	--	(372)	(444)	(111)	(35)	(161)	(92)	(65)	--	(1,280)
Loss allowances	--	--	--	--	--	--	--	--	--	--
Disposals	--	91	84	5	33	--	64	30	--	307
<b>Balance at 31 December 2022</b>	<b>(1)</b>	<b>(8,153)</b>	<b>(7,126)</b>	<b>(2,212)</b>	<b>(702)</b>	<b>(1,235)</b>	<b>(1,135)</b>	<b>(530)</b>	<b>--</b>	<b>(21,094)</b>
Net book value 2021	981	8,001	11,740	978	1,244	1,274	442	382	721	25,763
<b>Net book value 2022</b>	<b>967</b>	<b>8,117</b>	<b>12,267</b>	<b>1,053</b>	<b>1,242</b>	<b>1,114</b>	<b>465</b>	<b>430</b>	<b>852</b>	<b>26,507</b>

	Land	Power structures	Cables and overhead power lines	Telecom- munication technologies and IT	Admini- strative buildings	Power plants – renewable resources	Electricity meters	Other	Under con- struction	Total
<b>Cost</b>										
<b>Balance at 31 December 2022</b>	<b>968</b>	<b>16,270</b>	<b>19,393</b>	<b>3,265</b>	<b>1,944</b>	<b>2,349</b>	<b>1,600</b>	<b>960</b>	<b>852</b>	<b>47,601</b>
Additions *)	31	421	962	161	8	12	122	92	494	2,303
Disposals	(36)	(133)	(71)	(49)	(13)	--	(90)	(23)	(64)	(479)
Transfers	(8)	207	140	72	47	1	20	58	(537)	--
<b>Balance at 31 December 2023</b>	<b>955</b>	<b>16,765</b>	<b>20,424</b>	<b>3,449</b>	<b>1,986</b>	<b>2,362</b>	<b>1,652</b>	<b>1,087</b>	<b>745</b>	<b>49,425</b>
<b>Accumulated depreciation</b>										
<b>Balance at 31 December 2022</b>	<b>(1)</b>	<b>(8,153)</b>	<b>(7,126)</b>	<b>(2,212)</b>	<b>(702)</b>	<b>(1,235)</b>	<b>(1,135)</b>	<b>(530)</b>	<b>--</b>	<b>(21,094)</b>
Depreciation expense	--	(372)	(466)	(126)	(43)	(163)	(96)	(71)	--	(1,337)
Loss allowances	--	--	--	--	--	--	--	--	--	--
Disposals	--	132	72	49	13	--	90	21	--	377
<b>Balance at 31 December 2023</b>	<b>(1)</b>	<b>(8,393)</b>	<b>(7,520)</b>	<b>(2,289)</b>	<b>(732)</b>	<b>(1,398)</b>	<b>(1,141)</b>	<b>(580)</b>	<b>--</b>	<b>(22,054)</b>
Net book value 2022	967	8,117	12,267	1,053	1,242	1,114	465	430	852	26,507
<b>Net book value 2023</b>	<b>954</b>	<b>8,372</b>	<b>12,904</b>	<b>1,160</b>	<b>1,254</b>	<b>964</b>	<b>511</b>	<b>507</b>	<b>745</b>	<b>27,371</b>

\*) Increase in investments was reduced in 2023 by the promised grant from projects for the construction of vehicle charging stations and subsidies for the construction of photovoltaic power plants totalling MCZK 44 (2022: MCZK 45).

None of the Group's property, plant and equipment were pledged or used as collateral. In 2024, the Group anticipates incurring total capital expenditures of approximately MCZK 2,987. As at the date of preparation of the financial statements, approximately MCZK 1,932 of all planned expenditure had been contracted.

## (16) Intangible assets (MCZK)

	Software	Goodwill	Other	Under construction	Total
<b>Cost</b>					
<b>Balance at 31 December 2021</b>	<b>601</b>	<b>214</b>	<b>69</b>	<b>113</b>	<b>997</b>
Additions	21	--	6	90	117
Disposals	--	--	(2)	--	(2)
Transfers	108	--	1	(109)	--
<b>Balance at 31 December 2022</b>	<b>730</b>	<b>214</b>	<b>74</b>	<b>94</b>	<b>1,112</b>
<b>Accumulated amortisation</b>					
<b>Balance at 31 December 2021</b>	<b>(425)</b>	<b>--</b>	<b>(49)</b>	<b>--</b>	<b>(474)</b>
Amortisation expense	(97)	--	(6)	--	(103)
Disposals	--	--	2	--	2
Transfers	--	--	--	--	--
<b>Balance at 31 December 2022</b>	<b>(522)</b>	<b>--</b>	<b>(53)</b>	<b>--</b>	<b>(575)</b>
Net book value 2021	176	214	20	113	523
<b>Net book value 2022</b>	<b>208</b>	<b>214</b>	<b>21</b>	<b>94</b>	<b>537</b>

	Software	Goodwill	Other	Under construction	Total
<b>Cost</b>					
<b>Balance at 31 December 2022</b>	<b>730</b>	<b>214</b>	<b>74</b>	<b>94</b>	<b>1,112</b>
Additions	28	--	6	128	162
Disposals	--	--	--	--	--
Transfers	86	--	1	(87)	--
<b>Balance at 31 December 2023</b>	<b>844</b>	<b>214</b>	<b>81</b>	<b>135</b>	<b>1,274</b>
<b>Accumulated amortisation</b>					
<b>Balance at 31 December 2022</b>	<b>(522)</b>	<b>--</b>	<b>(53)</b>	<b>--</b>	<b>(575)</b>
Amortisation expense	(116)	--	(6)	--	(122)
Disposals	--	--	--	--	--
Transfers	--	--	--	--	--
<b>Balance at 31 December 2023</b>	<b>(638)</b>	<b>--</b>	<b>(59)</b>	<b>--</b>	<b>(697)</b>
Net book value 2022	208	214	21	94	537
<b>Net book value 2023</b>	<b>206</b>	<b>214</b>	<b>22</b>	<b>135</b>	<b>577</b>

The Group has no intangible assets developed internally.

None of the Group's intangible assets are pledged or used as collateral.

The Company anticipates incurring total capital expenditure of MCZK 85 in 2024. Approximately 43% of all planned expenditure was contracted as at the date of preparation of the financial statements.

### (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. At the same time, the Group used 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.

As to the leases of offices and storage facilities, the term of lease corresponds with the term of contractual relationship, and as to the leases of land for photovoltaic power plants, the 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	Offices and storage facilities		Land	Conduits	Premises for transformer stations		Total
	Cars	facilities			stations		
<b>Net book value at 31 December 2021</b>	<b>111</b>	<b>54</b>	<b>24</b>	<b>1,185</b>	<b>358</b>	<b>1,732</b>	
Lease increase and modifications	35	50	--	11	27	123	
Depreciation expense	(43)	(24)	(3)	(60)	(31)	(161)	
<b>Net book value at 31 December 2022</b>	<b>103</b>	<b>80</b>	<b>21</b>	<b>1,136</b>	<b>354</b>	<b>1,694</b>	
Please increase and modifications	54	77	2	(90)	10	53	
Depreciation expense	(43)	(28)	(3)	(53)	(31)	(158)	
<b>Net book value at 31 December 2023</b>	<b>114</b>	<b>129</b>	<b>20</b>	<b>993</b>	<b>333</b>	<b>1,589</b>	

Lease liability	2023	2022
Current lease liabilities	208	192
Non-current lease liabilities	1,465	1,580
<b>Total lease liabilities</b>	<b>1,673</b>	<b>1,772</b>
<b>Lease liability at 1 January</b>	<b>1,772</b>	<b>1,791</b>
Lease payments	(152)	(142)
Interest paid	(86)	(55)
<b>Total cash flows</b>	<b>(238)</b>	<b>(197)</b>
Lease increase and modifications	53	123
Interest expense	86	55
<b>Total non-cash flows</b>	<b>139</b>	<b>178</b>
<b>Lease liability at 31 December</b>	<b>1,673</b>	<b>1,772</b>

As at 31 December 2022 and in relation to the application of IFRS 16, the Group reported the following in its income statement:

	2023	2022
Amortisation of the right-of-use	158	161
Interest expense	86	55
Expenses for short-term leases and leases with an exemption for low-value underlying assets	8	8

As at 31 December 2023, the Group applied interest rate from 1.58% to 8.80% depending on the length of the contractual relation and the underlying asset (as at 31 December 2022: from 1.39% to 7.06%). 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 sublease any leased assets to third persons. For the analysis of maturity of lease liabilities refer to Note 33.

## (18) Subsidiaries and joint ventures (MCZK)

### Joint ventures and associates

On 13 December 2023, PREdistribuce, a.s., together with ČEPS, a.s., ČEZ Distribuce, a.s., and EG. D, a.s., established Elektroenergetické datové centrum, a.s. The primary purpose of the company's business activity is to operate an electricity data centre for the purposes of providing and/or operating a transmission or distribution system. PREdistribuce, a.s., thus acquired a 25% share.

On 31 May 2023, PREservisní, a.s., acquired a 50% share in Rezydent Park 9 s.r.o., which is a joint venture between Metrostav Development a.s., and PRE servisní, a.s. The company's principal business activities include real estate development. The reason for entering into the joint venture is to optimise the use of the real estate portfolio of PRE Group and its appreciation.

On 31 May 2022, PREnetcom, a.s., acquired a 50% share in NETFIN Infrastructure, a.s., which is a joint venture between FINEP HOLDING, SE, and PREnetcom, a.s. The joint venture NETFIN Infrastructure, a.s., was established to cooperate on the real estate projects of the FINEP Group, especially in e-mobility and optical network connections, and potentially other areas.

Equity securities are reflected in "Share in joint venture" in non-current assets. The share in the profit or loss determined using the equity method is immaterial for the Group.

### Subsidiaries

Subsidiary	Principal activity	2023	2022
PREdistribuce, a.s.	Distribution of electricity in Prague and Rožtoky	100%	100%
eYello CZ, k.s.	Electricity and gas trading	100%	100%
PREměření, a.s. (PREenergo, a.s., from 1.1.2024)	Electro-installation activities, meter reading and generation of solar energy	100%	100%
PRE distribuční služby, a.s.	Meter reading, purchase, assembly and branding of electricity meters	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%	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 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.

<b>Net cash flows upon the acquisition of subsidiaries</b>	<b>2023</b>	<b>2022</b>
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 *)	--	(1)
<b>Net cash outflows upon the acquisition of subsidiaries</b>	<b>--</b>	<b>(1)</b>

\*) 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.

<b>Goodwill</b>	<b>2023</b>	<b>2022</b>
Balance at 1 January	214	214
Additions from business combinations performed during the year	--	--
Change in goodwill following the purchase price allocation	--	--
<b>Balance at 31 December</b>	<b>214</b>	<b>214</b>

<b>Goodwill after the companies</b>	<b>2023</b>	<b>2022</b>
FVE Dačice, s.r.o.	34	34
FVE Pozoříce, 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
<b>Balance at 31 December</b>	<b>214</b>	<b>214</b>

In compliance with the accounting policies, an impairment test was conducted in respect of goodwill, during which no impairment indicators were identified.

The Group does not record any movements in goodwill in 2023 and 2022.

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. 3/2023 of the Energy Regulatory Office for the green bonus amount. Moreover, the price for electric energy delivery into the grid consists of a market component, which the Group has determined based on its expectations.

In the third case scenario, the Group sets the useful life at 20 years from the day of putting each individual renewable energy manufacturer into operation.

In drawing up the cash flow plan, the Group considered the relatively low complexity of processes in photovoltaic power plants and wind power plants over their entire lifetime, assuming an expenses indexation of 5% p.a. in 2024, 4% p.a. in 2025 and 3% p. a. in 2026 and then in line with the CNB's long-term inflation target of 2% p.a. For revenues from supported sources, their year-on-year growth is limited by a cap of 4%, which affects revenues between 2024 and 2026. Subsequent revenue developments are again in line with the CNB's inflation target of 2% p.a.

The discount rate before tax is between c/a 15.87% and 18.18% p.a., depending on the manufacturer (as at 31 December 2022, between c/a 12.6% and 14.1% p. a.).

### **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; and,
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 sets the term of business activity for an indefinite period, with the Group considering a 10-year outlook and perpetuity thereafter.

The Group creates the cash flows plan for the above-mentioned period, and for the period not included in the Group's mid-term business plan, i.e., from 2027 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 12.80% and 13.92% p.a., depending on the manufacturer (as at 31 December 2022, between c/a 11.2% and 11.7% 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 exceeding the recoverable amount.

**(19) Contract assets (MCZK)**

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.

<b>Current contract assets</b>	<b>2023</b>	<b>2022</b>
Uninvoiced supplies of electricity and gas – gross	6,852	5,949
Less: Advances received	(5,901)	(5,247)
<b>Uninvoiced supplies of electricity and gas – net</b>	<b>951</b>	<b>702</b>
Uninvoiced distribution of electricity – gross	433	446
Less: Advances for distribution received	(385)	(446)
<b>Uninvoiced distribution of electricity – net</b>	<b>48</b>	<b>–</b>
Uninvoiced orders	70	51
<b>Total</b>	<b>1,069</b>	<b>753</b>

<b>Balance of contract assets at 31 December 2021</b>	<b>674</b>
Invoicing of recognised contract assets during 2022	(699)
Uninvoiced supplies of 2022, less advances received	766
Impairment in compliance with IFRS 9 requirements	12
<b>Balance of contract assets at 31 December 2022</b>	<b>753</b>
Invoicing of recognised contract assets during 2023	(766)
Uninvoiced supplies of 2023, less advances received	1,087
Impairment in compliance with IFRS 9 requirements	(5)
<b>Balance of contract assets at 31 December 2023</b>	<b>1,069</b>

**Impairment of contract assets in compliance with IFRS 9**

<b>Balance at 31 December 2021</b>	<b>25</b>
Additions and release in the current year	(12)
<b>Balance at 31 December 2022</b>	<b>13</b>
Additions and release in the current year	5
<b>Balance at 31 December 2023</b>	<b>18</b>

**(20) Receivables from revaluation of derivatives (MCZK)**

<b>Receivables from the revaluation of non-current derivatives</b>	<b>2023</b>	<b>2022</b>
Receivables from the revaluation of commodity derivatives for trading	68	14
Receivables from the revaluation of hedging commodity derivatives	76	440
Receivables from the revaluation of hedging interest rate derivatives	101	262
<b>Total</b>	<b>245</b>	<b>716</b>

<b>Receivables from the revaluation of current derivatives</b>	<b>2023</b>	<b>2022</b>
Receivables from the revaluation of commodity derivatives for trading	395	2,785
Receivables from the revaluation of hedging commodity derivatives	752	1,806
Receivables from the revaluation of hedging foreign exchange derivatives	147	--
Receivables from the revaluation of hedging interest rate derivatives	90	110
<b>Total</b>	<b>1,385</b>	<b>4,701</b>

**(21) Trade and other receivables (MCZK)**

<b>Non-current trade and other receivables</b>	<b>2023</b>	<b>2022</b>
Principal amounts paid, primarily for electricity trading	171	126
Advances paid	22	22
Other non-financial assets	75	83
<b>Total</b>	<b>268</b>	<b>231</b>

<b>Current trade and other receivables</b>	<b>2023</b>	<b>2022</b>
Receivables from electricity and gas supplies	4,229	3,289
Receivables related to supplies of distribution services	54	65
Other trade receivables	31	56
Margin deposits with the power exchanges	371	434
Other receivables – gross	694	1,275
Less: Advances provided	(482)	(506)
Other receivables – net	212	769
Other tax receivables	17	12
Other non-financial assets	279	166
<b>Total</b>	<b>5,193</b>	<b>4,791</b>

Compared to the initial recognition, the credit risk did not increase significantly. In respect of non-current and current principals and margin deposit, the loss allowances were established for expected credit losses at an amount of 12-month credit losses (stage 1 of the impairment model) at MCZK 0.2 (2022: MCZK 0.2).

Of the current trade receivables, gross receivables past their due date totalled MCZK 575 (2022: MCZK 531). Outstanding portions usually bear no interest. The following loss allowances were created for the current trade receivables:

<b>Balance at 31 December 2021</b>	<b>372</b>
Additions and utilisation in the current year	64
<b>Balance at 31 December 2022</b>	<b>436</b>
Additions and utilisation in the current year	20
<b>Balance at 31 December 2023</b>	<b>456</b>

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.

	% of loss allowance	2023		
		Gross	Loss	
			allowance	Net
Receivables within due date	2	4,195	66	4,129
Receivables up to 1 month past due	6	138	8	130
Receivables between 1 and 3 months past due	25	48	12	36
Receivables between 4 and 6 months past due	60	24	14	10
Receivables between 7 and 12 months past due	86	36	31	5
Receivables over 12 months past due	99	329	325	4
<b>Total trade receivables</b>		<b>4,770</b>	<b>456</b>	<b>4,314</b>

	% of loss allowance	2022		
		Gross	Loss	
			allowance	Net
Receivables within due date	2	3,315	66	3,249
Receivables up to 1 month past due	6	130	8	122
Receivables between 1 and 3 months past due	25	27	7	20
Receivables between 4 and 6 months past due	60	27	16	11
Receivables between 7 and 12 months past due i	86	24	20	4
Receivables over 12 months past due	99	323	319	4
<b>Total trade receivables</b>		<b>3,846</b>	<b>436</b>	<b>3,410</b>

**(22) Loans granted (MCZK)**

	2023			2022		
	Amount	Interest rate	Due date	Amount	Interest rate	Due date
Loan 1	49	Fix 6.60%	31/5/2026	--		
Loan 2	1	Fix 6.60%	31/5/2026	--		
<b>Total</b>	<b>50</b>			<b>--</b>		
Non-current loans	49			--		
Current loans	1			--		
<b>Total</b>	<b>50</b>			<b>--</b>		

	Cash flows				
	31 December		31 December		
	2022	Provision	Repayment	Other	2023
Total loans	--	(49)	--	(1)	(50)

The amortised cost of granted loans does not differ significantly from their fair value. 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.

**(23) Inventories (MCZK)**

	2023	2022
Material	270	255
Products and work in progress	2	4
Goods <sup>*)</sup>	169	801
<b>Total</b>	<b>441</b>	<b>1,060</b>

<sup>\*)</sup> Of which gas supply at fair value of MCZK 139 (2022: MCZK 769). The fair value is determined by a valuation model using inputs at level 2 (the market price index of an organised short-term commodity market). The valuation model considers and the resulting valuation reflects the Group's actual ability to deliver gas stored in underground gas storage to the distribution grid in the context of contractually agreed mining curves.

Cost of purchased material, services and energy and other gains and losses in the income statement include costs of sold and consumed inventories of MCZK 455 (2022: MCZK 389).

Given their limited use, inventories were written down to their net realisable value with the loss allowance amounting to MCZK 17 (2022: MCZK 1). The adjustment to the net realisable value is reported in other gains and losses.

<b>Balance at 31 December 2021</b>	<b>1</b>
Additions and utilisation in the current year	--
<b>Balance at 31 December 2022</b>	<b>1</b>
Additions and utilisation in the current year	16
<b>Balance at 31 December 2023</b>	<b>17</b>

**(24) Cash and cash equivalents (MCZK)**

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.

	2023	2022
Current bank accounts	2,496	2,301
Cash in hand, stamps and vouchers	10	8
<b>Total</b>	<b>2,506</b>	<b>2,309</b>

At the Company request, banks issued payment bank guarantees of MCZK 662 in favour of OTE, a.s., and Dopravní podnik hl. m. Prahy, akciová společnost (2022: MCZK 892 in favour of OTE, a.s., and Dopravní podnik hl. m. Prahy).

**(25) Loans received (MCZK)**

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 the note on "Financial instruments".

	2023			2022		
	Amount	Interest rate	Due date	Amount	Interest rate	Due date
Loan 1	1,007	Fix 1.40%	1/7/2024	1,007	Fix 1.40%	1/7/2024
Loan 2	550	6M PRIBOR+0.30%	18/11/2027	550	6M PRIBOR+0.30%	18/11/2027
Loan 3	571	6M PRIBOR+0.25%	18/11/2027	571	6M PRIBOR+0.25%	18/11/2027
Loan 4	500	6M PRIBOR+0.25%	2/7/2029	520	6M PRIBOR+0.25%	2/7/2029
Loan 5	519	6M PRIBOR+0.25%	2/7/2029	519	6M PRIBOR+0.25%	2/7/2029
<b>Total</b>	<b>3,147</b>			<b>3,167</b>		
Non-current loans	500			3,100		
Current loans	2,647			67		
<b>Total</b>	<b>3,147</b>			<b>3,167</b>		

Current loans include Loan 1 maturing on 1 July 2024, which was classified as non-current as at 31 December 2022. The Group expects to refinance the loan in full in accordance with its medium-term plan for external funds. The item also includes Loans 2, 3, 5, maturing on 18 November 2027 and 2 July 2029. These loans were reclassified from non-current loans, because the Group would not meet some of the financial covenants related to equity as at 31 December 2023, which have been determined by the loan agreements. Equity decreased significantly due to the negative revaluation of hedging commodity derivatives. The Group entered into negotiations with the banks and they subsequently confirmed that in this case the failure to meet the financial indicator is not considered a breach of the Group's commitment. In connection with this, the Group entered negotiations with the banks regarding changes to the financial ratios required by the banks under the loan agreements.

	Cash flows				31 December 2023
	31 December 2022	Drawing	Repayment	Other	
	Total loans	3,167	429	(429)	

	Cash flows				31 December 2022
	31 December 2021	Drawing	Repayment	Other	
	Total loans	4,337	1,748	(2,980)	

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 2023, undrawn loan facilities amounted to MCZK 6,930 (as at 31 December 2022: MCZK 6,930).

Loans are carried at their amortised cost. The fair value of loans 1–5 differs from their amortised cost by MCZK 199, and this value amounts to MCZK 2,948. In 2022, the fair value of loans 1–5 differed from their amortised cost by MCZK 423, and this value amounted to MCZK 2,744.

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.

The Group capitalises borrowing costs using the capitalisation rate in line with IAS 23.

**(26) Contract liabilities (MCZK)**

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.

<b>Non-current contract liabilities</b>	<b>2023</b>	<b>2022</b>
Investment contributions	1,820	1,778
<b>Total</b>	<b>1,820</b>	<b>1,778</b>
<b>Current contract liabilities</b>	<b>2023</b>	<b>2022</b>
Advances received for the supply of electricity and gas from customers – gross	8,010	7,595
Less: Uninvoiced supplies	(5,901)	(5,247)
Advances received for the supply of electricity and gas from customers – net	2,109	2,348
Advances received for the supply of distribution services – gross	408	496
Less: Uninvoiced distribution services	(385)	(446)
Advances received for the supply of distribution services – net	23	50
Investment contributions	193	186
<b>Total</b>	<b>2,325</b>	<b>2,584</b>
<b>Balance of contract liabilities at 31 December 2021</b>		<b>3,041</b>
Increase in contract liabilities in the current year (investment contributions received, advance payments, partial invoicing)		2,714
Recognition of contract liabilities in revenues in the current year		(1,393)
<b>Balance of contract liabilities at 31 December 2022</b>		<b>4,362</b>
Increase in contract liabilities in the current year (investment contributions received, advance payments, partial invoicing)		2,367
Recognition of contract liabilities in revenues in the current year		(2,584)
<b>Balance of contract liabilities at 31 December 2023</b>		<b>4,145</b>

The amount of MCZK 2,584 which in 2022 was recognised as contract liability, was reported in revenues for the period ended 31 December 2023 (the contract liability of MCZK 1,393 reported as at 1 January 2021 was reported as revenue for the period ended 31 December 2022).

The Group has no revenue relating to the satisfaction or partial satisfaction of performance obligations in prior accounting periods.

**(27) Payables from revaluation of derivatives (MCZK)**

<b>Payables from the revaluation of non-current derivatives</b>	<b>2023</b>	<b>2022</b>
Payables from the revaluation of commodity derivatives for trading	67	15
Payables from the revaluation of hedging commodity derivatives	855	375
<b>Total</b>	<b>922</b>	<b>390</b>

<b>Payables from the revaluation of current derivatives</b>	<b>2023</b>	<b>2022</b>
Payables from the revaluation of commodity derivatives for trading	430	3,259
Payables from the revaluation of hedging commodity derivatives	5,516	1,073
Payables from the revaluation of hedging foreign exchange derivatives	7	310
<b>Total</b>	<b>5,953</b>	<b>4,642</b>

**(28) Trade and other payables (MCZK)**

<b>Non-current trade and other payables</b>	<b>2023</b>	<b>2022</b>
Other financial liabilities	3	2
Other non-financial liabilities	8	8
<b>Total</b>	<b>11</b>	<b>10</b>

<b>Current trade and other payables</b>	<b>2023</b>	<b>2022</b>
Uninvoiced supplies of electricity and gas from suppliers – gross	482	519
Less: Advances provided for the supply of electricity and gas	(482)	(506)
Uninvoiced supplies of electricity and gas from suppliers – net	–	13
Trade payables	2,687	1,943
Payables to employees *)	86	76
Social security and health insurance liabilities	48	41
Other tax payables**)	530	446
Other financial liabilities	210	309
Other non-financial liabilities	436	363
<b>Total</b>	<b>3,997</b>	<b>3,191</b>

\*) 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 MCZK 1 (2022: MCZK 1). All overdue payables were settled during January 2024.

In respect of liabilities that are carried at amortised cost, this value corresponds with their fair value.

**(29) Provisions (MCZK)**

	2023	2022
Employee benefits	242	239
Other provisions	250	267
<b>Total</b>	<b>492</b>	<b>506</b>
Non-current provisions	267	259
Current provisions	225	247
<b>Total</b>	<b>492</b>	<b>506</b>

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
<b>Balance at 31 December 2021</b>	<b>294</b>	<b>58</b>	<b>165</b>	<b>517</b>
Additions in the current year	79	43	172	294
Utilisation in the current year	(33)	--	(149)	(182)
Release in the current year	(101)	(11)	(11)	(123)
<b>Balance at 31 December 2022</b>	<b>239</b>	<b>90</b>	<b>177</b>	<b>506</b>
Additions in the current year	41	7	194	242
Utilisation in the current year	(32)	(35)	(168)	(235)
Release in the current year	(6)	(8)	(7)	(21)
<b>Balance at 31 December 2023</b>	<b>242</b>	<b>54</b>	<b>196</b>	<b>492</b>
Non-current liabilities – provisions	216	51	--	267
Current liabilities – provisions	26	3	196	225
<b>Total</b>	<b>242</b>	<b>54</b>	<b>196</b>	<b>492</b>

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:

	2023	2022
Discount rate	3.83%	5.04%
Average retirement age (years)	64.90	64.90
Probability of continuance	0.74	0.72

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.	Difference	1 p.p.	Difference
Sensitivity of the provision to the change in discount rate	242	262	20	224	(18)

	Basis	(0.10)	Difference	0.10	Difference
Sensitivity of the provision to the change in probability of continuance	242	216	(25)	252	11

The creation of provisions for employee benefits includes interest expense of MCZK 4 (2022: MCZK 5) and running cost relating to these benefits of MCZK 18 (2022: MCZK 75). The release of provisions in 2023 then primarily comprises the revaluation of provisions for employee benefits due to a change in assumptions (in particular the discount rate), of which MCZK 17 (2022: MCZK 47) is recorded in other comprehensive income. The utilisation of provisions then comprises the payments of employee benefits.

### (30) Share capital (MCZK)

#### Share capital

There are 3,869,443 registered shares in the nominal value of CZK 1,000 per share (2022: 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.

**(31) Reserves and other funds (MCZK)**

	2023	2022
Reserve fund	774	774
Other reserves	383	383
Cash flow hedge	(4,541)	744
Revaluation of net payables from defined benefits	34	54
<b>Total</b>	<b>(3,350)</b>	<b>1,955</b>

The Group's reserve fund has been created in the amount of 20% (MCZK 774) 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 MCZK 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:

	2023	2022
Revaluation of hedging commodity derivatives *)	(6,099)	876
Effect of deferred tax	1,286	(166)
Revaluation of hedging foreign exchange derivatives	153	(330)
Effect of deferred tax	(32)	63
Revaluation of hedging interest rate derivatives	191	372
Effect of deferred tax	(40)	(71)
<b>Total cash flow hedge</b>	<b>(4,541)</b>	<b>744</b>
Revaluation of payables from defined benefits	50	67
Effect of deferred tax	(16)	(13)
<b>Total revaluation of payables from defined benefits</b>	<b>34</b>	<b>54</b>
<b>Total</b>	<b>(4,507)</b>	<b>798</b>

\*) Includes the revaluation of OTC physical forwards of MCZK (5,543) (2022: MCZK 798), M2M stock exchange futures of MCZK (680) (2022: MCZK 75) and a revaluation adjustment for the ineffective portion of the hedge of MCZK 124 million (2022: MCZK 3).

**(32) Government grants (MCZK)**

The Group registers grant claims of MCZK 40 (2022: MCZK 118), 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.

**(33) Financial instruments (MCZK)****Categories of financial instruments**

<b>Financial assets (net)</b>	<b>Cat.:</b>	<b>2023</b>	<b>2022</b>
(a) Receivables from the revaluation of commodity derivatives for trading	iii.	463	2,799
(b) Receivables from the revaluation of hedging commodity derivatives	ii.	828	2,246
(c) Receivables from the revaluation of hedging foreign exchange derivatives	ii.	147	--
(d) Receivables from the revaluation of hedging interest rate derivatives	ii.	191	372
(e) Cash and cash equivalents	i.	2,506	2,309
(f) Margin deposit	i.	371	434
(g) Loans provided	i.	49	--
(h) Trade and other receivables, except for the above	i.	4,697	4,305

<b>Financial liabilities</b>	<b>Cat.:</b>	<b>2023</b>	<b>2022</b>
(i) Payables from the revaluation of commodity derivatives for trading	iii.	497	3,274
(j) Payables from the revaluation of hedging commodity derivatives	ii.	6,371	1,448
(k) Payables from the revaluation of hedging foreign exchange derivatives	ii.	7	310
(l) Payables from the revaluation of hedging interest rate derivatives	ii.	--	--
(m) Loans received	iv.	3,147	3,167
(n) Lease liabilities	iv.	1,673	1,772
(o) Financial liabilities carried at amortised cost, except for the above	iv.	2,900	2,267

## Categories of financial instruments:

- i. Financial assets measured at amortised cost
- ii. Financial assets and 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 (stage 2), such as forward curves of underlying commodities, spot and forward foreign exchange rates and interest rate curves.

<b>Gains and losses from financial instruments reported in the current period</b>		<b>2023</b>	<b>2022</b>
Gain/loss from the revaluation of commodity derivatives in the trading portfolio <sup>*)</sup>	(a, i)	(2)	286
Interest received outside of the Group	(e)	185	73
Borrowing costs (except for the interest on employee benefits)	(m, n)	(140)	(132)
Loss allowances for trade receivables and other financial assets	(e, f, g, h)	(25)	(52)
Write-offs of doubtful debts	(g)	(28)	(14)
Hedge ineffectiveness	(b, j)	(119)	(2)

<sup>\*)</sup> included in the margin on trading

<b>Hedge accounting <sup>*)</sup></b>		<b>2023</b>	<b>2022</b>
Creation of the equity fund from the cash flow hedge	(b, c, d, j, k, l)	(6,090)	674
Reversal of the fund from cash flow hedge in the income statement <sup>*)</sup>	(b, c, d, j, k, l)	(583)	(1,597)

<sup>\*)</sup> in the Costs of purchased electricity and Other gains and losses

## 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. The Group applies cash flow hedge accounting where the revaluation of hedging contracts to market price is recognised in equity. In particular, the revaluation of hedging commodity derivatives has a major impact. When the price level falls, the revaluation of hedging commodity derivatives results in a decrease in the value of equity. This was particularly evident as at 31 December 2023. However, the commodity sale/purchase position for customers is largely closed, including the planned margin. Thus, hedge accounting implies an increased volatility of equity over time and has no long-term impact on the Group's economy.

	2023	2022
Total assets	42,026	43,359
Equity	18,665	22,595
<b>Equity/total assets</b>	<b>44%</b>	<b>52%</b>

## 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; and,
- ..... 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.

The 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 (MCZK)		Liabilities (MCZK)	
	2023	2022	2023	2022
Receivables and payables from the revaluation of commodity derivatives for trading	463	2,799	497	3,274
Receivables and payables from the revaluation of hedging commodity derivatives	828	2,246	6,371	1,448
Receivables and payables from the revaluation of hedging foreign exchange derivatives	147	--	7	310
Non-derivative financial assets for currency risk management (cash)	1,236	1,326	--	--
Cash and cash equivalents	307	128	--	--
Margin deposit	371	434	--	--
Trade receivables and payables and other receivables and payables	791	685	2,156	1,432
<b>Total in EUR</b>	<b>4,143</b>	<b>7,618</b>	<b>9,031</b>	<b>6,464</b>
Other currencies	--	--	--	--
<b>Total</b>	<b>4,143</b>	<b>7,618</b>	<b>9,031</b>	<b>6,464</b>

Currency derivatives and non-derivative financial assets open at the balance sheet date:

	Average exchange rate CZK/EUR		Value (MEUR)		Value (MCZK)		Fair value (MCZK)	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Purchase of EUR through currency derivatives</b>								
Purchase of EUR up to 1 month	24.22	25.64	83	32	2,018	821	45	(47)
Purchase of EUR from 1 to 3 months	24.51	24.94	97	210	2,366	5,237	32	(128)
Purchase of EUR from 3 to 12 months	24.79	25.03	247	317	6,135	7,936	63	(135)
Purchase of EUR over 12 months	25.09	--	2	--	50	--	--	--
<b>Total</b>			<b>429</b>	<b>559</b>	<b>10,569</b>	<b>13,994</b>	<b>140</b>	<b>(310)</b>

	Average exchange rate CZK/EUR		Value (MEUR)		Value (MCZK)		Revaluation (MCZK)	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Cash in EUR used to hedge currency risk</b>								
EUR used up to 1 month	--	24.35	--	5	--	122	--	(1)
EUR used from 1 to 3 months	24.50	24.50	20	40	485	980	9	(15)
EUR used from 3 to 12 months	24.64	24.47	30	10	739	245	2	(4)
<b>Total</b>			<b>50</b>	<b>55</b>	<b>1,224</b>	<b>1,347</b>	<b>11</b>	<b>(20)</b>

#### 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.

	2023	2022
Profit/(loss)	(7)	(7)
Equity	(117)	(91)

## Interest rate risk

Medium- and long-term external funds of the Group include loans maturing in one, four or six years. The loans have a fixed and floating interest rates with a six-month fixation, and have been fully hedged through interest rate swaps with the Group being the payer of a fixed payment from the interest rate swap. Changes in market interest rates on fixed interest rate loans do not affect the agreed interest payments on the loans. For floating interest rate loans, the change in the level of interest on the loans is fully compensated by the payments from hedging interest rate swaps. The Group is not exposed to interest rate risk on the loans.

As at 31 December 2023, the Group concluded interest rate swaps to hedge external loans of MCZK 2,100 repayable in 2027 a 2029. The Group applies hedge accounting and monitors hedge effectiveness. The hedge 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 counterparty and the Group's credit risk 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. 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 (MCZK)		Liabilities (MCZK)	
	2023	2022	2023	2022
Receivables and payables from the revaluation of hedging interest rate derivatives	191	372	--	--
Receivables and payables from the revaluation of hedging foreign exchange derivatives	147	--	7	310
<b>Total</b>	<b>338</b>	<b>372</b>	<b>7</b>	<b>310</b>

### 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.

	2023	2022
Profit/(loss)	--	--
Equity	13	16

### 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 to end customers at the specified time, in the specified place and at the optimum purchase price. The instruments used by the Group to hedge against price risk are commodity futures with financial settlement or physical delivery and OTC commodity forwards with selected counterparties traded on selected commodity markets. These include mainly the domestic market and the German and Dutch commodity markets.

In terms of the volume and form of delivery of the commodity, hedges are undertaken based on a plan for the sale and delivery of the commodity to end customers. The plan is determined in advance for the next two to three periods and is adjusted and refined over time in the context of the development of the number of customers and the contracted or expected volume of deliveries. The actual undertaking of hedges is further influenced by the current offer of commodity derivatives on the market and the level of liquidity in individual markets. Other determining factors are the internally set credit limits on individual counterparties, both on the Group's side and on the side of their business partners.

As a result, the Group hedges against the commodity risk in advance for the next two or three periods. In the first phase, the Group primarily focuses on hedging the planned annual commodity supply volume. For this purpose, it uses standard annual or seasonal or quarterly term contracts. As the delivery date of the commodity approaches and the availability of term contracts with shorter delivery date on the commodity markets increases, the Group adjusts the form of delivery. As part of hedging, the Group makes purchases and sales of term contracts.

The Group applies hedge accounting and 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 and the degree of correlation between individual term contracts. The degree of correlation is very high in the medium term. The counterparty and the Group's credit risk is not significant. 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.

A significant portion of the commodity delivered to the domestic market is hedged using term contracts with physical delivery in the Czech Republic. The 'own-use' exemption allowed by IFRS 9 applies to such term contracts.

As part of its business activities, the Group carries out trading transactions with commodity derivatives. As at 31 December 2023, 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 (MCZK)		Liabilities (MCZK)	
	2023	2022	2023	2022
Receivables and payables from the revaluation of commodity derivatives for trading	463	2,799	497	3 273
Receivables and payables from the revaluation of hedging commodity derivatives	828	2,246	6,371	1,448
<b>Total</b>	<b>1,291</b>	<b>5,045</b>	<b>6,868</b>	<b>4,721</b>

Open commodity derivatives for hedging as at the balance sheet date:

	Commodity contracts for purchase				Commodity contracts for sale			
	Nominal value (MEUR)		Nominal value (MCZK)		Nominal value (MEUR)		Nominal value (MCZK)	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Futures</b>								
Settlement								
up to 12 months	242	25	5,974	603	139	--	3,437	--
Settlement								
from 1 to 2 years	49	4	1,210	85	65	--	1,603	--
Settlement								
from 2 to 3 years	28	--	695	--	14	--	342	--
<b>Total</b>	<b>319</b>	<b>29</b>	<b>7,879</b>	<b>688</b>	<b>218</b>	<b>--</b>	<b>5,382</b>	<b>--</b>
<b>OTC forward</b>								
Settlement								
up to 12 months	794	159	19,629	3,834	212	113	5,237	2,724
Settlement								
from 1 to 2 years	198	17	4,893	398	15	5	375	110
Settlement								
from 2 to 3 years	23	1	576	31	--	--	--	--
Settlement								
from 3 to 4 years	--	--	--	--	--	--	--	--
Settlement								
from 4 to 5 years	--	--	--	--	--	--	--	--
<b>Total</b>	<b>1,015</b>	<b>177</b>	<b>25,098</b>	<b>4,263</b>	<b>227</b>	<b>118</b>	<b>5,612</b>	<b>2,834</b>

Open commodity own use contracts:

	Nominal value (MEUR)		Nominal value (MCZK)	
	2023	2022	2023	2022
Own use contracts – electricity *)	81	974	1,996	23,563
Own use contracts – gas *)	1	19	36	446
<b>Total</b>	<b>82</b>	<b>993</b>	<b>2,032</b>	<b>24,009</b>

\*) 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 (MEUR)		Nominal value (MCZK)		Nominal value (MEUR)		Nominal value (MCZK)	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Futures</b>								
Settlement								
up to 12 months	2	--	51	--	7	--	167	--
Settlement								
from 1 to 2 years	--	--	--	--	1	--	28	--
<b>Total</b>	<b>2</b>	<b>--</b>	<b>51</b>	<b>--</b>	<b>8</b>	<b>--</b>	<b>195</b>	<b>--</b>
<b>OTC forward</b>								
Settlement								
up to 12 months	44	78	1,085	1,882	19	91	458	2,201
Settlement								
from 1 to 2 years	--	--	--	--	15	--	374	--
Settlement								
from 2 to 3 years	--	--	--	--	--	--	--	--
<b>Total</b>	<b>44</b>	<b>78</b>	<b>1,085</b>	<b>1,882</b>	<b>34</b>	<b>91</b>	<b>832</b>	<b>2,201</b>

#### 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.

	2023	2022
Profit/(loss) *)	5	--
Equity	152	20

\*) In assessing the impact of a change in commodity price, the trading gas inventory acquired under the gas trading business model is also considered and measured at fair value. The trading gas inventory is not considered a financial instrument.

## 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 consignment 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 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 loss allowance amount is determined on this basis. The loss allowance percentage for individual categories of receivable maturities is determined with respect to available historical data based on the actual development in receivable repayments in the last four years. In the past two years, following the volatility of the energy markets, the Group expected a significant deterioration in customer payment behaviour. However, this risk has not materialised and the risk of non-payment of receivables remains at historical levels for all customer segments. New government instruments such as the Economy Tariff (payment of part of the receivables by the state in October 2022) and the capping of energy prices from the first day of 2023 have contributed to this development.

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 2023, 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 2023	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	497	41	79	322	78	520
Payables from the revaluation of hedging commodity derivatives	6,371	620	1,243	3,968	944	6,775
Payables from the revaluation of hedging foreign exchange derivatives	7	6	1	--	--	7
Payables from the revaluation of hedging interest rate derivatives	--	--	--	--	--	--
Loans received (including interest)	3,147	2,647	--	43	613	3,303
Lease liabilities *)	1,673	18	36	160	2,439	2,653
Financial liabilities carried at amortised cost, except for the above	2,900	2,681	53	163	3	2,900
<b>Total</b>		<b>6,013</b>	<b>1,412</b>	<b>4,656</b>	<b>4,077</b>	<b>16,158</b>

Liabilities 2022	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	3,274	841	990	1,489	16	3,336
Payables from the revaluation of hedging commodity derivatives	1,448	205	295	585	400	1,485
Payables from the revaluation of hedging foreign exchange derivatives	310	47	128	135	--	310
Payables from the revaluation of hedging interest rate derivatives	--	--	--	--	--	--
Loans received (including interest)	3,167	21	42	190	3,997	4,250
Lease liabilities *)	1,772	17	33	146	2,146	2,342
Financial liabilities carried at amortised cost, except for the above	2,267	1,985	63	217	2	2,267
<b>Total</b>		<b>3,116</b>	<b>1,551</b>	<b>2,762</b>	<b>6,561</b>	<b>13,990</b>

\*) As at 31 December 2023, lease liabilities over 5 years totalled MCZK 1,728 (as at 31 December 2022: MCZK 1,042).

**(34) Related party transactions (MCZK)**

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	
	2023	2022	2023	2022
<b>Relations with controlling entities and associates</b>	<b>2,218</b>	<b>1,341</b>	<b>3,585</b>	<b>1,233</b>
Pražská energetika Holding a.s.	2	2	--	--
Capital City of Prague	173	337	39	36
EnBW Energie Baden-Württemberg AG *)	2,043	1,002	3,546	1,197
<b>Relations with other entities controlled by controlling entities and associates</b>	<b>2,507</b>	<b>1,728</b>	<b>559</b>	<b>436</b>
VNG Handel & Vertrieb GmbH	27	195	264	208
Výstaviště Praha, a.s.	21	20	--	--
Želivská provozní a.s.	15	16	--	--
Pražské služby, a.s.	16	16	--	1
Technologie Hlavního města Prahy, a.s.	179	--	--	--
Pražské vodovody a kanalizace, a.s.	59	73	10	9
Technická správa komunikací hl. m. Prahy, a.s.	47	51	--	1
Dopravní podnik hl. m. Prahy, akciová společnost	1,996	1,255	3	6
Kongresové centrum Praha, a.s.	49	29	1	--
Kolektory Praha, a.s.	8	35	137	122
Obecní dům, a.s.	10	9	--	--
TRADE CENTRE PRAHA a.s.	1	3	--	--
Pražská plynárenská, a.s.	37	26	144	89
Rezident Park 9 s.r.o.	42	--	--	--
<b>Total</b>	<b>4,725</b>	<b>3,069</b>	<b>4,144</b>	<b>1,669</b>

\*) EnBW Energie Baden-Württemberg AG is among the top suppliers of electricity and gas. 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	
	2023	2022	2023	2022
<b>Relations with controlling entities and associates</b>	<b>121</b>	<b>1</b>	<b>192</b>	<b>164</b>
Pražská energetika Holding a.s.	--	--	--	--
Capital City of Prague	--	1	6	31
EnBW Energie Baden-Württemberg AG	121	--	186	133
<b>Relations with other entities controlled by controlling entities and associates</b>	<b>251</b>	<b>250</b>	<b>29</b>	<b>72</b>
VNG Handel & Vertrieb GmbH	--	98	--	--
Výstaviště Praha, a.s.	2	2	--	--
Želivská provozní a.s.	3	3	--	--
Pražské služby, a.s.	3	3	--	--
Pražské vodovody a kanalizace, a.s.	--	--	2	2
Technická správa komunikací hl. m. Prahy, a.s.	4	5	3	--
Dopravní podnik hl. m. Prahy, akciová společnost	181	101	23	38
Kongresové centrum Praha, a.s.	--	--	1	28
Kolektory Praha, a.s.	4	8	--	--
Obecní dům, a.s.	1	1	--	--
Pražská plynárenská, a.s.	3	29	--	4
Rezident Park 9 s.r.o.	50	--	--	--
<b>Total</b>	<b>372</b>	<b>251</b>	<b>221</b>	<b>236</b>

Business transactions were conducted on an arm's length basis. Outstanding amounts were not collateralised.

**Dividends paid**

	2023	2022
Pražská energetika Holding a.s.	988	988
EnBW Energie Baden-Württemberg AG	705	705

**Executive management**

	2023	2022
Number of persons	13	13
Remuneration (MCZK)	48	47

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 2023, the Group reports no receivables from executive management (as at 31 December 2022: MCZK 0).

**(35) Post balance sheet events****Changes in statutory and supervisory bodies of the company:**

The Supervisory Board accepted the resignation of Ms Aurélie Alemany and approved the termination of her position as of 31 January 2024.

Ms Claudia Tillmann, born on 29 February 1972, residing at Weygoldstraße 8, Hürth 50354, Germany, was elected as a substitute member of the Supervisory Board of Pražská energetika, a.s., effective from 27 March 2024 until the next General Meeting of Pražská energetika, a.s.

The Supervisory Board approved the moment of termination of the position of a member of the Supervisory Board of Pražská energetika, a.s., Mr Stefan Theo Webers, born on 2 October 1969, residing at Pariser Ring 28, 76532 Baden-Baden, Germany, as of 27 March 2024.

The Supervisory Board recalled Mr Jaromír Beránek, born on 14 May 1986, residing at Dašková 3080/5, Prague 4, post code 143 00, from the position of a member of the Board of Directors of Pražská energetika, a.s., on 27 March 2024.

The Supervisory Board elected Mr Miroslav Tým, born on 26 June 1967, residing at Trojská 725/181b, Prague 7, post code 171 00, as a member of the Board of Directors of Pražská energetika, a.s., effective from 28 March 2024.

**Division and renaming of subsidiary PREměření, a.s.**

Based on the division project dated 7 November 2023, a part of the assets and liabilities of PREměření, a.s. (now PREenergo, a.s.) was spun off, and the spun-off part of assets and liabilities was transferred to the successor company PRE distribuční služby, a.s. The decisive date of the division was set as 1 January 2024.

The reason for the division into two separate companies is to facilitate the achievement of the different objectives of these entities. The separation of activities will allow PREs to fully focus (as a supporting organisation to PREdistribuce, a.s.) on costs and innovation in the distribution grid, as opposed to PREenergo, whose objective is to maximise profits made from operating in the external market.

No other significant events occurred after the date of the financial statements.

Prague, 2 May 2024

Signed by

**Pavel Elis**

chairperson of the Board of Directors

Signed by

**Alexander Manfred Sloboda**

vice-chairperson of the Board of Directors

# Separate financial statements

Separate financial statements of Pražská energetika, a.s., as at 31 December 2023

Prepared in compliance with International Financial Reporting Standards (IFRS accounting standards) as adopted by the EU

## Income statement (MCZK)

	Note	2023	2022
Revenue from electricity and gas sold		43,733	33,117
Cost of electricity and gas sold		(39,646)	(30,592)
<b>Gross profit from the sale of commodities</b>	<b>(4)</b>	<b>4,087</b>	<b>2,525</b>
Other operating revenue	(4)	1,189	1,034
Personnel expenses	(6)	(583)	(514)
Amortisation and depreciation	(14, 15)	(251)	(214)
Depreciation of the right-of-use	(16)	(71)	(67)
Cost of purchased services, material and energy	(7)	(1,226)	(1,017)
Borrowing costs	(8)	(112)	(111)
Dividends received	(17)	1,572	2,129
Impairment losses for assets	(9)	(44)	(62)
Other gains and losses	(10)	578	512
<b>Profit before tax</b>		<b>5,139</b>	<b>4,215</b>
Income tax	(11)	(1,448)	(406)
<b>Profit after tax</b>		<b>3,691</b>	<b>3,809</b>
Basic and diluted earnings per share attributable to ordinary shares (CZK)	(13)	954	984

## Statement of comprehensive income (MCZK)

		2023	2022
<b>Profit from ordinary activity after tax</b>		<b>3,691</b>	<b>3,809</b>
<b>Items that cannot be subsequently reclassified to profit or loss:</b>			
Revaluation of net payables from defined benefits	(30)	(9)	10
<b>Items that may be subsequently reclassified to profit or loss:</b>			
Cash flow hedges, net of tax	(30)	(5,284)	(748)
<b>Total other comprehensive income after tax</b>		<b>(5,293)</b>	<b>(738)</b>
<b>Comprehensive income attributable to the Company's shareholders</b>		<b>(1,602)</b>	<b>3,071</b>

## Statement of financial position (balance sheet) (MCZK)

<b>Assets</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Property, plant and equipment	(14)	1,896	1,900
Intangible assets	(15)	346	313
Right-of-use	(16)	243	184
Equity investments	(17)	10,276	10,076
Trade and other receivables	(20)	144	103
Non-current financial assets	(19)	245	716
Loans granted	(21)	5,394	3,894
Deferred tax asset	(11)	1,146	-
<b>Non-current assets</b>		<b>19,690</b>	<b>17,186</b>
Inventories	(22)	176	773
Contract assets	(18)	910	666
Current financial assets	(19)	1,385	4,701
Trade and other receivables	(20)	5,326	4,532
Loans granted	(21)	1,743	2,378
Cash and cash equivalents	(23)	2,449	2,303
<b>Current assets</b>		<b>11,989</b>	<b>15,353</b>
<b>Total assets</b>		<b>31,679</b>	<b>32,539</b>
<b>Liabilities</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Share capital	(29)	3,869	3,869
Reserves	(30)	(3,379)	1,914
Retained earnings		12,961	10,995
<b>Equity attributable to the Company's shareholders</b>		<b>13,451</b>	<b>16,778</b>
Loans received	(24)	500	3,100
Non-current financial liabilities	(26)	922	390
Trade and other payables	(27)	2	2
Lease liabilities	(16)	157	118
Provisions	(28)	50	47
Deferred tax liability	(11)	-	211
<b>Non-current liabilities</b>		<b>1,631</b>	<b>3,868</b>
Loans received	(24)	3,162	424
Contract liabilities	(25)	1,795	2,071
Tax liabilities	(11)	525	325
Current financial liabilities	(26)	5,953	4,642
Trade and other payables	(27)	5,014	4,264
Lease liabilities	(16)	70	68
Provisions	(28)	78	99
<b>Current liabilities</b>		<b>16,597</b>	<b>11,893</b>
<b>Total liabilities</b>		<b>31,679</b>	<b>32,539</b>

### Statement of changes in equity (MCZK)

	Share capital	Reserves	Retained profits	Shareholders' equity
<b>Balance at 31 December 2021</b>	<b>3,869</b>	<b>2,652</b>	<b>8,910</b>	<b>15,431</b>
Dividends and directors' fees paid	--	--	(1,724)	(1,724)
Other comprehensive income	--	(738)	--	(738)
Net profit for 2022	--	--	3,809	3,809
<b>Balance at 31 December 2022</b>	<b>3,869</b>	<b>1,914</b>	<b>10,995</b>	<b>16,778</b>
Dividends and directors' fees paid	--	--	(1,725)	(1,725)
Other comprehensive income	--	(5,293)	--	(5,293)
Net profit for 2023	--	--	3,691	3,691
<b>Balance at 31 December 2023</b>	<b>3,869</b>	<b>(3,379)</b>	<b>12,961</b>	<b>13,451</b>

## Statement of cash flows (MCZK)

	Note	2023	2022
Opening balance of cash and cash equivalents	(23)	2,303	1,980
<b>Operating activities</b>			
<b>Accounting profit from ordinary activity, before tax</b>		<b>5,139</b>	<b>4,215</b>
Amortisation and depreciation	(14, 15, 16)	322	281
Write-offs of doubtful debts	(9)	21	12
Change in loss allowances and provisions	(9, 10)	3	68
Gains (losses) from the sale and disposal of fixed assets	(10)	(23)	(107)
Dividend income and share of profits		(1,608)	(2,145)
Interest charged to profit or loss		(503)	(308)
Foreign exchange rate gains (losses)		(58)	78
Settlement of hedging derivatives		(597)	(1,181)
Remeasurement of financial instruments		(440)	222
<b>Net operating cash flow before changes in working capital</b>		<b>2,256</b>	<b>1,135</b>
ZChange in trade receivables and transitional accounts	(20)	(1,017)	(842)
Change in trade payables and transitional accounts	(27)	391	2,344
Change in inventories	(22)	597	(555)
<b>Net operating cash flow before tax and interest</b>		<b>2,227</b>	<b>2,082</b>
Interest paid		(130)	(119)
Income tax paid		(1,221)	(112)
<b>Net cash flow from operating activities</b>		<b>876</b>	<b>1,851</b>
<b>Investing activities</b>			
Acquisition of fixed assets	(14, 15)	(321)	(301)
Acquisition of subsidiaries	(17)	(200)	–
Proceeds from the sale of fixed assets		65	181
Inter-company loans – provided	(21)	(3,091)	(3,447)
Inter-company loans – repaid	(21)	2,281	2,411
Interest received and revenue from securities held		562	448
Dividends received and shares in profit		1,588	2,160
<b>Net cash flow from investing activities</b>		<b>884</b>	<b>1,451</b>
<b>Financing activities</b>			
Internal loans received	(24)	266	261
Internal loans repaid	(24)	(109)	(133)
External loans received	(24)	429	1,748
External loans repaid	(24)	(429)	(2,978)
Lease payments	(16)	(89)	(68)
Dividends and directors' fees paid	(12)	(1,723)	(1,724)
<b>Net cash flow from financing activities</b>		<b>(1,655)</b>	<b>(2,894)</b>
Change in cash and cash equivalents		105	408
Effect of foreign exchange rate movements		41	(85)
<b>Closing balance of cash and cash equivalents</b>	<b>(23)</b>	<b>2,449</b>	<b>2,303</b>

## Contents of the notes to the financial statements

1. General information
2. Adoption of new and amended International Financial Reporting Standards
3. Significant accounting policies
4. Revenues and costs related to the supply and distribution of commodities
5. Segment reporting
6. Personnel expenses
7. Cost of purchased services, material and energy
8. Borrowing costs
9. Impairment gains (losses) for financial assets
10. Other gains and losses
11. Income tax
12. Dividends
13. Earnings per share
14. Property, plant and equipment
15. Intangible assets
16. Right-of-use and lease liabilities
17. Equity investments
18. Contract assets
19. Receivables from revaluation of derivatives
20. Trade and other receivables
21. Loans granted
22. Inventories
23. Cash and cash equivalents
24. Loans received
25. Contract liabilities
26. Payables from revaluation of derivatives
27. Trade and other payables
28. Provisions
29. Share capital
30. Reserves and other funds
31. Government grants
32. Financial instruments
33. Related party transactions
34. Post balance sheet events

## (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, post code 100 00, 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	2023	2022
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%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

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

#### ..... IFRS 17 "Leases" 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".

The entity analysed cases that, by their nature, could be relevant to the new IFRS 17.

The cases identified (e.g. employee benefits, guarantees) were found to be exemptions to IFRS 17. The entity did not identify any material impact of IFRS 17 on its financial statements.

#### ..... Amendments to IAS 1 "Presentation of Financial Statements and Statement of Compliance – Materiality

**Judgements – Disclosure of Accounting Policies"** (effective for the annual IFRS financial statements for annual periods beginning on or after 1 January 2023)

The Company revised its accounting policies in accordance with the new amendments to IAS 1. Although these amendments did not result in any changes to the accounting policies, they had an impact on the information on accounting policies disclosed in the financial statements.

Amendments to IAS 1 require the disclosure of significant accounting policies and provide guidance on the determination

of the materiality in the disclosure of accounting policies so that the financial statements provide the entity-specific information that users need to understand the financial statements.

The Group publishes only significant accounting procedures in line with current requirements.

- ..... **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 “Income Taxes - 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)  
As part of the adoption of the amendments to IAS 12 “Changes in Reporting Deferred Tax Assets and Liabilities Arising from a Single Transaction”, the Group reported the deferred tax asset on lease liabilities and the deferred tax liability on right-of-use assets separately in Note 12. These adjustments have no impact on the reporting of the deferred tax liability in the balance sheet, as the Group can offset these assets and liabilities in accordance with IAS 12 “Income Taxes”.
- ..... **Amendments to IAS 12 “Income Taxes – International Tax Reform – Pillar Two Model Rules”** (effective for the annual IFRS financial statements for annual periods beginning on or after 1 January 2023) – based on the analysis performed, the amendments have no impact on the Group.

Apart from the above mentioned amendments, the entity does not expect a significant impact of other amended or new standards on the financial statements.

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

- ..... **Amendments to IFRS 16 “Leases – Lease Liability in a Sale and Leaseback”** (effective for annual periods beginning on or after 1 January 2024)
- ..... **Amendments to IAS 1 “Presentation of Financial Statements – Classification of Liabilities as Current or Non-current”** (effective for annual periods beginning on or after 1 January 2024)
- ..... **Amendments to IAS 1 “Presentation of Financial Statements – Non-current Liabilities with Covenants”** (effective for annual periods beginning on or after 1 January 2024).

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 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), not yet endorsed by the EU
- ..... **Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 Financial Instruments: Disclosures** (effective for the annual IFRS financial statements for annual periods beginning on or after 1 January 2024), not yet endorsed by the EU
- ..... **Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates”** (effective for the annual IFRS financial statements for annual periods beginning on or after 1 January 2025), not yet endorsed 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**

##### ***Valuation***

The financial statements have been prepared on the historical cost basis except for certain financial instruments described in Note 32 and the trading gas inventory acquired under the gas trading business model described in Note 22. 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.

#### **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.

### Borrowing costs

The Company capitalises borrowing costs related to the construction of qualifying assets in line with IAS 23. 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.

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.

### 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.

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 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	10, 12, 15, 20, 30, 40, 50, 70
Fibre-optics	30
Working machinery and equipment	2, 5, 8, 10, 12, 20, 30
Telecommunication equipment	3-29
Appliances and special technology equipment	5, 8, 10
Vehicles	5, 6, 8, 10
Fixtures and fittings	3, 4, 5, 8, 10
Hardware	3, 4, 5, 18

### 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, 5
Other intangible assets	4, 6

### Right-of-use and lease liabilities

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 Group.

### 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 becomes sufficiently clear the grant will be accepted and the Company will be able to fulfil the project terms and conditions. The grants accepted are recognised in the period in which the Company reports related expenses.

Returnable government grants are reported as changes in net book estimates.

#### 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, is 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 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.

### **Equity investments**

Equity investments include the Company's share in other companies' share capital. 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. In determining the business model, 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 and distribution of electricity and gas in the Czech Republic. Other significant revenues of the Company 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 Company also 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.

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.

### ***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.

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.

### ***Initial and subsequent recognition of financial assets and financial liabilities***

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.

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.

### **Derivatives**

The Company uses forward contracts (derivatives) primarily to manage market risks associated with its business, mainly price, currency and interest rate risks. It also enters into commodity derivatives transactions to derive profit from the short-term movements of prices.

Market risk management is based on the Company's risk management strategy and related regulations specifying the objectives, procedures and processes for managing individual risks.

The principal risk is the price risk associated with changes in market prices of commodities, i.e. electricity and gas. To manage the risk, the Company purchases and sells derivatives to hedge the purchase price of the commodity (in EUR) in the planned volume and form of supply.

Some of the purchases and sales of commodities in form of term contracts carried out by the Company are assumed to be physically delivered for subsequent consumption or sale as part of the Company's regular activities. In respect of contracts where the assumption of physical delivery is highly probable, the Company uses the own use exception and does not remeasure them at fair value.

The need to manage currency risk arises from the fact that the Company makes most of its deliveries to end customers in CZK and purchases commodities in EUR. As part of risk management, the Group executes forward sales of CZK and purchases of EUR in accordance with the plan of purchase and delivery of the commodity to end customers.

As the Company has been working with external funding sources for a long time, it is also exposed to the risk associated with the development of market interest rates. As part of its risk management, the Company ensures a stable cost of debt through interest rate derivatives by swapping the floating interest rate of external loans for a fixed rate.

The Company applies hedge accounting under IFRS 9 to derivatives entered into in accordance with its chosen risk management strategy.

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.

## Hedge accounting

The Company designates hedging instruments 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). 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**

The Company has applied hedge accounting according to IFRS 9 since 1 January 2023. Until 31 December 2022, it was applied according to IAS 39. With the exception of the term contracts used to hedge price risk on the commodity gas, the hedging relationships have not been terminated as at 31 December 2022 and are continuing as they fully meet all the conditions for the hedge accounting under IFRS 9. All term contracts classified as hedging instruments as at 31 December 2022 under IAS 39 have now entered into newly defined hedging relationships under IFRS 9. In relation to this change, the Company did not identify any impacts on the income statement in the current or comparative period.

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

<b>Revenue and costs related to the supply and distribution of commodities</b>	<b>2023</b>	<b>2022</b>
Sales of electricity B2B	17,428	15,684
Sales of distribution and system services B2B	1,830	2,325
Sales of electricity B2C	8,584	5,704
Sales of distribution and system services B2C	4,387	5,250
Sales of electricity to dealers	1,683	1,604
Revenue from electricity and fuels sold	72	30
Sales of electricity for losses at grids	317	326
<b>Total sales of electricity</b>	<b>34,301</b>	<b>30,923</b>
Revenue from the sales of gas B2B and B2C	1,352	1,306
Sales of gas to dealers	351	589
<b>Total sales of gas</b>	<b>1,703</b>	<b>1,895</b>
Margin on trading	(2)	299
Compensation for electricity and gas prices	7,731	–
<b>Total revenues</b>	<b>43,733</b>	<b>33,117</b>
Costs of purchases of sold electricity	(31,500)	(21,297)
Costs of purchases of distribution and system services	(6,216)	(7,575)
Costs of electricity and distribution services for fuel	(49)	(23)
Costs of purchases of gas	(1,881)	(1,697)
<b>Total costs</b>	<b>(39,646)</b>	<b>(30,592)</b>
<b>Gross profit from the sale of electricity and gas</b>	<b>4,087</b>	<b>2,525</b>
<b>Other operating revenue</b>	<b>2023</b>	<b>2022</b>
Revenue from provided services	1,174	1,028
Other	15	6
<b>Total</b>	<b>1,189</b>	<b>1,034</b>

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 – HV, MV, 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.

**Electricity and gas price compensation:** The government announced the capping of electricity (5 CZK/kWh) and gas (2.50 CZK/kWh) prices for 2023 based on Government Decree No. 298/2022 Coll., on the determination of electricity and gas prices in an extraordinary market situation. Subsequently, in January 2023, Government Decree No. 5/2023 Coll., on compensation provided for the supply of electricity and gas at fixed prices, was issued. Compensation for the difference between fixed prices and market prices involved the provision of compensation for eligible costs and a reasonable profit.

**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 2023

Contractual revenue	2024	2025	2026	2027	2027+
Supplies of electricity	18,059	7,613	2,693	--	--
Supplies of gas	2,154	563	199	--	--
Other revenue	17	11	13	--	--
<b>Total</b>	<b>20,230</b>	<b>8,187</b>	<b>2,905</b>	<b>--</b>	<b>--</b>

**Supplies of electricity and gas:** Contractual revenue comprises the equivalent of supply fixed by a contract, measured at an average planned price. In respect of customers whose supply is not fixed, the supply is estimated for three months.

**Other revenue:** This includes contractual revenue in particular from the lease of assets.

<b>Contractual balances</b>	<b>2023</b>	<b>2022</b>
Receivables included in trade and other receivables *)	4,666	3,457
Contract assets *)	910	666
Contract liabilities *)	1,795	2,071

\*) For more information see Notes 18, 20, 25.

Total amount of revenue from sold electricity and gas and other revenue (except for margin on trading and Compensation of price of electricity and gas) stems from contracts with customers.

## **(5) Segment reporting (MCZK)**

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.

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 (MCZK)

	2023	2022
	Staff including management	Staff including management
Average headcount	378	376
Salaries	347	307
Salaries paid depending on the fulfilment of the plan	26	24
Insurance premiums	138	122
Remuneration to the members of the Company's bodies	25	25
Other social expenses *)	47	36
<b>Total</b>	<b>583</b>	<b>514</b>

\*) 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 MCZK 1 (2022: MCZK 1).

## (7) Cost of purchased services, material and energy (MCZK)

	2023	2022
Material and own consumed energy	72	94
Repairs of property, plant and equipment	73	64
Consulting services	31	22
Lease payments	11	6
Postage and telecommunication fees	51	55
IT support	220	186
Marketing	147	94
Customer service	332	309
Other *)	289	187
<b>Total</b>	<b>1,226</b>	<b>1,017</b>

\*) Expenses incurred on external employees, cleaning services, security guard services, storage fees and other services.

## (8) Borrowing costs (MCZK)

	2023	2022
Interest on cash pooling	31	12
Interest on loan	73	94
Interest expense on employee benefits	1	1
Interest on leases	7	4
<b>Total</b>	<b>112</b>	<b>111</b>

**(9) Impairment (gains) losses for financial assets (MCZK)**

	2023	2022
Write-offs of doubtful debts	21	12
Creation and release of loss allowances for trade receivables	19	63
Creation and release of loss allowances for contract assets	5	(12)
Creation and release of loss allowances for inter-company loans	(1)	--
Creation and release of loss allowances for other financial assets	--	(1)
<b>Total</b>	<b>44</b>	<b>62</b>

**(10) Other gains and losses (MCZK)**

	2023	2022
Gain (loss) from the sale and disposal of fixed assets and inventories	23	107
Foreign exchange rate gains (losses)	10	29
Interest received in the Group	433	337
Interest received outside of the Group	183	73
Share in the profit or loss of eYello CZ, k.s.	36	16
Hedge ineffectiveness	(119)	(2)
Other	12	(48)
<b>Total</b>	<b>578</b>	<b>512</b>

**(11) Income tax (MCZK)**

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., 21% (19% in 2022).

	2023	2022
Current tax	1,421	516
Deferred tax	27	(110)
<b>Total income tax</b>	<b>1,448</b>	<b>406</b>

	2023		2022	
<b>Profit before tax</b>	<b>5,139</b>		<b>4,215</b>	
Income tax using the effective income tax rate	976	19.00%	801	19.00%
Windfall tax	746	14.50%	--	--
Impact of tax non-deductible dividends received	(299)	(5.82%)	(405)	(9.60%)
Impact of other items that are never tax-deductible	25	0.50%	10	0.24%
<b>Total income tax/effective tax rate</b>	<b>1,448</b>	<b>28.18%</b>	<b>406</b>	<b>9.64%</b>

Deferred tax assets (-) and liabilities (+) recorded in the balance sheet relate to the following items:

	2023	Recorded in profit or loss	Recorded in other comprehensive income	2022	Recorded in profit or loss	Recorded in other comprehensive income	2021
Non-current assets	173	16	--	157	--	--	157
Right-of-use	51	16	--	35	3	--	32
Inventories	(46)	17	--	(63)	(93)	--	30
Provisions	(14)	4	--	(18)	(7)	--	(11)
Loss allowances	(35)	(6)	--	(29)	(10)	--	(19)
Leases	(48)	(12)	--	(36)	(3)	--	(32)
Obligation under the Collective Agreement	(13)	(2)	(1)	(10)	--	2	(12)
Cash flow hedge	(1,214)	(6)	(1,383)	175	--	(175)	349
<b>Total deferred tax liability</b>	<b>(1,146)</b>	<b>27</b>	<b>(1,384)</b>	<b>211</b>	<b>(110)</b>	<b>(173)</b>	<b>494</b>

The estimated current income tax for 2023 of MCZK 1,421 was reduced by income tax prepayments of MCZK 896 and the net payable was reported in tax liabilities. In 2022, the estimated income tax of MCZK 514 was reduced by income tax prepayments of MCZK 189 and the net receivable was reported in tax liabilities.

Comparative information has been restated as a result of the adoption of the amendments to IAS 12 "Changes in Reporting Deferred Tax Assets and Liabilities Arising from a Single Transaction". In line with these amendments, the Group reported the deferred tax asset on lease liabilities and the deferred tax liability on right-of-use assets separately. These adjustments have no impact on the reporting of the deferred tax liability in the balance sheet, as the Group can offset these assets and liabilities in accordance with IAS 12 "Income Taxes".

The Company is currently analysing the draft bill on the top-up tax for large multinational groups and large domestic groups. The intention of the law is that for each country in which they operate through subsidiaries or permanent establishments, large multinational or national groups should pay a tax on profits such that their effective tax rate is at least 15%. Based on the assessment made to date, the Company does not expect that the introduction of this law will have any impact on the Group's current tax.

## (12) Dividends (MCZK)

The following amounts were recognised as distribution of profit to shareholders in the relevant period:

	2023	2022
Final dividend for 2022 of CZK 439.96 (2021: CZK 439.96) per share	1,702	1,702

Directors' fees paid for 2023 amounted to MCZK 24 (2022: MCZK 24), and expired dividends returned to retained earnings amounted to MCZK 2 (2022: MCZK 2).

The final amount of the proposed dividend for 2023 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 (MCZK)**

Earnings per share are calculated from the net profit for distribution of MCZK 3,691 (2022: TCZK 3,809) attributable to 3,869,443 shares, i.e., the earnings per share amount to CZK 954 (2022: CZK 984).

The Company has no issued instruments diluting the basic earnings per share.

**(14) Property, plant and equipment (MCZK)**

	Land	Telecommuni- cation tech- nologies and IT	Administrative buildings	e-mobility	Other	Under construction	Total
<b>Cost</b>							
<b>Balance at 31 December 2021</b>	<b>187</b>	<b>913</b>	<b>1,875</b>	<b>113</b>	<b>396</b>	<b>85</b>	<b>3,569</b>
Additions	2	13	14	31	20	120	200
Disposals	(25)	--	(64)	--	(42)	--	(131)
Transfers	--	20	14	27	4	(65)	--
<b>Balance at 31 December 2022</b>	<b>164</b>	<b>946</b>	<b>1,839</b>	<b>171</b>	<b>378</b>	<b>140</b>	<b>3,638</b>
<b>Accumulated depreciation</b>							
<b>Balance at 31 December 2021</b>	<b>(1)</b>	<b>(748)</b>	<b>(689)</b>	<b>(17)</b>	<b>(225)</b>	<b>--</b>	<b>(1,680)</b>
Depreciation expense	--	(43)	(40)	(16)	(17)	--	(116)
Disposals	--	--	33	--	25	--	58
Transfers	--	--	--	--	--	--	--
<b>Balance at 31 December 2022</b>	<b>(1)</b>	<b>(791)</b>	<b>(696)</b>	<b>(33)</b>	<b>(217)</b>	<b>--</b>	<b>(1,738)</b>
Net book value 2021	186	165	1,186	96	171	85	1,889
<b>Net book value 2022</b>	<b>163</b>	<b>155</b>	<b>1,143</b>	<b>138</b>	<b>161</b>	<b>140</b>	<b>1,900</b>

	Land	Telecommuni- cation tech- nologies and IT	Administrative buildings	e-mobility	Other	Under construction	Total
<b>Cost</b>							
<b>Balance at 31 December 2022</b>	<b>164</b>	<b>946</b>	<b>1,839</b>	<b>171</b>	<b>378</b>	<b>140</b>	<b>3,638</b>
Additions	--	33	8	39	18	74	172
Disposals	(13)	(35)	(32)	--	(19)	(5)	(104)
Transfers	--	34	3	49	7	(93)	--
<b>Balance at 31 December 2023</b>	<b>151</b>	<b>978</b>	<b>1,818</b>	<b>259</b>	<b>384</b>	<b>116</b>	<b>3,706</b>
<b>Accumulated depreciation</b>							
<b>Balance at 31 December 2022</b>	<b>(1)</b>	<b>(791)</b>	<b>(696)</b>	<b>(33)</b>	<b>(217)</b>	<b>--</b>	<b>(1,738)</b>
Depreciation expense	--	(49)	(40)	(26)	(19)	--	(134)
Disposals	--	35	13	--	14	--	62
Transfers	--	--	--	--	--	--	--
<b>Balance at 31 December 2023</b>	<b>(1)</b>	<b>(805)</b>	<b>(723)</b>	<b>(59)</b>	<b>(222)</b>	<b>--</b>	<b>(1,810)</b>
Net book value 2022	163	155	1,143	138	161	140	1,900
<b>Net book value 2023</b>	<b>150</b>	<b>173</b>	<b>1,095</b>	<b>200</b>	<b>162</b>	<b>116</b>	<b>1,896</b>

\*) Increase in investments was reduced by the provided grant from the "PRE backbone network", "PRE metropolitan network" and "Metropolitan network II" projects totalling MCZK 21 (2022: MCZK 45).

None of the Company's property, plant and equipment were pledged or used as collateral.

The Company anticipates incurring total capital expenditure of MCZK 137 in 2024. Approximately 50% 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
<b>Cost</b>				
<b>Balance at 31 December 2021</b>	<b>577</b>	<b>25</b>	<b>112</b>	<b>714</b>
Additions	21	6	89	116
Disposals	--	(2)	--	(2)
Transfers	108	--	(108)	--
<b>Balance at 31 December 2022</b>	<b>706</b>	<b>29</b>	<b>93</b>	<b>828</b>
<b>Accumulated amortisation</b>				
<b>Balance at 31 December 2021</b>	<b>(408)</b>	<b>(10)</b>	<b>--</b>	<b>(418)</b>
Amortisation expense	(95)	(4)	--	(99)
Disposals	--	--	--	--
Transfers	--	2	--	2
<b>Balance at 31 December 2022</b>	<b>(503)</b>	<b>(12)</b>	<b>--</b>	<b>(515)</b>
Net book value 2021	169	15	112	296
<b>Net book value 2022</b>	<b>203</b>	<b>17</b>	<b>93</b>	<b>313</b>

	Software	Other	Under construction	Total
<b>Cost</b>				
<b>Balance at 31 December 2022</b>	<b>706</b>	<b>29</b>	<b>93</b>	<b>828</b>
Additions	28	5	117	150
Disposals	--	--	--	--
Transfers	86	--	(86)	--
<b>Balance at 31 December 2023</b>	<b>820</b>	<b>34</b>	<b>124</b>	<b>978</b>
<b>Accumulated amortisation</b>				
<b>Balance at 31 December 2022</b>	<b>(503)</b>	<b>(12)</b>	<b>--</b>	<b>(515)</b>
Amortisation expense	(113)	(4)	--	(117)
Disposals	--	--	--	--
Transfers	--	--	--	--
<b>Balance at 31 December 2023</b>	<b>(616)</b>	<b>(16)</b>	<b>--</b>	<b>(632)</b>
Net book value 2022	203	17	93	313
<b>Net book value 2023</b>	<b>204</b>	<b>18</b>	<b>124</b>	<b>346</b>

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 85 in 2024. Approximately 43% of all planned expenditure was contracted as at the date of preparation of the financial statements.

### (16) Right-of-use and lease liabilities (MCZK)

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	Offices and storage facilities		Total
	Cars		
<b>Net book value at 31 December 2021</b>	<b>112</b>	<b>55</b>	<b>167</b>
Lease increase and modifications	35	49	84
Amortisation expense	(43)	(24)	(67)
<b>Net book value at 31 December 2022</b>	<b>104</b>	<b>80</b>	<b>184</b>
Lease increase and modifications	53	77	130
Amortisation expense	(43)	(28)	(71)
<b>Net book value at 31 December 2023</b>	<b>114</b>	<b>129</b>	<b>243</b>

	2023	2022
<b>Total lease liabilities</b>		
Non-current lease liabilities	157	118
Current lease liabilities	70	68
<b>Total lease liabilities</b>	<b>227</b>	<b>186</b>
<b>Lease liabilities as at 1 January</b>	<b>186</b>	<b>171</b>
Lease payments	(89)	(68)
Interest paid	(7)	(4)
<b>Total cash flows</b>	<b>(96)</b>	<b>(72)</b>
Interest expense	7	4
Lease increase and modifications	130	83
<b>Total non-cash flows</b>	<b>137</b>	<b>87</b>
<b>Lease liabilities as at 31 December</b>	<b>227</b>	<b>186</b>

In relation to the application of IFRS 16, the Company reported in its income statement:

	2023	2022
Amortisation of the right-of-use	71	67
Interest expense	7	4
Expenses for leases where the Company applies the exemption for leases with low-value underlying assets	11	6

As at 31 December 2023, the Company applied interest rate for leases from 2.21% to 8.60% (2022: from 2.21% to 7.06%) 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) Subsidiaries (MCZK)**

			2023		2022
	Note	Investment	Equity investment	Investment	Equity investment
PREdistribuce, a.s.	Non-marketable	100%	9,514	100%	9,514
PRE distribuční služby, a.s.	Non-marketable	100%	10	--	--
PREměření, a.s. (PREenergo, a.s., from 1 January 2024)	Non-marketable	100%	313	100%	313
eYello CZ, k.s.	Non-marketable	90%	9	90%	9
KORMAK Praha a.s.	Non-marketable	100%	107	100%	107
PREservisní, s.r.o.	Non-marketable	100%	214	100%	24
PREzákaznická, a.s.	Non-marketable	100%	10	100%	10
VOLTCOM, spol. s r.o.	Non-marketable	100%	99	100%	99
<b>Total</b>			<b>10,276</b>		<b>10,076</b>

PREměření, a.s. (PREenergo, a.s., from 1 January 2024), holds a 10% equity investment in eYello CZ, k.s.

In 2023 new company PRE distribuční služby, a.s., was established.

In PREservisní, s.r.o., the parent company increased its equity investment in 2023 by a capital contribution of EUR 140 million and a contribution outside the company's share capital of EUR 50 million. CZK.

The parent company controls all its subsidiaries. Dividends received include recognised and paid shares in profit from PREdistribuce, a.s., of MCZK 1,269 (2022: MCZK 1,778), KORMAK Praha a.s., of MCZK 20 (2022: MCZK 24), PREzákaznická, a.s., of MCZK 33 (2022: MCZK 27), PREměření, a.s., (PREenergo, a.s., from 1 January 2024) of MCZK 250 (2022: MCZK 270), VOLTCOM, spol.s r.o. – no dividends (2022: MCZK 10), PREservisní, s.r.o. – no dividends (2022: MCZK 20) and PRE distribuční služby, a.s. – no dividends.

Information on the subsidiaries was derived from individual statutory financial statements of these companies prepared in compliance with Czech Accounting Standards.

**Business entity: PREdistribuce, a.s.**

The company distributes electricity.

	2023	2022
<b>Registered office: Svornosti 3199/19a, Prague 5</b>		
<b>ID No.: 27376516</b>		
Average number of employees	475	470
<b>Economic data (TCZK)</b>		
Registered capital	17,708	17,708
Equity	18,196	18,988
Profit after tax	488	1,280
Sales of goods and services	7,437	9,082

**Business entity: PRE distribuční služby, a.s.**

The company was established as a supporting organisation for PREdistribuce, a.s., with a focus on innovation in the distribution grid.

	2023	2022
<b>Registered office: Na Hroudě 1492/4, Prague 10</b>		
<b>ID No.: 19826982</b>		
Average number of employees	--	--
<b>Economic data (TCZK)</b>		
Registered capital	10	--
Equity	9	--
Profit after tax	-1	--
Sales of goods and services	--	--

**Business entity: PREměření, a.s. (PREenergo, a.s., from 1 January 2024)**

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.

	2023	2022
<b>Registered office: Na Hroudě 2149/19, Prague 10</b>		
<b>ID No.: 25677063</b>		
Average number of employees	237	244
<b>Economic data (TCZK)</b>		
Registered capital	35	35
Equity	(856)	966
Profit after tax	161	215
Sales of goods, services and solar energy generation	(144)	614

**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.

	2023	2022
<b>Registered office: Kubánské náměstí 1391/11, Prague 10</b>		
<b>ID No.: 25054040</b>		
Average number of employees	11	11
<b>Economic data (TCZK)</b>		
Equity	7	7
Profit after tax	--	--
Sales of electricity, gas and services	2,032	1,626

**Business entity: KORMAK Praha a.s.**

KORMAK Praha a.s. is engaged in the construction and repair of distribution facilities.

	2023	2022
<b>Registered office: náměstí Bratří Jandusů 34/34, Prague 10</b>		
<b>ID No.: 48592307</b>		
Average number of employees	72	68
<b>Economic data (TCZK)</b>		
Registered capital	2	2
Equity	27	26
Profit after tax	24	24
Total revenue from own products and services	239	224

**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.

	2023	2022
<b>Registered office: Na Hroudě 1492/4, Prague 10</b>		
<b>ID No.: 02065801</b>		
Average number of employees	89	87
<b>Economic data (TCZK)</b>		
Registered capital	150	10
Equity	242	48
Profit after tax	5	7
Sales of goods and services	681	543

**Business entity: PREzákaznická, a.s.**

PREzákaznická, a.s., provides customer service for other entities of the PRE Group.

	2023	2022
<b>Registered office: Na Hroudě 1492/4, Prague 10</b>		
<b>ID No.: 06532438</b>		
Average number of employees	276	267
<b>Economic data (TCZK)</b>		
Registered capital	10	10
Equity	47	45
Profit after tax	36	35
Sales of goods and services	633	581

**Business entity: VOLTCOM, spol. s r.o.**

VOLTCOM, spol. s r.o., is engaged in the construction and repair of distribution facilities.

	2023	2022
<b>Registered office: Otevřená 1092/2, Prague 6</b>		
<b>ID No.: 44794274</b>		
Average number of employees	75	71
<b>Economic data (TCZK)</b>		
Registered capital	2	2
Equity	31	21
Profit after tax	11	11
Sales of goods and services	258	186

**(18) Contract assets (MCZK)**

<b>Contract assets</b>	<b>2023</b>	<b>2022</b>
Receivables from electricity and gas supplies – gross	6,273	5,335
Less: Advances received	(5,363)	(4,669)
<b>Total</b>	<b>910</b>	<b>666</b>

## Creation and release of contract assets

<b>Balance of contract assets at 31 December 2021</b>	<b>599</b>
Invoicing of recognised contract assets during 2022	(624)
Uninvoiced supplies of 2021, less advances received	679
Impairment in compliance with IFRS 9 requirements	12
<b>Balance of contract assets at 31 December 2022</b>	<b>666</b>
Invoicing of recognised contract assets during 2023	(679)
Uninvoiced supplies of 2022, less advances received	928
Impairment in compliance with IFRS 9 requirements	(5)
<b>Balance of contract assets at 31 December 2023</b>	<b>910</b>

## Impairment of contract assets

<b>Balance at 31 December 2021</b>	<b>25</b>
Utilisation/release	(12)
<b>Balance at 31 December 2022</b>	<b>13</b>
Utilisation/release	5
<b>Balance at 31 December 2023</b>	<b>18</b>

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 (MCZK)**

<b>Non-current receivables from revaluation of derivatives</b>	<b>2023</b>	<b>2022</b>
Receivables from the revaluation of commodity derivatives for trading	68	14
Receivables from the revaluation of hedging commodity derivatives	76	440
Receivables from the revaluation of hedging interest rate derivatives	101	262
Receivables from the revaluation of hedging foreign exchange derivatives	–	–
<b>Total</b>	<b>245</b>	<b>716</b>

<b>Current receivables from revaluation of derivatives</b>	<b>2023</b>	<b>2022</b>
Receivables from the revaluation of commodity derivatives for trading	395	2,785
Receivables from the revaluation of hedging commodity derivatives	753	1,806
Receivables from the revaluation of hedging interest rate derivatives	90	110
Receivables from the revaluation of hedging foreign exchange derivatives	147	--
<b>Total</b>	<b>1 385</b>	<b>4 701</b>

## (20) Trade and other receivables (MCZK)

<b>Non-current trade and other receivables</b>	<b>2023</b>	<b>2022</b>
Principal amounts paid	144	103
<b>Total</b>	<b>144</b>	<b>103</b>

<b>Current trade and other receivables</b>	<b>2023</b>	<b>2022</b>
Receivables from electricity and gas supplies	4,152	3,210
Margin deposits with the power exchanges	371	434
Other trade receivables	514	247
Other receivables – gross	440	873
Less: Advances provided	(292)	(295)
Other receivables – net	148	578
Other tax receivables	--	--
Other non-financial assets	141	63
<b>Total</b>	<b>5,326</b>	<b>4,532</b>

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):

<b>Balance at 31 December 2021</b>	<b>1</b>
Additions and release in the current year	(1)
<b>Balance at 31 December 2022</b>	<b>--</b>
Additions and release in the current year	--
<b>Balance at 31 December 2023</b>	<b>--</b>

Of the above current trade receivables, gross receivables past their due date totalled MCZK 487 (2022: MCZK 435). Outstanding portions usually bear no interest. The following loss allowances were created for trade receivables:

<b>Balance at 31 December 2021</b>	<b>301</b>
Additions and release in the current year	62
<b>Balance at 31 December 2022</b>	<b>363</b>
Additions and release in the current year	19
<b>Balance at 31 December 2023</b>	<b>382</b>

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.

	2022			
	% of loss	Gross	Loss	Net
	allowance		allowance	
Receivables within due date	2	3,385	63	3,322
Receivables up to 1 month past due	6	109	7	102
Receivables between 2 and 3 months past due	25	24	6	18
Receivables between 4 and 6 months past due	60	24	15	9
Receivables between 7 and 12 months past due	86	21	18	3
Receivables over 12 months past due	99	257	254	3
<b>Total trade receivables</b>		<b>3,820</b>	<b>363</b>	<b>3,457</b>

	2023			
	% of loss	Gross	Loss	Net
	allowance		allowance	
Receivables within due date *)	2	4,561	63	4,498
Receivables up to 1 month past due	6	130	8	122
Receivables between 2 and 3 months past due	25	43	11	32
Receivables between 4 and 6 months past due	60	19	11	8
Receivables between 7 and 12 months past due	86	29	26	3
Receivables over 12 months past due	99	266	263	3
<b>Total trade receivables</b>		<b>5,048</b>	<b>382</b>	<b>4,666</b>

\*) The gross value of receivables of MCZK 514 (2022: MCZK 247) 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 (MCZK)**

	2023			2022		
	Amount	Interest rate p. a.	Due date	Amount	Interest rate p. a.	Due date
Loan granted in Group 1	--	Fix 4.63%	29/2/2023	7	Fix 4.63%	29/2/2023
Loan granted in Group 2	1	Fix 4.93%	29/2/2024	7	Fix 4.93%	29/2/2024
Loan granted in Group 3	2	Fix 4.93%	29/2/2024	11	Fix 4.93%	29/2/2024
Loan granted in Group 4	627	CZK IRS 3Y+3.10%	18/6/2026	612	CZK IRS 3Y+3.10%	18/6/2026
Loan granted in Group 5	705	CZK IRS 3Y+3.00%	28/11/2026	702	CZK IRS 3Y+3.00%	28/11/2026
Loan granted in Group 6	4	Fix 3.48%	18/12/2024	8	Fix 3.48%	18/12/2024
Loan granted in Group 7	1,431	CZK IRS 3Y+2.50%	29/6/2027	1,431	CZK IRS 3Y+2.50%	29/6/2027
Loan granted in Group 8	27	Fix 3.27%	29/10/2024	54	Fix 3.27%	29/10/2024
Loan granted in Group 9	6	Fix 3.27%	29/10/2024	12	Fix 3.27%	29/10/2024
Loan granted in Group 10	--	Fix 3.17%	29/10/2023	18	Fix 3.17%	29/10/2023
Loan granted in Group 11	--	Fix 3.17%	29/10/2023	14	Fix 3.17%	29/10/2023
Loan granted in Group 12	26	Fix 3.27%	29/10/2024	52	Fix 3.27%	29/10/2024
Loan granted in Group 13	1	Fix 2.21%	29/7/2026	1	Fix 2.21%	29/7/2026
Loan granted in Group 14	4	Fix 3.52%	10/4/2027	5	Fix 3.52%	10/4/2027
Loan granted in Group 15	20	Fix 4.53%	30/11/2027	25	Fix 4.53%	30/11/2027
Loan granted in Group 16	58	Fix 3.62%	22/12/2027	73	Fix 3.62%	22/12/2027
Loan granted in Group 17	--	Fix 4.96%	31/1/2025	1	Fix 4.96%	31/1/2025
Loan granted in Group 18	--	Fix 4.99%	28/2/2024	--	Fix 4.99%	28/2/2024
Loan granted in Group 19	--	Fix 4.99%	30/3/2024	--	Fix 4.99%	30/3/2024
Loan granted in Group 20	38	Fix 4.43%	2/9/2027	48	Fix 4.43%	2/9/2027
Loan granted in Group 21	1	Fix 2.99%	15/8/2028	1	Fix 2.99%	15/8/2028
Loan granted in Group 22	1	Fix 3.97%	28/2/2025	1	Fix 3.97%	28/2/2025
Loan granted in Group 23	8	Fix 6.66%	15/6/2034	8	Fix 6.66%	15/6/2034
Loan granted in Group 24	1,036	CZK IRS 3Y+1.40%	15/7/2034	1,036	CZK IRS 3Y+1.40%	15/7/2034
Loan granted in Group 25	21	Fix 4.99%	1/2/2033			
Loan granted in Group 26	49	Fix 6.60%	31/5/2026			
Loan granted in Group 27	11	Fix 6.21%	25/7/2029			
Loan granted in Group 28	1,541	CZK IRS 3Y+1.40%	25/7/2035			
Loan granted in Group 29	--	Fix 6.60%	31/5/2026			
Loan granted in Group 30	1	Fix 6.60%	31/5/2026			
Loan granted in Group 31	22	Fix 5.84%	15/12/2053			

	2023			2022		
	Amount	Interest rate p. a.	Due date	Amount	Interest rate p. a.	Due date
Cash pooling receivables						
PREdistribuce, a.s.	919	O/N PRIBOR+0.75%		1,654	O/N PRIBOR+0.75%	
PREměření, a.s.						
(PREenergo, a.s., from 1 January 2024)	322	O/N PRIBOR+0.75%		81	O/N PRIBOR+0.75%	
KORMAK Praha a.s.	108	O/N PRIBOR+0.75%		48	O/N PRIBOR+0.75%	
SOLARINVEST - GREEN ENERGY, s.r.o.	20	O/N PRIBOR+0.75%		41	O/N PRIBOR+0.75%	
PREservisní, s.r.o.	61	O/N PRIBOR+0.75%		264	O/N PRIBOR+0.75%	
VOLTCOM, spol. s r.o.	40	O/N PRIBOR+0.75%		49	O/N PRIBOR+0.75%	
eYello CZ, k.s.	--	O/N PRIBOR+0.75%		--	O/N PRIBOR+0.75%	
FRONTIER TECHNOLOGIES, s.r.o.	13	O/N PRIBOR+0.75%		4	O/N PRIBOR+0.75%	
PRE FVE Nové Sedlo, s.r.o.	4	O/N PRIBOR+0.75%		3	O/N PRIBOR+0.75%	
PRE FVE Světlík, s.r.o.	14	O/N PRIBOR+0.75%		7	O/N PRIBOR+0.75%	
PRE distribuční služby, a.s.	--	O/N PRIBOR+0.75%				
Loss allowances for inter-company loans	(5)			(6)		
<b>Total</b>	<b>7,137</b>			<b>6,272</b>		
Of which:						
Non-current	5,394			3,894		
Current	1,743			2,378		

Granted loans are carried at their amortised cost. The fair value of loans 1-31 differs from their amortised cost by MCZK 31, and this value amounts to MCZK 5,672. In 2022, the fair value of loans 1-24 differed from their amortised cost by MCZK 10, and this value amounted to MCZK 4,118. 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):

<b>Balance at 31 December 2021</b>	<b>5</b>
Additions and release in the current year	--
<b>Balance at 31 December 2022</b>	<b>6</b>
Additions and release in the current year	(1)
<b>Balance at 31 December 2023</b>	<b>5</b>

**(22) Inventories (MCZK)**

	2023	2022
Material	37	4
Goods	139	769
Of which: gas inventory at fair value	139	769
<b>Total</b>	<b>176</b>	<b>773</b>

Cost of purchased material, services and energy and other gains and losses in the income statement include costs of sold and consumed inventories of MCZK 59 (2022: MCZK 80). 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).

The valuation model considers, and the resulting valuation reflects, the Company's actual ability to deliver gas stored in underground gas storage to the distribution grid in the context of contractually agreed mining curves.

**(23) Cash and cash equivalents (MCZK)**

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.

	2023	2022
Current bank accounts	2,446	2,300
Cash in hand	2	2
Stamps and vouchers	1	1
<b>Total</b>	<b>2,449</b>	<b>2,303</b>

At the Company request, banks issued payment bank guarantees of MCZK 662 in favour of OTE, a.s., and Dopravní podnik hl. m. Prahy, akciová společnost (2022: MCZK 892 in favour of OTE, a.s., and Dopravní podnik hl. m. Prahy, akciová společnost).

**(24) Loans received (MCZK)**

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".

	2023			2022		
	Amount	Interest rate	Due date	Amount	Interest rate	Due date
Loan 1	1,007	Fix 1.40%	1/7/2024	1,007	Fix 1.40%	1/7/2024
Loan 2	550	6M PRIBOR+0.30%	18/11/2027	550	6M PRIBOR+0.30%	18/11/2027
Loan 3	571	6M PRIBOR+0.25%	18/11/2027	571	6M PRIBOR+0.25%	18/11/2027
Loan 4	500	6M PRIBOR+0.25%	2/7/2029	520	6M PRIBOR+0.25%	2/7/2029
Loan 5	519	6M PRIBOR+0.25%	2/7/2029	520	6M PRIBOR+0.25%	2/7/2029
Authorised overdraft of current accounts						
ČSOB	--	O/N PRIBOR+0,35%, at least 0.00%		--	O/N PRIBOR+0,35%, at least 0.00%	
Česká spořitelna	--	O/N PRIBOR+0,30%, at least 0.00%		--	O/N PRIBOR+0,30%, 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.	336	O/N PRIBOR-0,35%, at least 0.00%		235	O/N PRIBOR-0,35%, at least 0.00%	
PREměření, a.s. (PREenergo, a.s., from 1 January 2024)	--	O/N PRIBOR-0,35%, at least 0.00%		--	O/N PRIBOR-0,35%, at least 0.00%	
PREzákaznická, a.s.	77	O/N PRIBOR-0,35%, at least 0.00%		73	O/N PRIBOR-0,35%, at least 0.00%	
PREnetcom, a.s.	51	O/N PRIBOR-0,35%, at least 0.00%		43	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.	--	O/N PRIBOR-0,35%, at least 0.00%		--	O/N PRIBOR-0,35%, at least 0.00%	
PRE VTE Částkov, s.r.o.	42	O/N PRIBOR-0,35%, at least 0.00%		5	O/N PRIBOR-0,35%, at least 0.00%	
FRONTIER TECHNOLOGIES, s.r.o.	--	O/N PRIBOR-0,35%, at least 0.00%		2	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.	--	O/N PRIBOR-0,35%, at least 0.00%		--	O/N PRIBOR-0,35%, at least 0.00%	
PRE distribuční služby, a.s.	9	O/N PRIBOR-0,35%, at least 0.00%		--		
<b>Total</b>	<b>3,662</b>			<b>3,524</b>		
Of which:						
Non-current loans	500			3,100		
Current loans	3,162			424		

Current loans include Loan 1, maturing on 1 July 2024, which was classified as non-current as at 31 December 2022. The Company expects to refinance the loan in full in accordance with its medium-term plan for external funds. The item also includes Loans 2, 3, 5, maturing on 18 November 2027 and 2 July 2029. These loans were reclassified from non-current loans, because the Company would not meet some of the financial indicators related to equity as at 31 December 2023, which have been determined by the loan agreements. Equity decreased significantly due to the negative revaluation of hedging commodity derivatives. The Company entered into negotiations with the banks and they subsequently confirmed that in this case the failure to meet the financial indicator is not considered a breach of the Company's commitment as they would not require early repayment of the loan. In connection with this, the Company entered negotiations with the banks regarding changes to the financial ratios required by the banks under the loan agreements.

	Cash flows				31 December 2023
	31 December 2022	Drawing	Repayment	Other	
	Non-group loans	3,168	429	(429)	
Inter-company loans	356	266	(108)	1	515
Total loan cash flows	3,524	695	(537)	(20)	3,662

	Cash flows				31 December 2022
	31 December 2021	Drawing	Repayment	Other	
	Non-group loans	4,337	1,748	(2,979)	
Inter-company loans	227	261	(134)	2	356
Total loan cash flows	4,564	2,009	(3,113)	64	3,524

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 2023, undrawn loan facilities amounted to MCZK 6,930 (as at 31 December 2022: MCZK 6,930).

Loans are carried at their amortised cost. The fair value of loans 1-5 differs from their amortised cost by MCZK 199, and this value amounts to MCZK 2,948. In 2022, the fair value of loans 1-5 differed from their amortised cost by MCZK 423, and this value amounted to MCZK 2,744. 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 (MCZK)**

<b>Current contract liabilities</b>	<b>2023</b>	<b>2022</b>
Advances received for the supply of electricity and gas from customers – gross	7,158	6,740
Less: Uninvoiced supplies	(5,363)	(4,669)
<b>Total</b>	<b>1,795</b>	<b>2,071</b>

## Creation and release of contract liabilities

<b>Balance of contract liabilities at 31 December 2021</b>	<b>1,082</b>
Recognition of contract liabilities in revenues in the current year	(1,082)
Increase in contract liabilities in the current year (advance payments, partial invoicing)	2,071
<b>Balance of contract liabilities at 31 December 2022</b>	<b>2,071</b>
Recognition of contract liabilities in revenues in the current year	(2,071)
Increase in contract liabilities in the current year (advance payments, partial invoicing)	1,795
<b>Balance of contract liabilities at 31 December 2023</b>	<b>1,795</b>

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 Company has no revenue relating to the satisfaction or partial satisfaction of performance obligations in prior accounting periods.

**(26) Payables from revaluation of derivatives (MCZK)**

<b>Non-current payables from revaluation of derivatives</b>	<b>2023</b>	<b>2022</b>
Payables from the revaluation of commodity derivatives for trading	67	15
Payables from the revaluation of hedging commodity derivatives	855	375
<b>Total</b>	<b>922</b>	<b>390</b>

<b>Current payables from revaluation of derivatives</b>	<b>2023</b>	<b>2022</b>
Payables from the revaluation of commodity derivatives for trading	430	3,259
Payables from the revaluation of hedging commodity derivatives	5,516	1,073
Payables from the revaluation of hedging foreign exchange derivatives	7	310
<b>Total</b>	<b>5,953</b>	<b>4,642</b>

**(27) Trade and other payables (MCZK)**

<b>Non-current trade and other payables</b>	<b>2023</b>	<b>2022</b>
Other financial liabilities	2	2
<b>Total</b>	<b>2</b>	<b>2</b>
<b>Current trade and other payables</b>	<b>2023</b>	<b>2022</b>
Uninvoiced supplies of electricity and gas from suppliers – gross	292	308
Less: Advances provided for the supply of electricity and gas	(292)	(295)
Uninvoiced supplies of electricity and gas from suppliers – net	–	13
Trade payables	2,518	1,720
Payables to employees *)	22	19
Social security and health insurance liabilities	12	10
Intercompany payables **)	1,597	1,749
Other tax liabilities	455	329
Other financial liabilities	105	158
Other non-financial liabilities	305	266
<b>Total</b>	<b>5,014</b>	<b>4,264</b>

\*) Includes December wages paid in January.

\*\*) For detailed breakdown refer to Note 33.

In respect of liabilities that are carried at amortised cost, this value corresponds with their fair value.

**(28) Provisions (MCZK)**

	<b>2023</b>	<b>2022</b>
Employee benefits	61	54
Other	67	59
Business risks	–	33
<b>Total</b>	<b>128</b>	<b>146</b>
Non-current provisions	50	47
Current provisions	78	99
<b>Total</b>	<b>128</b>	<b>146</b>

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		Business	Total
	benefits	Salaries	risks	
<b>Balance at 31 December 2021</b>	<b>66</b>	<b>60</b>	<b>--</b>	<b>126</b>
Additions in the current year	8	58	33	99
Utilisation in the current year	(6)	(53)	--	(59)
Release in the current year	(14)	(6)	--	(20)
<b>Balance at 31 December 2022</b>	<b>54</b>	<b>59</b>	<b>33</b>	<b>146</b>
Additions in the current year	16	65	--	81
Utilisation in the current year	(7)	(55)	(33)	(95)
Release in the current year	(2)	(2)	--	(4)
<b>Balance at 31 December 2023</b>	<b>61</b>	<b>67</b>	<b>--</b>	<b>128</b>
Non-current	50	--	--	50
Current	11	67	--	78
<b>Total</b>	<b>61</b>	<b>67</b>	<b>--</b>	<b>128</b>

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:

	2023	2022
Discount rate	3.83%	5.04%
Average retirement age (years)	64.9	64.9
Probability of continuance	0.62	0.72

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	61	66	5	57	(4)
Sensitivity to the change in probability of continuance	61	54	(7)	64	3

The creation of provisions for employee benefits includes interest expense of MCZK 2 (2022: MCZK 2), running cost relating to these benefits of MCZK 6 (2022: MCZK 19), and revaluation of the liabilities from defined benefits reported in the total comprehensive income of MCZK 4 (2022: MCZK (12)). The utilisation of provisions then comprises the payments of employee benefits.

## (29) Share capital (MCZK)

### Share capital

There are 3,869,443 registered shares in the nominal value of CZK 1,000 per share (2022: 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 (MCZK)

	2023	2022
Reserve fund	744	774
Other reserves	383	383
Cash flow hedge	(4,541)	743
Revaluation of net payables from defined benefits	5	14
<b>Total</b>	<b>(3,379)</b>	<b>1,914</b>

The Company's reserve fund has been created in the amount of 20% (MCZK 774) 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 MCZK 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:

	2023	2022
Revaluation of hedging commodity derivatives *)	(6,099)	876
Effect of deferred tax	1,286	(166)
Revaluation of hedging foreign exchange derivatives	153	(330)
Effect of deferred tax	(32)	63
Revaluation of hedging interest rate derivatives	191	372
Effect of deferred tax	(40)	(71)
<b>Total cash flow hedge</b>	<b>(4,541)</b>	<b>744</b>
Revaluation of payables from defined benefits	13	17
Effect of deferred tax	(8)	(3)
<b>Total revaluation of payables from defined benefits</b>	<b>5</b>	<b>14</b>
<b>Total</b>	<b>(4,536)</b>	<b>758</b>

\*) Includes the revaluation of OTC physical forwards of MCZK (5,543) (2022: MCZK 798), M2M stock exchange futures of MCZK (680) (2022: MCZK 75) and a revaluation adjustment for the ineffective portion of the hedge of MCZK 124 (2022: MCZK 3).

### (31) Government grants (MCZK)

The Company registers grant claims of MCZK 40 (2022: MCZK 118), 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 (MCZK)

#### Categories of financial instruments

Financial assets (net)	Cat.:	2023	2022
(a) Receivables from the revaluation of commodity derivatives for trading	iii.	463	2,799
(b) Receivables from the revaluation of hedging commodity derivatives	iv.	828	2,246
(c) Receivables from the revaluation of hedging foreign exchange derivatives	iv.	147	--
(d) Receivables from the revaluation of hedging interest rate derivatives	iv.	191	372
(e) Cash and cash equivalents	i.	2,449	2,303
(f) Margin deposit	i.	371	434
(g) Loans granted and cash pooling	i.	7,137	6,272
(h) Trade and other receivables, except for the above	i.	4,958	4,136

<b>Financial liabilities</b>	<b>Cat.:</b>	<b>2023</b>	<b>2022</b>
(i) Payables from the revaluation of commodity derivatives for trading	iii.	496	3,274
(j) Payables from the revaluation of hedging commodity derivatives	iv.	6,371	1,448
(k) Payables from the revaluation of hedging foreign exchange derivatives	iv.	7	310
(l) Payables from the revaluation of hedging interest rate derivatives	iv.	–	–
(m) Loans received	v.	3,147	3,167
(n) Cash pooling liabilities	v.	515	356
(o) Lease liabilities	v.	226	187
(p) Financial liabilities carried at amortised cost, except for the above	v.	4,222	3,642

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.

<b>Gains and losses from financial instruments reported in the current period</b>		<b>2023</b>	<b>2022</b>
Gain/loss from the revaluation of commodity derivatives in the trading portfolio *)	(a, i)	(2)	286
Interest received in the Group	(g)	433	337
Interest received outside of the Group and revenue from securities held	(e, i)	183	73
Borrowing costs (except for the interest on employee benefits)	(m, n)	(111)	(109)
Loss allowances for trade receivables and other financial assets	(e, f, g, h)	(23)	(50)
Write-offs of doubtful debts	(h)	(21)	(12)
Hedge ineffectiveness	(b, k)	(119)	(2)

\*) Included in the margin on trading.

<b>Hedge accounting</b>		<b>2023</b>	<b>2022</b>
Creation of the equity fund from the cash flow hedge	(b, c, d, k, l, m)	(6,090)	674
Reversal of the fund from cash flow hedge in the income statement *)	(b, c, d, k, l, m)	(583)	(1,597)

\*) In the Costs of purchased electricity and gas and Other gains and losses.

## 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.

The Company applies cash flow hedge accounting where the revaluation of hedging contracts to market price is recognised in equity. In particular, the revaluation of hedging commodity derivatives has a major impact. When the price level falls, the revaluation of hedging commodity derivatives results in a decrease in the value of equity. This was particularly evident as at 31 December 2023. However, the commodity sale/purchase position for customers is largely closed, including the planned margin. Thus, hedge accounting implies an increased volatility of equity over time and has no long-term impact on the Company's economy.

	2023	2022
Total assets	31,679	32,539
Equity	13,451	16,778
<b>Equity/total assets</b>	<b>42%</b>	<b>52%</b>

## 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; and
- ..... 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 (MCZK)		Liabilities (MCZK)	
	2023	2022	2023	2022
Receivables and payables from the revaluation of commodity derivatives for trading	463	2,799	497	3,274
Receivables and payables from the revaluation of hedging commodity derivatives	828	2,246	6,371	1,448
Receivables and payables from the revaluation of hedging foreign exchange derivatives	148	--	7	310
Non-derivative financial assets for currency risk management (cash)	1,236	1,326	--	--
Cash and cash equivalents	307	127	--	--
Margin deposit	371	434	--	--
Trade receivables and payables and other receivables and payables	791	685	2,156	1,432
<b>Total in EUR</b>	<b>4,144</b>	<b>7,617</b>	<b>9,031</b>	<b>6,464</b>
Other currencies	--	--	--	--
<b>Total</b>	<b>4,144</b>	<b>7,617</b>	<b>9,031</b>	<b>6,464</b>

Currency derivatives and non-derivative financial assets open at the balance sheet date:

	Average exchange rate CZK/EUR		Value (MEUR)		Value (MCZK)		Revaluation (MCZK)	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Cash in EUR used to hedge currency risk</b>								
EUR used up to 1 month	--	24.35	--	5	--	122	--	(1)
EUR used from 1 to 3 months	24.25	24.50	20	40	485	980	9	(15)
EUR used from 3 to 12 months	24.64	24.47	30	10	739	245	2	(4)
<b>Total</b>			<b>50</b>	<b>55</b>	<b>1,224</b>	<b>1,347</b>	<b>11</b>	<b>(20)</b>

	Average exchange rate CZK/EUR		Value (MEUR)		Value (MCZK)		Fair value (MCZK)	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Purchase of EUR through currency derivatives</b>								
Purchase of EUR up to 1 month	24.22	25.64	83	32	2,018	821	45	(47)
Purchase of EUR from 1 to 3 months	24.51	24.94	97	210	2,366	5,237	32	(128)
Purchase of EUR from 3 to 12 months	24.79	25.03	247	317	6,135	7,936	64	(135)
Purchase of EUR over 12 months	25.09	--	2	--	50	--	--	--
<b>Total</b>			<b>429</b>	<b>559</b>	<b>10,569</b>	<b>13,994</b>	<b>141</b>	<b>(310)</b>

## 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.

	2023	2022
Profit/(loss)	(7)	(7)
Equity	(117)	(91)

## Interest rate risk

Medium- and long-term external funds of the Company include loans maturing in one, four and six years. 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. Changes of market interest rates for loans with a fixed interest rate do not affect the agreed amount of loan interest payments. For loans with a floating interest rate, the change in the amount of interest on loans is fully compensated by performance from hedging interest rate swaps. There is no interest risk associated with the Company's loans.

As at 31 December 2023, the Company concluded interest rate swaps to hedge external loans of MCZK 2,100 repayable in 2027 and 2029. Changes in market interest rates have no impact on the contracted 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 the hedge effectiveness in hedge accounting. The hedging 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 counterparty and the Company's credit risk 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 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 (MCZK)		Liabilities (MCZK)	
	2023	2022	2023	2022
Receivables and payables from the revaluation of hedging interest rate derivatives	191	372	--	--
Receivables and payables from the revaluation of hedging foreign exchange derivatives	147	--	7	310
<b>Total</b>	<b>338</b>	<b>372</b>	<b>7</b>	<b>310</b>

### 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.

	2023	2022
Profit/(loss)	--	--
Equity	13	16

### 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. The instruments used by the Company to hedge against price risk are commodity futures with financial settlement or physical delivery and OTC commodity forwards with selected counterparties traded on selected commodity markets. These include mainly the domestic market and the German and Dutch commodity markets.

In terms of the volume and form of delivery of the commodity, hedges are undertaken based on a plan for the sale and delivery of the commodity to end customers. The plan is determined in advance for the next two to three periods and is adjusted and refined over time in the context of the development of the number of customers and the contracted or expected volume of deliveries. The actual undertaking of hedges is further influenced by the current offer of commodity derivatives on the market and the level of liquidity in individual markets. Other determining factors are the internally set credit limits on individual counterparties, both on the Company's side and on the side of their business partners.

As a result, the Company hedges against the commodity risk in advance for the next two or three periods. In the first phase, the Company primarily focuses on hedging the planned annual commodity supply volume. For this purpose, it uses standard annual or seasonal or quarterly term contracts. As the delivery date of the commodity approaches and the availability of term contracts with shorter delivery date on the commodity markets increases, the Company adjusts the form of delivery. As part of hedging, the Company makes purchases and sales of term contracts.

The Company applies hedge accounting and 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 and the degree of correlation between individual term contracts. The degree of correlation is very high in the medium term. The counterparty and the Company's credit risk is not significant. 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.

A significant portion of the commodity delivered to the domestic market is hedged using term contracts with physical delivery in the Czech Republic. The 'own-use' exemption allowed by IFRS 9 applies to such term contracts.

As part of its business activities, the Company carries out trading transactions with commodity derivatives. As at 31 December 2023, 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 (MCZK)		Liabilities (MCZK)	
	2023	2022	2023	2022
Receivables and payables from the revaluation of commodity derivatives for trading	463	2,799	497	3,273
Receivables and payables from the revaluation of hedging commodity derivatives	828	2,246	6,371	1,448
<b>Total</b>	<b>1,291</b>	<b>5,045</b>	<b>6,868</b>	<b>4,721</b>

Open commodity derivatives for hedging as at the balance sheet date:

	Commodity contracts for purchase				Commodity contracts for sale			
	Nominal value (MEUR)		Nominal value (MCZK)		Nominal value (MEUR)		Nominal value (MCZK)	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Futures</b>								
Settlement								
up to 12 months	242	25	5,974	603	139	--	3,437	--
Settlement								
from 1 to 2 years	49	4	1,210	85	65	--	1,603	--
Settlement								
from 2 to 3 years	28	--	695	--	14	--	342	--
<b>Total</b>	<b>319</b>	<b>29</b>	<b>7,879</b>	<b>688</b>	<b>218</b>	<b>--</b>	<b>5,382</b>	<b>--</b>
<b>OTC forward</b>								
Settlement								
up to 12 months	794	159	19,629	3,834	212	113	5,237	2,724
Settlement								
from 1 to 2 years	198	17	4,893	398	15	5	375	110
Settlement								
from 2 to 3 years	23	1	576	31	--	--	--	--
Settlement								
from 3 to 4 years	--	--	--	--	--	--	--	--
Settlement								
from 4 to 5 years	--	--	--	--	--	--	--	--
<b>Total</b>	<b>1,015</b>	<b>177</b>	<b>25,098</b>	<b>4,263</b>	<b>227</b>	<b>118</b>	<b>5,612</b>	<b>2,834</b>

Open commodity "own use" contracts:

	Nominal value (MEUR)		Nominal value (MCZK)	
	2023	2022	2023	2022
Own use contracts – electricity	81	974	1,996	23,563
Own use contracts – gas	1	19	36	446
<b>Total</b>	<b>82</b>	<b>993</b>	<b>2,032</b>	<b>24,009</b>

\*) Contracts which were concluded and are held due to acceptance or failure to deliver non-financial item relating to expected purchase, sale or use.

## Open commodity trading contracts:

	Commodity contracts for purchase				Commodity contracts for sale			
	Nominal value (MEUR)		Nominal value (MCZK)		Nominal value (MEUR)		Nominal value (MCZK)	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Futures</b>								
Settlement								
up to 12 months	2	--	51	--	7	--	167	--
Settlement								
from 1 to 2 years	--	--	--	--	1	--	28	--
<b>Total</b>	<b>2</b>	<b>--</b>	<b>51</b>	<b>--</b>	<b>8</b>	<b>--</b>	<b>195</b>	<b>--</b>
<b>OTC forward</b>								
Settlement								
up to 12 months	44	78	1,085	1,882	19	91	458	2,201
Settlement								
from 1 to 2 years	--	--	--	--	15	--	374	--
Settlement								
from 2 to 3 years	--	--	--	--	--	--	--	--
Settlement								
from 3 to 4 years	--	--	--	--	--	--	--	--
Settlement								
from 4 to 5 years	--	--	--	--	--	--	--	--
<b>Total</b>	<b>44</b>	<b>78</b>	<b>1,085</b>	<b>1,882</b>	<b>34</b>	<b>91</b>	<b>832</b>	<b>2,201</b>

## 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.

	2023	2022
Profit/(loss) *)	5	--
Equity	152	20

\*) In assessing the impact of a change in commodity price, the trading gas inventory acquired under the gas trading business model is also considered and measured at fair value. The Company's trading gas inventory is not considered a financial instrument.

## 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 consignment 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 loss allowance amount 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. In the past two years, following the volatility of the energy markets, the Company expected a significant deterioration in customer payment behaviour. However, this risk has not materialised and the risk of non-payment of receivables remains at historical levels for all customer segments. New government instruments such as the Economy Tariff (payment of part of the receivables by the state in October 2022) and the capping of energy prices from the first day of 2023 have contributed to this development.

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 Company 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, 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 2023, the Group 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 2023	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	497	41	79	322	78	520
Payables from the revaluation of hedging commodity derivatives	6,371	620	1,243	3,968	944	6,775
Payables from the revaluation of hedging foreign exchange derivatives	7	6	1	--	--	7
Payables from the revaluation of hedging interest rate derivatives	--	--	--	--	--	--
Loans received	6,147	2,647	--	43	613	3,303
Cash pooling liabilities	515	515	--	--	--	515
Lease liabilities	226	6	12	53	188	259
Financial liabilities carried at amortised cost, except for the above	4,222	2,628	292	1,300	2	4,222
<b>Total</b>		<b>6,463</b>	<b>1,627</b>	<b>5,686</b>	<b>1,825</b>	<b>15,601</b>

<b>Liabilities 2022</b>	<b>Net book value</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>More than 12 months</b>	<b>Total</b>
Payables from the revaluation						
of commodity derivatives for trading	3,274	841	990	1,489	16	3,336
Payables from the revaluation						
of hedging commodity derivatives	1,448	205	295	585	400	1,485
Payables from the revaluation						
of hedging foreign exchange derivatives	310	47	128	135	--	310
Loans received	3,167	21	42	190	3,997	4,250
Cash pooling liabilities	356	356	--	--	--	356
Lease liabilities	187	6	12	52	140	210
Financial liabilities carried at amortised cost, except for the above	3,642	1,787	340	1,513	2	3,642
<b>Total</b>		<b>3,263</b>	<b>1,807</b>	<b>3,964</b>	<b>4,555</b>	<b>13,589</b>

### (33) Related party transactions (MCZK)

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	
	2023	2022	2023	2022
<b>Relations with controlling entities and associates</b>	<b>2,171</b>	<b>1,323</b>	<b>3,566</b>	<b>1,216</b>
Pražská energetika Holding, a.s.	2	2	--	--
Capital City of Prague	126	319	20	19
EnBW Energie Baden - Württemberg AG *)	2,043	1,002	3,546	1,197
<b>Relations with other entities</b>	<b>2,114</b>	<b>1,390</b>	<b>407</b>	<b>298</b>
VNG Handel & Vertrieb GmbH	27	195	264	208
SMATRICS GmbH & Co KG	--	--	4	5
Výstaviště Praha, a.s.	17	15	--	--
Želivská provozní a.s.	15	16	--	--
Technická správa komunikací hl. m. Prahy, a.s.	47	51	--	--
Kongresové centrum Praha, a.s.	49	29	1	--
Dopravní podnik hl.m. Prahy, akciová společnost	1,727	1,019	1	1
Pražské služby, a.s.	16	16	--	--
Pražská strojírna, a.s.	8	3	--	--
Kolektory Praha, a.s.	8	35	--	--
Obecní dům, a.s.	10	9	--	--
TRADE CENTRE PRAHA a.s.	178	--	--	--
Pražská plynárenská, a.s.	12	2	137	84
<b>Total</b>	<b>4,285</b>	<b>2,713</b>	<b>3,973</b>	<b>1,514</b>

\*) 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	
	2023	2022	2023	2022
<b>Relations with controlling entities and associates</b>	<b>121</b>	<b>--</b>	<b>191</b>	<b>163</b>
Capital City of Prague	--	--	5	30
EnBW Energie Baden-Württemberg AG	121	--	186	133
<b>Relations with other entities</b>	<b>192</b>	<b>216</b>	<b>5</b>	<b>71</b>
VNG Handel & Vertrieb GmbH	--	98	--	--
Výstaviště Praha, a.s.	1	2	--	--
Želivská provozní a.s.	3	3	--	--
Pražské služby, a.s.	3	3	--	--
Pražská strojírna, a.s.	--	--	--	4
Technická správa komunikací hl. m. Prahy, a.s.	4	5	4	--
Kongresové centrum Praha, a.s.	--	--	1	28
Dopravní podnik hl. m. Prahy, akciová společnost	176	96	--	38
Kolektory Praha, a.s.	4	8	--	--
Obecní dům, a.s.	1	1	--	--
Pražská plynárenská, a.s.	--	--	--	1
<b>Total</b>	<b>313</b>	<b>216</b>	<b>196</b>	<b>234</b>

Business transactions were conducted on an arm's length basis. Outstanding amounts were not collateralised.

## Dividends paid

	2023	2022
Pražská energetika Holding a.s.	988	988
EnBW Energie Baden-Württemberg AG	705	705

## Remuneration to the statutory bodies, Supervisory Board and top management

	2023	2022
Number of persons	13	13
Remuneration (MCZK)	43	43

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 and payables to subsidiaries

	PRE's trade and other receivables as at 31 December		PRE's trade and other payables as at 31 December	
	2023	2022	2023	2022
PREdistribuce, a.s. *)	331	91	1,549	1,730
PREměření, a.s. (PREenergo, a.s., from 1 January 2024)	11	8	--	1
eYello CZ, k.s.	197	152	--	--
KORMAK Praha a.s.	7	4	4	3
PREservisní, s.r.o.	4	8	--	--
PREzákaznická, a.s.	--	--	6	8
PREnetcom, a.s.	1	--	--	7
FRONTIER TECHNOLOGIES, s.r.o.	--	--	35	1
PREVTE Částkov, s.r.o.	--	--	5	1
Loss allowances for receivables	(1)	(1)	--	--
<b>Total</b>	<b>550</b>	<b>262</b>	<b>1,599</b>	<b>1,751</b>

\*) The liability represents estimate for distribution services provided.

	Loans and receivables from PRE's cash pooling as at 31 December		Loans and liabilities from PRE's cash pooling as at 31 December	
	2023	2022	2023	2022
	PREdistribuce, a.s.	6,259	5,435	--
PREměření, a.s. (PREenergo, a.s., from 1 January 2024)	458	336	--	--
eYello CZ, k.s.	--	--	336	235
PREservisní, s.r.o.	166	278	--	--
KORMAK Praha a.s.	108	48	--	--
PRE FVE Světlík, s.r.o.	34	32	--	73
SOLARINVEST - GREEN ENERGY, s.r.o.	22	45	--	--
PREzákaznická, a.s.	--	--	77	--
PREnetcom, a.s.	--	--	51	43
VOLTCOM, spol. s r.o.	40	49	--	--
FRONTIER TECHNOLOGIES, s.r.o.	13	4	--	--
PREVTE Částkov, s.r.o.	38	48	42	5
PRE FVE Nové Sedlo, s.r.o.	4	3	--	--
PRE distribuční služby, a.s.	--	--	9	--
Loss allowances	(5)	(6)	--	--
<b>Total</b>	<b>7,137</b>	<b>6,272</b>	<b>515</b>	<b>356</b>

## Expenses incurred with and revenue generated from the subsidiaries

	Revenue/income of PRE		Expenses/costs of PRE	
	2023	2022	2023	2022
<b>PREdistribuce, a.s.</b>	<b>2,524</b>	<b>2,925</b>	<b>4,557</b>	<b>5,561</b>
Of which: Electricity and distribution services	317	326	4,543	5,550
Services	565	532	14	11
Dividends	1,269	1,778	--	--
Interest on loans	373	289	--	--
<b>PREměření, a.s. (PREenergo, a.s., from 1 January 2024)</b>	<b>414</b>	<b>415</b>	<b>127</b>	<b>60</b>
Of which: Services	139	127	12	10
Sale of electricity	--	--	114	42
Investments	--	--	1	7
Dividends	250	270	--	--
Interest on loans	25	18	--	1
<b>eYello CZ, k.s.</b>	<b>1,385</b>	<b>888</b>	<b>21</b>	<b>5</b>
Of which: Electricity and gas and distribution services	1,333	855	--	--
Services	16	13	--	--
Interest on loans	--	4	21	5
Transfer of the share in profit or loss	36	16	--	--
<b>KORMAK Praha a.s.</b>	<b>44</b>	<b>44</b>	<b>18</b>	<b>15</b>
Of which: Dividends	20	24	--	--
Services	19	15	1	--
Investments	--	--	17	15
Interest on loans	5	5	--	--
<b>PREservisní, s.r.o.</b>	<b>83</b>	<b>92</b>	<b>37</b>	<b>29</b>
Of which: Dividends	--	20	--	--
Services	65	62	29	27
Investments	--	--	7	--
Inventories *)	--	--	1	2
Interest on loans	18	10	--	--
<b>PRE FVE Světlík, s.r.o.</b>	<b>16</b>	<b>2</b>	<b>--</b>	<b>--</b>
Of which: Sale of electricity	13	--	--	--
Interest on loans	3	2	--	--
<b>PREzákaznická, a.s.</b>	<b>267</b>	<b>252</b>	<b>337</b>	<b>313</b>
Of which: Services	234	225	332	309
Interest on loans	--	--	5	4
Dividends	33	27	--	--
<b>PREnetcom, a.s.</b>	<b>21</b>	<b>11</b>	<b>17</b>	<b>21</b>
Of which: Services	21	11	14	12
Investments	--	--	--	7
Interest on loans	--	--	3	2

<b>SOLARINVEST - GREEN ENERGY, s.r.o.</b>	<b>3</b>	<b>3</b>	<b>--</b>	<b>--</b>
Of which: Interest on loans	3	3	--	--
<b>FRONTIER TECHNOLOGIES, s.r.o.</b>	<b>2</b>	<b>--</b>	<b>55</b>	<b>20</b>
Of which: Services	1	--	49	19
Investments	1	--	6	1
<b>VOLTCOM, spol. s r. o.</b>	<b>6</b>	<b>16</b>	<b>--</b>	<b>--</b>
Of which: Services	3	3	--	--
Investments	--	--	--	--
Interest on loans	3	3	--	--
Dividends	--	10	--	--
<b>PRE VTE Částkov, s.r.o.</b>	<b>2</b>	<b>2</b>	<b>38</b>	<b>9</b>
Of which: Sale of electricity	--	--	36	9
Interest on loans	2	2	2	--
<b>Total</b>	<b>4,766</b>	<b>4,650</b>	<b>5,207</b>	<b>6,033</b>

\*) Profit from material sold.

All transactions with subsidiaries were undertaken on an arm's length basis.

### **(34) Post balance sheet events**

#### **Changes in statutory and supervisory bodies of the company:**

The Supervisory Board accepted the resignation of Ms Aurélie Alemany and approved the termination of her position as of 31 January 2024.

Ms Claudia Tillmann, born on 29 February 1972, residing at Weygoldstraße 8, Hürth 50354, Germany, was elected as a substitute member of the Supervisory Board of Pražská energetika, a.s., effective from 27 March 2024 until the next General Meeting of Pražská energetika, a.s.

The Supervisory Board approved the moment of termination of the position of a member of the Supervisory Board of Pražská energetika, a.s., Mr Stefan Theo Webers, born on 2 October 1969, residing at Pariser Ring 28, 76532 Baden-Baden, Germany, as of 27 March 2024.

The Supervisory Board recalled Mr Jaromír Beránek, born on 14 May 1986, residing at Dašková 3080/5, Prague 4, post code 143 00, from the position of a member of the Board of Directors of Pražská energetika, a.s., on 27 March 2024.

The Supervisory Board elected Mr Miroslav Tým, born on 26 June 1967, residing at Trojská 725/181b, Prague 7, post code 171 00, as a member of the Board of Directors of Pražská energetika, a.s., effective from 28 March 2024.

No other significant events occurred after the date of the financial statements.

Prague, 2 May 2024

Signed by

**Pavel Elis**

chairperson of the Board of Directors

Signed by

**Alexander Manfred Sloboda**

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 2023, 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, 2 May 2024

Signed by

**Pavel Elis**

chairperson of the Board of Directors

Signed by

**Alexander Manfred Sloboda**

vice-chairperson of the Board of Directors

# PRE Group history

## 1897

..... The Electricity Works of the Royal Capital City of Prague (Elektrické podniky královského hlavního města Prahy) 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 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 (Středočeské energetické závody) and the Prague District Administration (Okresní správa Praha) were established.

## 1965

..... The Prague Distribution Enterprise (Rozvodný závod Praha) 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.), since 1 January 2024 renamed to PREenergo, 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 commenced 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.

**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.

..... 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 (on 1 May 2014 as a limited partnership company).

..... PRE started cooperating with the Charter 77 Foundation (Nadace Charty 77) on philanthropic activities.

### 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, economic-social and 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 the total installed capacity of 5.79 MWp were acquired.

### 2015

- ..... On 30 March, the Pozořice photovoltaic power plant with the installed capacity of 4.59 MWp was acquired.
- ..... 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.

### 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 line 800 550 055.
- ..... On 1 November, PREzákaznická, a.s., was founded, taking over all direct customer services.
- ..... On 27 March, 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 in front of the Výstaviště exhibition ground in Prague 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.
- ..... 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 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 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**

- ..... In September, a pilot project involving the installation of 13 EVR lamp posts (the first EV charge points installed on lamp posts) was launched in Prague's Vinohrady
- ..... On 2 October, the 100<sup>th</sup> smart distribution station has come into operation in the Velká Ohrada housing estate in Prague 13

**2021**

- ..... 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 are immediately transferred to PRE, acting as a supplier of last resort. During the following months, several more alternative energy suppliers shut down and further thousands customers are served by PRE, one of the suppliers of last resort.
- ..... The price of electricity hit its all-time high in December, exceeding EUR 300/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 infrastructures by PRE, ČEZ and E.ON.

**2022**

- ..... In January, PRE inaugurated the most powerful and fastest public charging station for electric vehicles. Hypercharger Alpitronic is located close to the D1 motorway Praha-Šeberov and offers super fast charging with an output of 300 kW.
- ..... As part of the roaming network of public charging stations, PRE launched its system of charging chips allowing drivers to charge their cars in other European countries, including Slovakia, Poland, Slovenia, Croatia and Italy.
- ..... In June, PRE opened its largest charging hub for electric vehicles in Prague – the charging infrastructure located in the parking lot near the Prague Congress Center (Kongresové centrum) can charge up to 16 e-vehicles at the same time. The PRE POINT network has grown to encompass 440 public charging stations.
- ..... The energy crisis hits the entire country: electricity and gas prices are steadily on the rise with electricity prices on the wholesale market culminating in 2023, exceeding 1,000 EUR/MWh.
- ..... In autumn, PRE encourages its customers to reduce their electricity consumption with its new programme PRÉMIE – households with reduced consumption over the winter heating period receive special financial bonuses.

**2023**

- ..... In September, the 110/22 kV Slivenec transformer substation was put into operation, ensuring sufficient power supply for the expanding south part of the capital.
- ..... The construction of the photovoltaic power plant Přimda I with a total capacity of 3,999.52 kWp was completed.
- ..... By the end of the year, PRE operated a total of 660 electric vehicle charging stations, known as PRE POINTs, throughout the Czech Republic.
- ..... The entire year is influenced by the so-called government ceiling on energy prices for households and businesses.
- ..... PRE saw a record interest in connecting photovoltaic power plants to its distribution network, with a total of 3,298 generation points connected throughout the year, installed mainly on residential buildings at low voltage levels.

# List of abbreviations

<b>AMM</b>	Advanced (Smart) Metering Management
<b>B2B</b>	Big customers (Business-to-Business)
<b>B2C</b>	Small customers (Business-to-Customer)
<b>B2G</b>	Government customers (Business-to-Government)
<b>CMS</b>	Compliance Management System
<b>ČVUT</b>	Czech Technical University in Prague
<b>EDC</b>	Elektroenergetické datové centrum, a.s. (with a 25% share owned by PREdi)
<b>EEX</b>	European Energy Exchange
<b>EnBW</b>	EnBW Energie Baden-Württemberg AG
<b>EnBW CEE</b>	EnBW Central and Eastern Europe Holding GmbH, 100% subsidiary EnBW
<b>EPC</b>	Energy Performance Contracting
<b>ERÚ</b>	Energy Regulatory Office (Energetický regulační úřad)
<b>ESG</b>	ESG / non-financial reporting
<b>ESO</b>	Efficient municipality administration
<b>EU</b>	European Union
<b>EVR lamps</b>	EV ready lamps, street lighting columns with integrated electric vehicle charging points
<b>Frontier</b>	FRONTIER TECHNOLOGIES, s.r.o. (a 100% subsidiary of PREm)
<b>FVE</b>	Photovoltaic power plant
<b>GDPR</b>	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)
<b>GWh</b>	Gigawatt hour
<b>HV</b>	High voltage
<b>Kormak</b>	KORMAK Praha a.s. (a 100% subsidiary of PRE)
<b>kV</b>	Kilovolt
<b>kW</b>	Kilowatt
<b>kWp</b>	Kilowatt-peak
<b>LV</b>	Low voltage
<b>MPO</b>	Ministry of Industry and Trade
<b>MV</b>	Medium voltage
<b>MW</b>	Megawatt
<b>MWh</b>	Megawatt hour
<b>MWp</b>	Megawatt-peak
<b>NETFIN</b>	NETFIN Infrastructure, a.s. (a 50% subsidiary of PREnetcom)
<b>OHS</b>	Occupational health and safety
<b>OTE</b>	OTE, a.s., the electricity and gas market operator in the Czech Republic
<b>PRE</b>	Pražská energetika, a.s.
<b>PRE FVE Nové Sedlo</b>	PRE FVE Nové Sedlo, s.r.o. (a 100% subsidiary of PREenergo)
<b>PRE FVE Světlík</b>	PRE FVE Světlík, s.r.o. (a 100% subsidiary of PREenergo)
<b>PRE VTE Částkov</b>	PRE VTE Částko, s.r.o. (a 100% subsidiary of PREenergo)
<b>PREdi</b>	PREdistribuce, a.s. (a 100% subsidiary of PRE)
<b>PREds</b>	PRE distribuční služby, a.s. (a 100% subsidiary of PRE)

<b>PREenergo</b>	PREenergo, a.s., until 31 December 2023 called PREměření, a.s., (a 100% subsidiary of PRE)
<b>PREH</b>	Pražská energetika Holding a.s.
<b>PREm</b>	PREměření, a.s., since 1 January 2024 renamed to PREenergo, a.s. (a 100% subsidiary of PRE)
<b>PREnetcom</b>	PREnetcom, a.s. (a 100% subsidiary of PREdi)
<b>PREs</b>	PREservisní, s.r.o. (a 100% subsidiary of PRE)
<b>PREzak</b>	PREzákaznická, a.s. (a 100% subsidiary of PRE)
<b>RES</b>	Renewable energy sources
<b>RP9</b>	Rezident Park 9 s.r.o. (a 50% share owned by PREs)
<b>SAIDI/SAIFI</b>	Electricity supply reliability indicators
<b>Solarinvest</b>	SOLARINVEST – GREEN ENERGY, s.r.o. (a 100% subsidiary of PREenergo)
<b>THMP</b>	Prague City Hall
<b>TR</b>	110/22 kV transformer station
<b>TS</b>	Transformer station
<b>TWh</b>	Terawatt hour
<b>VOLTCOM</b>	VOLTCOM, spol. s r.o. (a 100% subsidiary of PRE)
<b>VTE</b>	Wind farm
<b>Yello</b>	eYello CZ, k.s. (a 90% subsidiary of PRE and a 10% subsidiary of PREenergo)

# Contact information

	Address	Postal code	Telephone
<b>Pražská energetika, a.s.</b> ID No.: 60193913	Prague 10, Na Hroudě 1492/4 www.pre.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
Press relations	Prague 10, Na Hroudě 1492/4	100 00	267 051 030
<b>PREdistribuce, a.s.</b> ID No.: 27376516	Prague 5, Svornosti 3199/19a www.predistribuce.cz e-mail: info@predistribuce.cz	150 00	800 550 055 for calls from abroad: +420 267 055 555
Distribution emergency line	Prague 2, Kateřinská 1528/9 e-mail: poruchy@predistribuce.cz	120 00	Emergency line: 800 823 823
<b>PREzákaznická, a.s.</b> ID No.: 06532438	Prague 10, Na Hroudě 1492/4 www.prezakaznicka.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
PRE Customer 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
<b>PREenergo, a.s.</b> ID No.: 25677063	Prague 10, Na Hroudě 2149/19 www.preenergo.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
PRE Costumer Centre	Prague 1, Jungmannova 747/28 e-mail: tepelnestudio@pre.cz	110 00	267 053 464
Electrical installation services	e-mail: servis.elektro@pre.cz		733 143 143
<b>PRE distribuční služby, a.s.</b> ID No.: 19826982	Prague 10, Na Hroudě 1492/4 www.preds.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
Electricity meters sale	Prague 9, Novovysočanská 696/3	190 00	267 052 389
<b>eYello CZ, k.s.</b> ID No.: 25054040	Prague 10, Kubánské náměstí 1391/11 www.yello.cz e-mail: yello@yello.cz	100 00	267 056 704
<b>PREservisní, s.r.o.</b> ID No.: 02065801	Prague 10, Na Hroudě 1492/4 www.preservisni.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
<b>VOLTCOM, spol. s r.o.</b> ID No.: 44794274	Prague 6, Otevřená 1092/2 www.voltcom.cz e-mail: voltcom@voltcom.cz	169 00	267 051 635

	Address	Postal code	Telephone
<b>KORMAK Praha a.s.</b> ID No.: 48592307	Prague 10 – Uhřetěves, náměstí Bratří Jandusů 34/34 www.kormak.cz e-mail: kormak@kormak.cz	104 00	267 051 301
<b>PREnetcom, a.s.</b> ID No.: 06714366	Prague 10, Na Hroudě 1492/4 www.prenetcom.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
<b>FRONTIER TECHNOLOGIES, s.r.o.</b> ID No.: 27234835	Prague 10, Na Hroudě 2149/19 www.frontier-technologies.eu e-mail: info@frontier-technologies.eu	100 00	277 002 346
<b>SOLARINVEST – GREEN ENERGY, s.r.o.</b> ID No.: 28923405	Prague 10, Na Hroudě 2149/19 www.solarinvest.cz e-mail: info@solarinvest.cz	100 00	724 981 004
<b>PRE FVE Světlík, s. r. o.</b> ID No.: 28080378	Prague 10, Na Hroudě 2149/19 www.preenergo.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
<b>PRE VTE Částkov, s.r.o.</b> ID No.: 27966216	Prague 10, Na Hroudě 2149/19 www.preenergo.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
<b>PRE FVE Nové Sedlo, s.r.o.</b> ID No.: 11911913	Prague 10, Na Hroudě 2149/19 www.preenergo.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
<b>NETFIN Infrastructure, a.s.</b> ID No.: 17093881	Prague 10, Na Hroudě 1492/4 www.prenetcom.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
<b>Rezident Park 9 s.r.o.</b> ID No.: 09771298	Prague 8, Koželužská 2450/4 www.preservisni.cz e-mail: pre@pre.cz	180 00	800 550 055 for calls from abroad: +420 267 055 555
<b>Elektroenergetické datové centrum, a.s.</b> ID No.: 21020264	Prague 10, Na Hroudě 1492/4 www.predistribuce.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555

Pražská energetika, a.s.  
Na Hroudě 1492/4  
100 00 Prague 10  
**[www.pre.cz](http://www.pre.cz)**

© 2024 Design and production KUKLIK.CZ