



**A challenging year  
is over and a period  
full of changes  
is ahead of us,  
which will significantly  
affect our common  
perception of new  
life-friendly energy.**

**CEZ Group  
Annual Report 2020**

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

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

**Modern distribution**

**Development of energy services in Europe**

In line with this trend, CEZ Group is working to transform the Czech energy sector to ensure safe, reliable, and positive energy to customers and society at large. It will focus on the efficient and ecological operation of power plants, developing renewable sources, digitizing the distribution system, and providing modern energy services. The energy sector that we pass on to our children will be created in accordance with the principles of sustainable development. It will be emission-free, digitized, and will respond much faster to new wishes and requirements of customers.

**ent of generating portfolio**



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



**Development of new energy in Czechia**



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

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

**real**



**real**



**real**



**real**







**Stories**

**People**

**Products**

**Energy**

**and so much more...**

This document created in PDF (Portable Document Format) is a translation from the original carried out in the Czech language. It represents an unofficial version of the 2020 Annual Report of ČEZ, a. s. The content of the document corresponds to the official 2020 Annual Report of ČEZ, a. s., prepared in accordance with the valid regulation governing the uniform electronic format for reporting (ESEF) in the xHTML format. It does not contain machine-readable XBRL marks in the consolidated financial statements and is supplemented by graphic elements, photographs, and dividing pages, compared to the official Annual Report.

In case of content differences, the official version of the Annual Report always takes precedence over this document. The official 2020 Annual Report of ČEZ, a. s., prepared in accordance with the valid ESEF regulation and Czech legislation is available at: [www.cez.cz/vz-2020](http://www.cez.cz/vz-2020).

## CEZ Group's Profile

Employing nearly 33,000 employees, CEZ Group is one of the largest economic entities in Czechia and Central Europe. The largest shareholder of the parent company ČEZ is the Czech Republic with a nearly 70% stake in the company's stated capital. ČEZ shares are traded on the Prague and Warsaw stock exchanges and included in the PX and WIG-CEE exchange indices. As at December 31, 2020, the market capitalization of ČEZ was CZK 276 billion, and during its existence, ČEZ paid CZK 315 billion in dividends to shareholders.

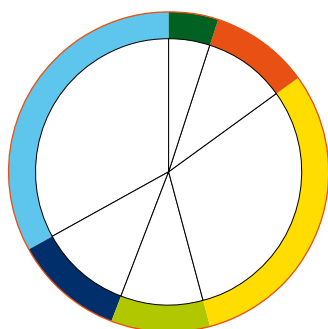
### CEZ Group Is an International Vertically Integrated Energy Sector

Its main business activity is the generation, distribution, trade, and sale of electricity and heat. Significant activities also include mining, trade, and sale of natural gas, commodity trade and, in particular, the provision of comprehensive energy services, which, together with electromobility, form the fastest growing business sector.

CEZ Group's total operating revenues for 2020 amounted to CZK 213.7 billion. The importance of individual activities for the total value for shareholders indicates the share of individual activities in EBITDA:

#### EBITDA 2020 – the Share of CEZ Group's Main Activities

	%
Mining	5
Generation – emission	10
Generation – nuclear plants	30
Generation – renewable sources	10
Sales and trading	11
Distribution	33
<b>Total</b>	<b>100</b>



In Czechia, CEZ Group companies generate and distribute electricity and heat, sell electricity, gas, and energy services, trade in commodities, provide telecommunications services, and are engaged in mining. CEZ Group also focuses on innovation and has a stake in a number of clean-tech companies.

It operates abroad in the field of generation, distribution, trade, and sale of electricity, gas, and heat, and in the field of energy services. Outside Czechia, it operates mainly in Germany, Slovakia, and Poland. It also owns significant assets in Romania and Bulgaria which are being sold by CEZ Group in line with its current strategy.

### CEZ Group's Mission and Corporate Responsibility

The mission is to provide safe, reliable, and positive energy to its customers and society at large. The long-term vision is to be a driver and incubator of innovations, a leader in the field of modern energy, and the everyday partner for solving energy needs of customers, and thus contribute to their higher quality of life.

CEZ Group's business activities are governed by strict ethical standards that include responsible behavior toward employees, society, and the environment. As part of its business activities, it adheres to the principles of sustainable development with an emphasis on the area of ESG (Environment, Social, Governance), which is an integral part of its management. CEZ Group supports energy efficiency, promotes new technologies, and creates an environment for professional growth of employees and equal opportunities, and focuses on investments in modern technologies, science, and research. Donorship forms an integral part of corporate responsibility, and the ČEZ Foundation has been helping in all areas across Czechia since 2002.

The corporate culture emphasizes safety, continuous growth in internal efficiency, and encouragement of innovation to increase CEZ Group's value.

CEZ Group highlight the implementation of global climate goals, decarbonization, and the impact of business activities on the environment in general. CEZ Group's strategy is based on the active transformation of the Group to modern energy focusing on safe emission-free electricity generation, modern digitized distribution supporting decentralized solutions, care for customers' energy needs, and development of new energy and provision of comprehensive energy services.

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In most chapters of the Annual Report, company names are listed without an abbreviation specifying their legal form. The full names of CEZ Group companies are listed in the Related Parties Report included in this Annual Report. The full names of companies outside CEZ Group are provided under Information for Shareholders and Investors.

## Statutory Declaration by Persons Responsible for the CEZ Group 2020 Annual Report

### Statutory Declaration

To the best of our knowledge, the consolidated Annual Report gives a true and fair view of the financial position, business activities, and financial results of the issuer and its consolidated group for the past financial year, and the prospects for the future development of the financial position, business activities, and financial results.

Prague, March 15, 2021

**Daniel Beneš**  
Chairman of the Board of Directors, ČEZ, a. s.

**Martin Novák**  
Member of the Board of Directors, ČEZ, a. s.

**Andrea Gejšová**, Call Center Operator, ČEZ Prodej, Plzeň

“I am very happy that I can help people. It was at short notice, but when the offer came to get involved in helping the state trace the COVID-19-positive people, I did not hesitate. It is also a lot about psychology and empathy—you need to empathize with the people who are calling. Give reassurance to an elderly lady who is afraid of the disease’s severity. Understand the situation of an unemployed person. And at the same time not to give in to sadness, but to keep a positive mindset.”

**real**







**We help  
with tracing  
people positive  
for COVID-19**

# **Stories**

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## Introduction by the Chairman of the Board of Directors of ČEZ, a. s.

Dear shareholders,

At the beginning of 2020, few could imagine what was ahead of us. The COVID-19 pandemic paralyzed the European and world economies for many months and fundamentally affected everyone's daily lives. The unknown situation brought chaos, uncertainty, and fear for our loved ones. However, even in the darkest moments, the lights remained on, devices in hospitals and computer screens were running, often remaining the only connection to the outside world. What is taken for granted by some, was available thanks to the efforts and determination of tens of thousands of power engineers, including those from CEZ Group.

We were among the first to introduce strict measures to be able to maintain a reliable supply of electricity and heat in all circumstances, while maximally protecting our employees. Proof of this is the fact that even in this situation we managed to control the regular outages of nuclear power plants, and their year-round electricity generation exceeded 30 TWh again. However, it is not just a matter of changing the fuel, but mainly of extensive equipment inspections, assembling new parts, and other technical issues, on which hundreds of people work, including external suppliers from Czechia and abroad. As part of these activities, naturally, all safeguards against the spread of COVID-19 had to be observed. Nevertheless, we managed the outages successfully and safely, at a time when many other companies in the country stopped generation completely.

We also did not hesitate to offer a helping hand to others. In Czechia, for example, it was a question of postponing advances from our customers, supplying scarce disinfectant to large hospitals, crisis financial assistance to municipalities, or the experience and skills of our operators in tracing infected people. Even in other countries where we operate, we have earned our reputation as a reliable partner and good neighbor through a variety of projects aimed at mitigating the impact of anti-COVID-19 measures. We have thus demonstrated that the topic of sustainable development and social responsibility has a firm place in the motivation and attitude of CEZ Group employees.

I am glad that during this ordeal we also proved that CEZ Group is a stable economic entity capable of providing its shareholders, business partners and suppliers with certainty even in times of economic downturn. Despite the negative impact of all anti-COVID-19 measures on the company's economy and operations, CEZ Group generated an operating profit before depreciation, interest, and taxes of CZK 64.8 billion, thus fulfilling the annual ambition announced before the spread of COVID-19 to Europe. The results of 2020 were only partially affected by the consequences of COVID-19, mainly due to the proven hedging strategy of preselling electricity and purchasing emission allowances for generation for three years ahead. We managed to offset the negative effects of COVID-19 on the Group's operations mainly due to the extraordinary profit from commodity trading, where Trading once again used market volatility to make significant additional gains. In addition, ČEZ was able to pay a high dividend for the previous year in 2020, while a number of energy companies canceled this step in response to the impacts and uncertainty surrounding COVID-19. In total, a dividend for shareholders in the amount of CZK 18 billion was approved. This amount represents the highest dividend yield for 2020 among all European energy companies included in the STOXX Europe 600 Utilities stock index (6.7% of the initial share value). The overall debt adequacy and financial stability of ČEZ have also been appreciated by rating agencies. The S&P agency confirmed ČEZ's rating at "A-" and subsequently improved the rating outlook from "negative" to "stable".

Although COVID-19 seems to have overshadowed most other events as the central theme of 2020, this is certainly not the case in energy sector. Efforts to decarbonize Europe continue with even greater vigor, and the actions of individual countries and energy companies follow. The European Commission has approved a further increase in ambitious targets for CO<sub>2</sub> reduction, renewables, and energy efficiency as part of the "European Green Deal" for 2030. Czechia adopted an energy and climate plan and decided to gradually phase out coal as a priority from the heating industry and subsequently from the entire energy sector. The Czech Coal Commission recommended closing coal-fired power plants by 2038. In particular, as a result of the strengthening of Europe's climate ambitions, the price of emission allowances increased by more than 30% in the course of 2020, which, together with the negative impact of COVID-19 on electricity demand, has significantly worsened economic conditions for the coal sector.

CEZ Group anticipated this development in its strategy from 2019, which is based on modern emission-free generation, comprehensive energy services, and innovation and digitization in the field of distribution and sales. In the generation-related aspects, the main strategic goal is to gradually increase the share of emission-free facilities in our generation portfolio and reduce the carbon footprint in general. We have been succeeding in fulfilling this strategy. We are gradually ending generation in coal-fired power plants—in 2020, we shut down the Prunéřov I power plant after more than half a century, and in 2021 we will end the operation of one of the units at the Mělník site. We have been modernizing the most efficient coal-fired power plants that remain in operation so that they meet the strictest European emission limits. At the same time, we have been intensively preparing for the construction of transitional gas facilities, especially to ensure heat supply obligations with significantly lower CO<sub>2</sub> emissions, and for the construction of new fully emission-free facilities: both renewable and nuclear. We invest in modernizations and increasing capacity primarily in our nuclear power plants. As part of the development of renewable sources, we expect to build and put into operation photovoltaic power plants with a capacity of over 1 GW in Czechia by 2025. In the future, our ambition is to become a regional leader in sustainable energy and in the pace of reducing the carbon footprint. In 2021, we expect the average CO<sub>2</sub> emissions per generated electricity of the entire CEZ Group to be 22% lower than in 2019 and at the same time almost 20% lower than the specific emissions of the new CCGT facility.

However, the pursuit of climate neutrality cannot only depend on a change in the generating portfolio; energy savings also play an equally important role. Moreover, the European Union itself is considering further tightening the present 2030 targets in this area from the current 32.5% to 40%. And CEZ Group is ready. For the last few years, we have focused on building and expanding our know-how in the field of modern energy services and savings. Thanks to this, our company ČEZ ESCO is one of the established and respected leaders in the field today, and its market share is growing. Specifically for EPC guaranteed savings projects, we cover 60% of the Czech market and help our customers and the entire region to achieve environmental and economic goals. We are equally ambitious abroad, where modern energy services are provided in Western Europe by companies associated in the Elevion Group and in Slovakia under ČEZ ESCO. Demand for these services is gradually rising, and I expect this growth to accelerate in the future as huge amounts of European funding begin to be released and the COVID-19-related situation stabilizes.

In 2020, there has been a development in preparing a new nuclear unit in Dukovany. Two out of three key agreements between the Czech state and ČEZ were signed, an act on Czechia's transition to low-carbon energy was drawn up, and prenotification negotiations with the European Commission began. I consider it a great success that we managed to negotiate such conditions of cooperation so that the interests of all shareholders are protected without distinction.

The year 2020 was also successful in fulfilling the divestment strategy. We sold the Počerady coal-fired power plant and got rid of a long-term commitment to buy coal from Vršanská uhelná. We managed to conclude an agreement on the sale of Romanian assets with a renowned international investor at a good price. As a result of the sale, CEZ Group will obtain significant funds that, in accordance with the current strategy, will contribute to debt reduction, will be used for development investments in Czechia and in stable countries, and will enable a higher dividend for shareholders.

We will do our utmost to ensure that CEZ Group builds on the successful year 2020 in 2021 and manages to contribute to the maximum growth of the Company's value for our shareholders and thus to actively support socially responsible and sustainable energy transformation in Czechia and Europe. At the same time, we must all build on the well-managed health protection of our employees in 2020.

**Daniel Beneš**

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

## Selected CEZ Group Indicators

### Selected CEZ Group Indicators

	Unit	2016	2017	2018	2019	2020	2020/2019 Index (%)
Installed capacity	MW	15,620	14,864	14,848	14,643	12,933	88.3
Electricity generated (gross)	GWh	61,132	62,887	63,081	64,635	60,946	94.3
Share of emission-free generation	%	45.4	51.2	53.0	52.9	56.1	106.1
Electricity sold <sup>1)</sup>	GWh	37,475	37,036	37,634	35,176	33,265	94.6
Heat sold <sup>1)</sup>	TJ	24,022	23,659	23,213	24,116	23,982	99.4
Gas sold <sup>1)</sup>	GWh	8,180	9,897	9,607	9,784	9,318	95.2
Workforce headcount as at December 31	Persons	26,895	29,837	31,385	32,365	32,535	100.5
Operating revenues	CZK millions	206,543	205,092	184,486	206,192	213,737	103.7
Of which: Sales of electricity, heat, gas, and coal	CZK millions	127,696	122,738	121,450 <sup>2)</sup>	130,418	138,015	105.8
Sales of services and other sales	CZK millions	74,313	76,262	59,868	71,363	71,507	100.2
EBITDA	CZK millions	58,082	53,921	49,535	60,175	64,783	107.7
Net income	CZK millions	14,575	18,959	10,500	14,500	5,468	37.7
Adjusted net income <sup>3)</sup>	CZK millions	19,640	20,698	13,055	18,856	22,841	x
Dividend per share <sup>4)</sup>	CZK/share	40.0	33.0	33.0	24.0	34.0	141.7
Net cash provided by operating activities	CZK millions	48,953	45,812	35,351	42,931	72,157	168.1
Capital expenditures (CAPEX) <sup>5)</sup>	CZK millions	(30,165)	(29,135)	(26,386)	(29,789)	(31,159)	104.6
Total assets	CZK millions	628,486	623,906	707,443	704,574	702,458	99.7
Net debt	CZK millions	146,452	136,087	151,262	161,248	143,512	89.0
Return on invested capital (ROIC) <sup>6)</sup>	%	4.5	4.3	3.3	4.3	2.0	x
Return on equity (ROE), net <sup>7)</sup>	%	5.4	7.4	4.3	5.9	2.2	x
Net debt / EBITDA	1	2.52	2.52	3.05	2.68	2.22	x

<sup>1)</sup> Sold to end-use customers (outside CEZ Group).

<sup>2)</sup> The presentation method of the statements has been changed since 2018. Data for the previous period have been adjusted to be comparable with data for the current period.

<sup>3)</sup> Refer to Definitions and Calculations of Indicators Unspecified in IFRS for the definition.

<sup>4)</sup> Awarded dividend per share before tax in the given year. The value expresses a shareholder's right to the payment of a share in a joint-stock company's profits corresponding to the holding of one share.

<sup>5)</sup> Additions to property, plant, and equipment and intangibles.

<sup>6)</sup>  $ROIC = EBIT * (1 - \text{Corporate tax rate}) / \text{Average capital invested}$ . Capital invested = Tangible fixed assets, nuclear fuel, and investments + Intangible fixed assets + Net working capital. Net working capital = Current assets - Cash and cash equivalents - Current liabilities + Short-term credit + Short-term part of long-term debts + Reserves within current liabilities.

<sup>7)</sup>  $ROE = \text{Net Income} / \text{Average equity}$ .

### Selected Indicators of the Most Significant Regions of CEZ Group Presence (CZK Millions)

	Czechia		Germany		Poland		Romania		Bulgaria		Other Countries and Elimination between Segments	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Operating revenues	151,218	155,132	14,045	13,978	10,841	9,166	16,442	16,697	18,779	20,183	(5,133)	(1,419)
EBITDA	53,018	56,400	1,172	837	887	872	3,338	4,599	1,860	2,293	(100)	(218)
Net income	15,796	20,684	(452)	(580)	(1,187)	(4,775)	1,024	(8,625)	201	374	(882)	(1,610)

### Credit Rating

ČEZ's long-term credit ratings remained unchanged in 2020.

On November 26, 2020, the rating agency Standard & Poor's confirmed ČEZ's long-term rating of A-, and the rating outlook returned to stable from the original negative outlook, which was assigned on March 31, 2020.

On January 26, 2021, the rating agency Moody's updated the long-term rating of ČEZ, a. s., to the Baa1 level with a stable outlook. Both credit rating agencies are included in the list of credit rating agencies pursuant to Regulation (EC) No. 1060/2009 of the European Parliament and of the Council, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council and Regulation (EU) No. 462/2013 of the European Parliament and of the Council. When selecting credit rating agencies, ČEZ complies with Article 8d of the above-mentioned Regulation.

## Shares

Five CEZ Group companies have publicly traded shares: ČEZ, a. s., ČEZ OZ uzavřený investiční fond a.s., CEZ Razpredelenie Bulgaria AD, CEZ Elektro Bulgaria AD, and Akenerji Elektrik Üretim A.S.

### 1. ČEZ, a. s.

As at December 31, 2020, the total stated capital of ČEZ, a. s., was CZK 53,798,975,900. The Company's stated capital consisted of 537,989,759 shares with a nominal value of CZK 100. Their ISIN is CZ0005112300.

All Company shares are bearer shares and have been admitted to trading on a European regulated market. The shares have been admitted to trading on regulated markets in Czechia and Poland.

### Shares

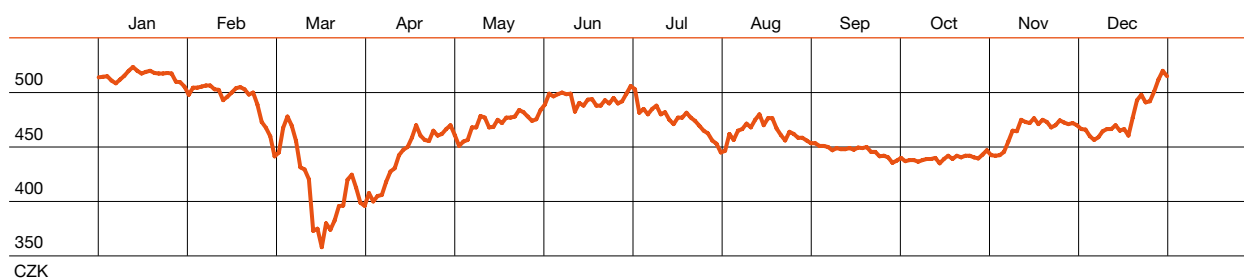
Security	ISIN	Issue Date	Volume	Issued as	Form	Nominal Value	Market	Traded Since
Registered share	CZ0005112300	Feb 15, 1999	CZK 53.8 billion	Dematerialized	Bearer	CZK 100	PSE	Jun 22, 1993
							PSE Prime Market	Jan 25, 1994
							RM-System	Feb 23, 1999
							WSE	Oct 25, 2006

### Structure of Shareholders, by Entity Type (%)

	Share in Stated Capital	Share in Voting Rights	Share in Stated Capital	Share in Voting Rights
	Dec 31, 2019	Dec 31, 2019	Dec 31, 2020	Dec 31, 2020
<b>Legal entities, total</b>	<b>88.76</b>	<b>88.71</b>	<b>87.44</b>	<b>87.38</b>
Of which: Czech Republic	69.78	70.11	69.78	70.11
ČEZ, a. s.	0.47	–	0.47	–
Other legal entities	18.51	18.60	17.19	17.27
<b>Private individuals, total</b>	<b>11.23</b>	<b>11.29</b>	<b>12.56</b>	<b>12.62</b>

Source: Centrální depozitář cenných papírů, a.s. (Central Securities Depository).

### ČEZ, a. s., Share Price in 2020 (CZK)



### Stock-Related Indicators

	Unit	2019	2020	2020/2019 Index (%)
Net earnings per share—basic (EPS) <sup>1)</sup>	CZK/share	26.9	10.2	x
Dividend per share (gross) (DPS)	CZK/share	24.0	34.0	x
Dividends awarded (change in equity)	CZK billions	12.8	18.2	141.8
Share price—year's high	CZK	570.0	523.5	91.8
Share price—year's low	CZK	500.5	358.0	71.5
Share price—at year end (December 31)	CZK	509.5	515.0	101.1
ČEZ stock trading volume on the PSE	CZK billions	28.0	31.5	112.3
ČEZ stock as percentage of overall PSE trading volume	%	25.7	25.1	97.5
Number of registered shares (as at December 31)	Thousands	537,990	537,990	100.0
Number of treasury shares (as at December 31)	Thousands	2,551	2,516	98.6
Number of shares in circulation (as at December 31)	Thousands	535,439	535,474	100.0
Book value per share (BVPS)	CZK	468.3	436.8	93.3
Price to book value ratio (P/BV)	%	108.8	117.9	x
Total shareholder return (TSR)	%	(0.3)	7.8	x
Market capitalization (as at December 31)	CZK billions	272.8	275.8	101.1

<sup>1)</sup> Consolidated net earnings per share attributable to parent company shareholders.

**Payment of Dividends to Shareholders**

The Company's annual shareholders' meeting, held on June 29, 2020, decided to pay a dividend of CZK 34 per share before tax to Company shareholders. It was payable on August 3, 2020, and can be claimed until July 31, 2024.

The approved dividend amount is in line with the Company's current dividend policy. The 2019 consolidated net income adjusted for extraordinary effects was CZK 18,856 million; the dividend approved by the shareholders' meeting to be distributed to shareholders was CZK 18,292 million, which corresponds to 97% of the consolidated net income adjusted for extraordinary effects.

Entities that were shareholders on the strike date, i.e., July 3, 2020, are entitled to the 2019 dividend. The dividend on treasury shares held by the Company at the record date was not paid out and was transferred to the retained earnings account.

**Dividend Policy**

Since 2019, ČEZ has applied a dividend policy that anticipates paying out 80–100% of consolidated net income adjusted for extraordinary effects generally unrelated to ordinary financial performance in a given year.

**ČEZ, a. s., Shareholder and Investor Relations**

ČEZ has long been building relations with shareholders and other capital market participants by means of open and regular communication. It publishes quarterly communications on its financial performance and selected key events and fulfillment of CEZ Group's strategic goals on dates that are announced in advance. It also informs of material events that might affect the share price on an ad hoc basis. In accordance with good practice, it also maintains an active dialog with capital market participants through personal meetings with analysts and representatives of institutional investors. Due to the limitations related to COVID-19 in 2020, these meetings took place mainly in the on-line environment via audio and video platforms, and telephone calls.

**Rights and Obligations Attached to Shares**

The rights and obligations attached to ČEZ, a. s., shares are governed by applicable law as set down in Section 210 et seq. of Act No. 89/2012 Sb., Civil Code, as amended, and Section 243 et seq. of Act No. 90/2012 Sb., Business Corporations Act, as amended. No special rights are attached to ČEZ, a. s., shares.



Pursuant to Section 256(1) of the Business Corporations Act, shareholder rights attached to a share of stock are to participate, in compliance with the Act and the Company's bylaws, in company management and receive a portion of its profits and its liquidation surplus when wound up with liquidation. The right to participate in company management is exercised by shareholders by means of their right to attend and vote at a shareholders' meeting. Pursuant to Section 357(1) of the Business Corporations Act, a shareholder is entitled to request and receive an explanation of matters related to the Company or entities controlled by the Company at a shareholders' meeting if such an explanation is needed for reviewing the contents of matters on the shareholders' meeting agenda or for exercising the shareholder's rights at the shareholders' meeting. This does not apply if no answer needs be given under the law. Explanations may be provided as a summary response to multiple questions with similar contents. Explanations of matters regarding the current shareholders' meeting are provided by the Company to a shareholder right at the shareholders' meeting. If that is not possible due to the complexity of the explanation, the Company will provide the explanation to the shareholder within 15 days of the date on which the shareholders' meeting is held.

Qualified shareholders, as defined in Section 365(3) of the Business Corporations Act, are vested with some additional rights under the Act. For example, they may ask the Board of Directors to call a shareholders' meeting to debate matters proposed by them or to put an item specified by them on the shareholders' meeting agenda provided that statutory requirements are met and they may ask the Supervisory Board to review the exercise of the Board of Directors' powers concerning matters identified by them. A shareholder's share in the Company's profit (dividend) is received on the basis of a shareholders' meeting decision on the distribution of profit. This means that a shareholder is entitled to a share of profit (dividend) in an amount approved to be distributed among shareholders by the shareholders' meeting.

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

The company's shares were admitted to trading on the Prague Stock Exchange's regulated market with effect from December 31, 2015 with ISIN CZ0008041787. An issue of 5,310,498 shares, that is, 15% of the total number of the company's shares, previously held by ČEZ, was admitted to trading. ČEZ held an almost 99.6% stake in the company as at December 31, 2020; other shareholders were ČEZ Obnovitelné zdroje and ČEZ Korporátní služby. Shareholders outside CEZ Group held a 0.04% stake in the company's stated capital.

## 3. CEZ Razpredelenie Bulgaria AD


The company's shares have been traded on the Bulgarian Stock Exchange since October 29, 2012. Their ISIN is BG1100025110. The shares are not traded on any other public markets. As at December 31, 2020, ČEZ held a 67% stake and the second largest shareholder, the DOVERIE group, held an 11.20% stake in the company's stated capital.

## 4. CEZ Elektro Bulgaria AD

The company's shares have been traded on the Bulgarian Stock Exchange since October 29, 2012. Their ISIN is BG1100024113. The shares are not traded on any other public markets. As at December 31, 2020, ČEZ held a 67% stake and the second largest shareholder, the Chimimport group, held a 24.98% stake in the company's stated capital.

## 5. Akenerji Elektrik Üretim A.S.

The company's shares are traded freely on the stock exchange. A portion of shares representing a 25.3% stake in the company's stated capital has been freely traded on the Istanbul stock exchange since July 3, 2000. The ISIN is TRAAKENR91L9. The shares are not traded on any other public markets. ČEZ, a. s., held an almost 37.4% stake in the company's stated capital as at December 31, 2020.



**Petr Brezáni**, Dispatcher—Shift Manager, ČEZ Distribuce, Kladno

“The critical operations protection plan declares that we will not leave the control room if necessary, staying at work overnight. I did not expect that to ever happen. The COVID-19 pandemic changed that. Everything depends on electricity, including hospitals. We managed to adapt, we got used to working day and night, and also on public holidays.”

**real**

We provide electricity  
in all circumstances,  
even during pandemic



# People



## Selected Events

### Selected Events of 2020

#### February

- A special working team was activated which ensured the adoption of timely measures to minimize the risks and impacts of the COVID-19 pandemic on key activities and to protect the health of CEZ Group employees; follow-up measures were coordinated with national crisis units.
- An agreement was made with US company GE Hitachi Nuclear Energy to investigate the economic and technical feasibility of the potential construction of a BWRX-300 small modular nuclear reactor in Czechia.

#### March

- We joined a call by large European energy companies whereby seven companies ask the European Commission to leave nuclear energy on its list of sustainable economic activities.
- A siting permit application for the construction of a new nuclear power plant at Dukovany was submitted to the State Office for Nuclear Safety.
- State of emergency was declared in Czechia with relation to the COVID-19 pandemic.

#### April

- A 51% stake in GEOMET was acquired through Severočeské doly; GEOMET, a Czech company, is the holder of preferential exploration and production rights to a lithium mineral deposit in the Cínovec area.
- Applications were submitted for temporary exemptions from meeting the BAT requirements for coal-fired facilities Prunéřov 2, Tušimice, Ledvice B6, Trmice, and Počerady (final applications for facilities Mělník 1 and 2 were submitted by the end of 2020).

#### June

- The parameters of the fifth regulatory period, spanning 2021–2025, were approved for ČEZ Distribuce.
- Operation of the Prunéřov I coal-fired power plant with an installed capacity of 440 MW was terminated.
- Binding offers concerning the sale of assets in Romania were received. The sale involves, most importantly, distribution and sales companies and the Fântânele and Cogeaalac wind parks.
- An additional stake of 49.9% in ČEZ Energo was acquired by ČEZ ESCO, making it the sole owner.

- Inven Capital sold its share in CyberX, an Israeli company specializing in industrial cybersecurity, to Microsoft; the original investment was thus multiplied in only 15 months.
- The annual shareholders' meeting of ČEZ, a. s., was held; a dividend of CZK 34 per share was approved.

#### July

- On July 27, 2020, the Czech government discussed an act on measures for Czechia's transition to low-carbon energy with the aim of enabling the state to order the construction of a nuclear power plant with a fixed commissioning date, generation volume, and electricity purchase price and also to provide some funding for the project (the act was discussed by the Chamber of Deputies of the Czech Republic in the 3rd reading at the time of the Annual Report deadline).
- On July 28, 2020, the Czech government signed a framework agreement and an implementation agreement with ČEZ, a. s., and Elektrárna Dukovany II, a. s., for stage 1 of the construction of a new nuclear power plant at Dukovany.

#### September

- A permit to operate Unit 1 of the Temelín Nuclear Power Plant was obtained from the State Office for Nuclear Safety for another 10 years; the permit issuance was linked to a number of conditions by the Office.
- The European Commission proposed raising the CO<sub>2</sub> reduction target for 2030 to 55% compared to 1990, and published further ambitions and scenarios for achieving the targets in its European Green Deal climate vision.
- The EU's intention to provide huge financial support was presented for the transformation of European energy in line with the strategy of the European Green Deal (approx. EUR 1.8 trillion), of which at least 1/3 is to be channeled directly to climate protection projects; of that, the total potential for Czechia is estimated at tens of billions of EUR over a period of 7 years.
- A divestment process was launched in Poland; the subject of the sale includes assets related to electricity generation, in particular the Skawina power plant and the Chorzów power plant, and other Polish companies apart from the ESCO services companies.

- A minority stake was obtained in the Swedish company Eliq by the Inven Capital fund; the product offered by the company proposes the most advantageous electricity tariff for clients on the basis of data from smart meters and smart household sensors.
- ČEZ Prodej trained 68 operators to help hygienic stations with tracing persons potentially positive with COVID-19, and communicating test results in Czechia.

#### October

- An agreement was signed with Macquarie Infrastructures and Real Assets on the sale of CEZ Group's Romanian assets related to the generation, distribution, and sale of electricity. Through the sale, CEZ Group will receive significant funds that, in accordance with the current strategy, will contribute to debt reduction, will be used for development investments in Czechia and in stable countries, and will also enable a higher dividend for shareholders.
- ČEZ and Vršanská uhelná from the Sev.en Energy Group entered into an agreement that the Počeradý power plant burning brown coal with an installed capacity of 1,000 MW was transferred to Vršanská uhelná as at December 31, 2020, at a higher purchase price (according to the current valid agreement, this was to happen by January 2, 2024); part of the agreement included termination of the existing agreement on the purchase of coal from Vršanská uhelná in the amount of 5 million tons/year for the period of 2021–2023.
- Mělník 2 and Mělník 3 power plants were allocated from ČEZ to Energotrans which created preconditions for a long-term safe heat supply for the capital city of Prague.
- Prices of electricity and natural gas were reduced at ČEZ Prodej for residential customers and small businesses; for fixed-term products, a reduction applies from the date of contract extension.
- The sale of CEZ Group's Bulgarian assets to Eurohold was approved by the Commission for the Protection of Competition; the transaction is further subject to approval by the Bulgarian energy regulator.

#### November

- Electricity and natural gas prices were reduced at ČEZ ESCO for larger customers and public administration.
- A prototype hydrogen filling station developed by CEZ Group for small commercial vehicles was presented.
- The achievable capacity of Unit 2 of the Temelín Nuclear Power Plant was increased by 4 MW<sub>e</sub> due to the effect of higher efficiency after installing two new separators.
- The Memorandum of Understanding was signed regarding small nuclear modular reactors with the British company Rolls-Royce.

#### December

- The antitrust approval was granted to transaction from the European Commission (more precisely, the European Directorate-General for Competition in Brussels, Direction générale de la concurrence) to Macquarie Infrastructure and Real Assets for the purchase of Romanian assets from CEZ Group.
- Sale and handover of the Počeradý brown coal power plant to Vršanská uhelná from the Sev.en Energy group was settled as at December 31, 2020.
- Provision of Internet connection via own optical networks for residential customers was started under the name ČEZNET; the first location with the available offer is Karlovy Vary—Tuhnice.

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

#### January

- The sale of Romanian assets related to the generation, distribution, and sale of electricity to Macquarie Infrastructure and Real Assets was approved by the security council of the Romanian state, and the expected settlement (closing) date of the sale of Romanian assets of CEZ Group was set (March 31, 2021).
- The sale of Bulgarian assets was approved by the Bulgarian Commission for Energy and Water Regulation (KEVR).

#### February

- The price of a CO<sub>2</sub> emission allowance exceeded 40 EUR/t, which is the highest value in 16 years of the current EU ETS system.

#### March

- An award of the arbitration panel was issued in the international investment arbitration of ČEZ, a. s., against the Republic of Bulgaria, which confirmed the legitimacy of conducting the arbitration within the current jurisdiction and thus moving to the next stage in which the substance of the dispute will be assessed.
- The permission for placing two nuclear power units in the Dukovany area was issued by the State Office for Nuclear Safety.

## Developments in Relevant Energy Markets

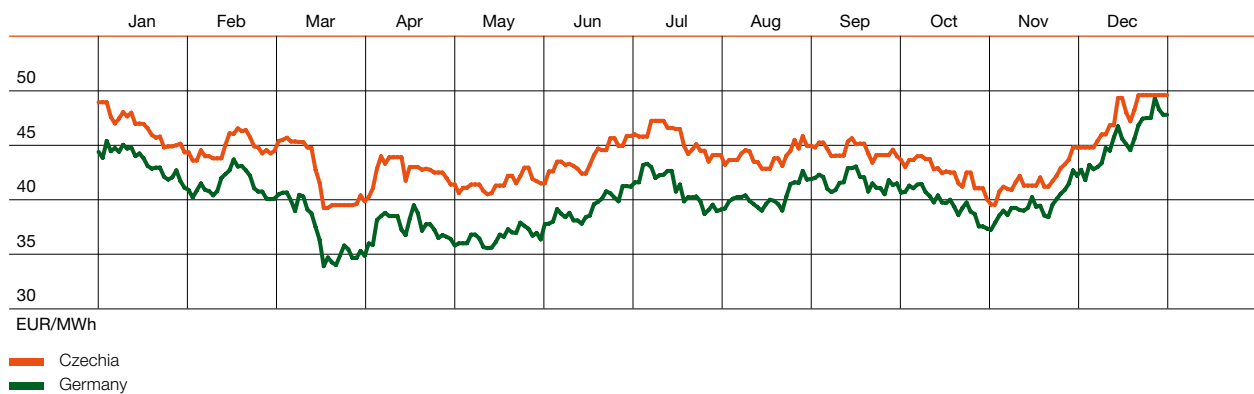
CEZ Group's business environment is significantly affected by regulations and legislation at the European Union level and in the individual countries where CEZ Group operates. An overview of the main events, standards, and developments in regulation and legislation at the level of the European Union and in Czechia forms the chapter Development of Sector Regulation and Legislation of this Annual Report. This chapter discusses the development of the main market factors for CEZ Group's business (i.e., electricity prices and emission allowance prices on relevant energy markets) in 2020 and contains a summary of the main determining factors for the future development of the electricity sector.

### Electricity

	Unit	Dec 31, 2019	Dec 31, 2020
Electricity price in Czechia (2021 baseload)	EUR/MWh	49.0	49.6
Electricity price in Germany (2021 baseload)	EUR/MWh	44.4	47.8
Emission allowance price (EEX)	EUR/t	24.9	32.7

Due to the close interconnection of markets, wholesale electricity prices in Czechia are affected by price developments in Germany. Electricity prices were slightly declining in January and February due to decreasing prices of coal and natural gas. The decline markedly accelerated in March as COVID-19 spread to Europe. Electricity prices for 2021 hit bottom on March 18, 2020, at EUR 34 in Germany, and EUR 39 for supply in Czechia. For the rest of the year, electricity prices gradually increased and essentially reflected the development of emission allowance prices. In the fourth quarter, growth in both emission allowances and electricity prices accelerated as commodity markets responded to news regarding COVID-19 vaccination. Electricity prices for annual supply in 2021 closed 2020 at year-on-year higher levels of 47.8 EUR/MWh in Germany, and 49.6 EUR/MWh in Czechia.

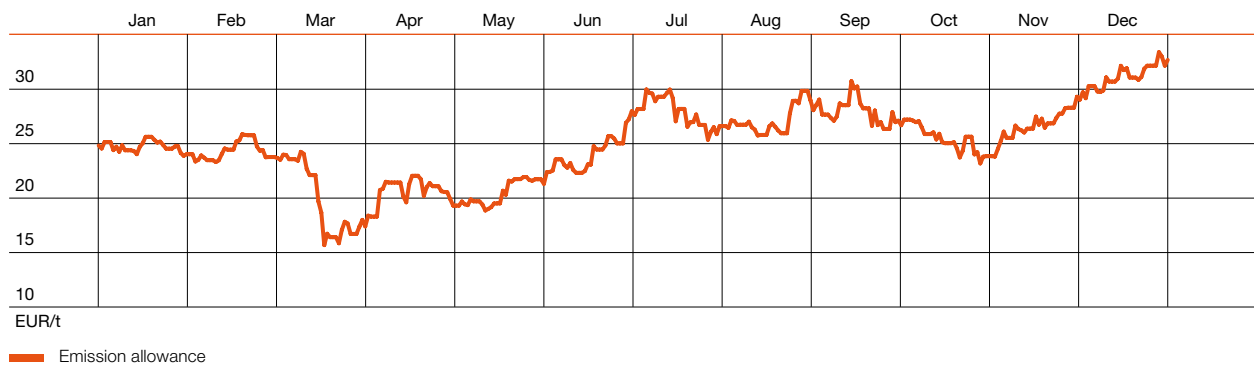
#### Wholesale Price of Electricity in 2020 (EUR/MWh, 2021 Year Band)



### Emission Allowances

During the year, the prices of emission allowances were a decisive factor affecting electricity prices. The price of the allowance first reacted to the outbreak of COVID-19 in Europe by falling to 15.7 EUR/t, i.e., by 38% compared to the beginning of the year. The European Commission's proposals to further extend the targets of long-term CO<sub>2</sub> savings and, in particular, to support these ambitions by directing huge financial resources to the green agenda have given a highly positive impetus to the allowance market. Allowances were subsequently increasing from April to a maximum of 33.4 EUR/t in December. The increase continued in 2021; the price of emission allowances exceeded 40 EUR/t in February, which is the highest price in 16 years of the EU ETS operation.

Emission Allowance Prices in 2020 (EUR/t, EUA Price with Supply on December 1, 2021)





### Summary of the Main Factors Determining the Future Development of the Electricity Sector

The main factors in energy in 2020 were the spread of COVID-19 and the increase of the European Union's decarbonization targets by 2030—from 40% to at least 55% compared to 1990. Wholesale electricity prices are based on the prices of energy commodities, in the Central European region mainly on hard coal and gas, and on the price of CO<sub>2</sub> emission allowances.

The price of hard coal followed a declining trend from the end of 2019 and declined to as low as 52 USD/t. In the last months of 2020, it rapidly increased to 68 USD/t. The downturn was caused by limited consumption due to COVID-19. The key to global increase was development in China, which is the world's largest importer and producer of coal. In retaliation, China restricted Australian coal imports to some Australian positions, but has also failed to secure a sufficient supply from domestic sources. Then, at the end of the year, China was hit by strong frosts. The result was soaring prices which then spread around the world. Despite a significant increase in hard coal prices, the market is well stocked as a whole. Due to the emphasis on global climate goals, the world has been gradually turning its back on coal, so its price will stagnate in the long run, despite occasional fluctuations.

Likewise, the price of natural gas was negatively affected by low consumption due to COVID-19. The mild winter of 2019/2020 left the European storage capacities unusually full. The spot price of gas thus decreased to 5 EUR/MWh in the summer of 2020. With the advent of the heating season, it increased to 16 EUR/MWh. The gas surplus will also affect the market in the coming years, which is why forward prices for 2021 have also decreased. In the long term, they are now around 16 EUR/MWh. Supplying Europe is provided above standard for the coming years. At the end of 2020, the Southern Gas Corridor, which supplies gas from Azerbaijan, became operational, helping to diversify supplies. In the medium and long term, the price will also be affected by growing supplies of liquefied natural gas (LNG). This market is already global, similar e.g., to the oil market, and increases significantly every year. The major actors are Qatar, Australia, the United States, Russia, Malaysia, Trinidad and Tobago, and Algeria. Lesser-known countries such as Mozambique or Papua New Guinea are also growing to be major exporters. The market will remain oversupplied for several more years. As a result, relatively few new LNG projects are created. For many countries, gas is an available option to reduce CO<sub>2</sub> emissions. In the horizon of several years, demand will gradually exceed supply and the price of natural gas will rather increase in the long term.

The price of emission allowances was stable at the beginning of 2020 and has long withstood the negative effects of COVID-19. It was not until March that there was a sharp drop to 15 EUR/t. It was caused technically rather than fundamentally, and therefore lasted only a short time. Since then, allowances have gradually strengthened, reaching a new all-time high of around EUR 32/t and increasing to EUR 33.4/t at the end of 2020. The major growth factor was the gradual implementation of the new high EU decarbonization target by 2030. The previously agreed target of 40% was further increased to at least 55%. Due to higher allowance prices and cheap gas, electricity generation in Europe has shifted intensively from hard coal to gas-fired power plants. The change in the price of allowances, with a factor of approximately 0.6, is directly reflected in the increase of the electricity price.

The long-term development of the electricity sector is fundamentally affected by political decisions. The EU's strategic policy target is to be climate neutral by 2050. An overview of the necessary legislative steps has been set out in the European Green Deal and is gradually being implemented.

An important milestone is the European Union's climate and energy targets until 2030. In addition to higher decarbonization targets, the European Commission's impact study proposes to increase the share of energy from renewable sources in all energy consumed (heat, transport, electricity) to 38–39% (it is 32% at the moment). The share of RES in the EU electricity sector by 2030 should reach 63–65%. Energy savings are set to increase to 38–39% from the current target of 32%. A specific target level for RES and for the EED Directive is to be proposed in June 2021.

The national integrated energy and climate plans describe the contributions of each member state. Czechia made a commitment to use 22% of renewable energy by 2030: 30.7% for heating, 14% for transportation, and 16.9% for electricity. Following the adoption of revised, higher targets, member states will submit revisions to these plans.

Climate policy goals are also supported by directing significant financial resources towards related investments. At least 30% of the total EU expenditure in the period of 2021–2027 in the amount of EUR 1.8 trillion (the standard budget of EUR 1.1 trillion increased by EUR 0.75 trillion in the form of grants and loans to support the economic recovery of the EU countries from the consequences of COVID-19) is thus intended for “green” projects. For Czechia and other less developed EU countries, the creation of the Modernization Fund financed from the sale of emission allowances is also significant, where approximately CZK 150 billion will be available over the next 10 years to support modernization of the Czech energy sector and to improve energy efficiency.

Another tool for achieving climate neutrality is the taxonomy—a system for classifying individual technologies in terms of their long-term sustainability. Specific parameters for each technology are currently being discussed. Projects outside the taxonomy (i.e., essentially unsustainable) will be discriminated in terms of access to financial markets, the possibility of drawing public support, and the interest of investors, suppliers, and customers. Companies with existing unsustainable technologies in their portfolio or their products coming from such classified technologies will have similar problems.

The energy sector is also affected by technical progress. The year 2020 showed that renewables are already an integral part of the energy mix. The guaranteed purchase price for the generation therefrom set in the German auction decreased to 52 EUR/MWh for photovoltaics and to 62 EUR/MWh for onshore wind sources. The auction results in some countries, such as Portugal, or the Middle East countries, have decreased even below 20 EUR/MWh.

A higher share of wind and photovoltaic power plants entails higher price volatility. With the full use of photovoltaic or wind power plants, electricity prices will more often reach zero or even negative values. This will create an opportunity for flexible sources and energy storage.

Decarbonization is most easily achieved thanks to electrification, where electricity will come from emission-free sources. However, certain manufacturing processes are difficult or impossible to electrify. Other ways are beginning to be sought for them. One option will be usage of hydrogen. It will be generated by electrolysis from electricity obtained from renewable energy sources, or by generation from fossil fuels and CO<sub>2</sub> storage. Hydrogen can also be used for long-term energy storage. In July 2020, the European Commission presented a proposal for a hydrogen strategy. There is 1 million tons of hydrogen to be obtained annually from renewables using 6 GW electrolyzers or P2X facilities by 2024 and 10 million tons of hydrogen using 40 GW by 2030. A number of European countries have already introduced their own hydrogen strategy, such as Germany, the Netherlands, France, Italy, Spain, and Norway. Their ambitions amount to 27 GW until 2030. Hydrogen and related technologies will undergo development and reduction in price similar to that of photovoltaic and wind power plants in the past years. This will create new business opportunities for energy companies, and not only for them. New competitors are emerging in the energy market, with large oil and gas companies slowly moving from fossil fuels to renewable energy sources, and other new sustainable technologies.

## CEZ Group Strategy

Europe's energy sector is undergoing a major transformation towards sustainable solutions. The European Commission has approved new ambitious targets for 2030 in the areas of faster decarbonization, development of renewables, and energy efficiency increase. At the same time, it presupposes massive financial support for these targets at the national level. These objectives and specific instruments are set out in the "European Green Deal" and fundamentally affect the business environment not only in the energy sector. As a result of these targets, the major trends in Europe and Czechia are strengthening: traditional energy is stagnating but remains an indispensable part of the energy sector. Renewables and decentral energy keep growing. Customers require comprehensive services relating to energy use. Czechia is developing the European Commission's targets into a climate and energy plan with an increase in the share of generation from renewable energy sources. The discussion on updating the Czech State Energy Policy to take more account of the "European Green Deal" has been intensifying. The Coal Commission was established with the aim of defining the Czechia's decarbonization strategy. Work is underway on a National Action Plan for Smart Grids and electromobility. The strengthening of digitization is being prepared. Discussion continues on how to secure electricity supplies after the end of generation from coal facilities and on the construction of a new nuclear facility. In 2020, Czechia signed a general and early implementation agreement with ČEZ and Elektrárna Dukovany II on the first construction phase of a new nuclear power plant in Dukovany and is preparing legislation on measures for Czechia's transition to low-carbon energy.

CEZ Group's current strategy, which was updated in 2019, anticipated these trends and aims to maximize the business opportunities associated with modernizing, digitizing, and decarbonizing the energy sector in Europe.

### CEZ Group Mission, Vision, and Strategic Priorities

CEZ Group's mission is to provide safe, reliable, and positive energy to its customers and society at large.

CEZ Group's vision is to bring innovations for addressing energy needs and help improve the quality of life.

#### CEZ Group's Strategic Priorities

##### 1) Efficient Operation, Optimum Utilization, and Development of the Generation Portfolio

Efficient management of nuclear power plants and coal-fired power plants in mining regions, preparation of conditions for the construction of a new nuclear power plant as part of energy security enhancement, and decarbonization of the generation portfolio in Czechia.

- Enhancing the safety, security, and effectiveness of the operation of nuclear power plants in accordance with international practices and ensuring their long-term operation
- Managing efficiently the portfolio of coal-fired power plants and heating plants in mining regions and mines
- Operating efficiently and phasing out the portfolio of power plants located outside mining regions
- Continuing to prepare the project of a new nuclear power plant in Dukovany according to the approved schedule and general agreements with the state

##### 2) Modern Distribution and Care for Customers' Energy Needs

Modernizing and digitizing distribution and sales in Czechia with respect to customers' energy needs in the context of the Czech energy sector development.

###### In distribution:

- Increasing investments in the distribution network in the context of changes induced by decentral energy and in the context of conditions imposed by a new regulatory period
- Strengthening growth investments in smart and innovative solutions focused on Smart Grid, electric mobility integration, and decentralized energy sources
- Digitizing operations to optimize operating expenses

###### In sales:

- Maintaining the current profitability and customer base in commodities
- Keep extending the base of satisfied customers through offerings of noncommodity products and services enhancing their quality of life
- Digitizing the whole sales process to optimize operating expenses

### 3) New Energy Sector Development in Czechia

Developing energy services and renewables in Czechia and taking advantage of conditions set under Czechia's energy and climate plan.

- Building an efficient structure to cover the entire value chain associated with the development of renewable energy sources in the domestic market
- Achieving a major position in the generation and supply of heat from renewable energy sources
- Consolidating the energy services market

### 4) Energy Services Development in Europe

Developing energy services abroad with the aim of achieving a major position in European markets close to Czechia.

- Keep growing in the energy services market in Germany, northern Italy, and Poland
- Offering customers innovative products that will allow them to cut their expenses on energies, heating and cooling, and lighting and enhance their comfort in other areas

The updated strategy from 2019 assumes abandonment of selected markets and segments abroad, namely completing the sale of assets in Bulgaria and selling generation and distribution assets in Romania, and assets in Poland and Turkey. As concerns the current portfolio of renewables abroad, the goal is still to finish development and ensure return of invested funds.

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## Strategic Plans in the Field of Sustainable Development and Decarbonization

CEZ Group's strategy fully reflects the principles of sustainable energy development, i.e., the emphasis on evaluating and managing the impact of business on the environment, employees, customers, and societal interests, and last but not least, the emphasis on responsible and ethical corporate governance. Sustainable approach and emphasis on ESG (Environment, Social, Governance) forms an integral part of CEZ Group management. Meeting the global climate goals, decarbonization, and the impact of business on the environment in general are of key importance to CEZ Group.

CEZ Group's sustainable development strategy is based on the principles of corporate culture, the Code of Ethics, the Safety and Environmental Protection Policy, and other internally defined policies. Sustainable solutions are gradually being implemented into business processes across all business segments.

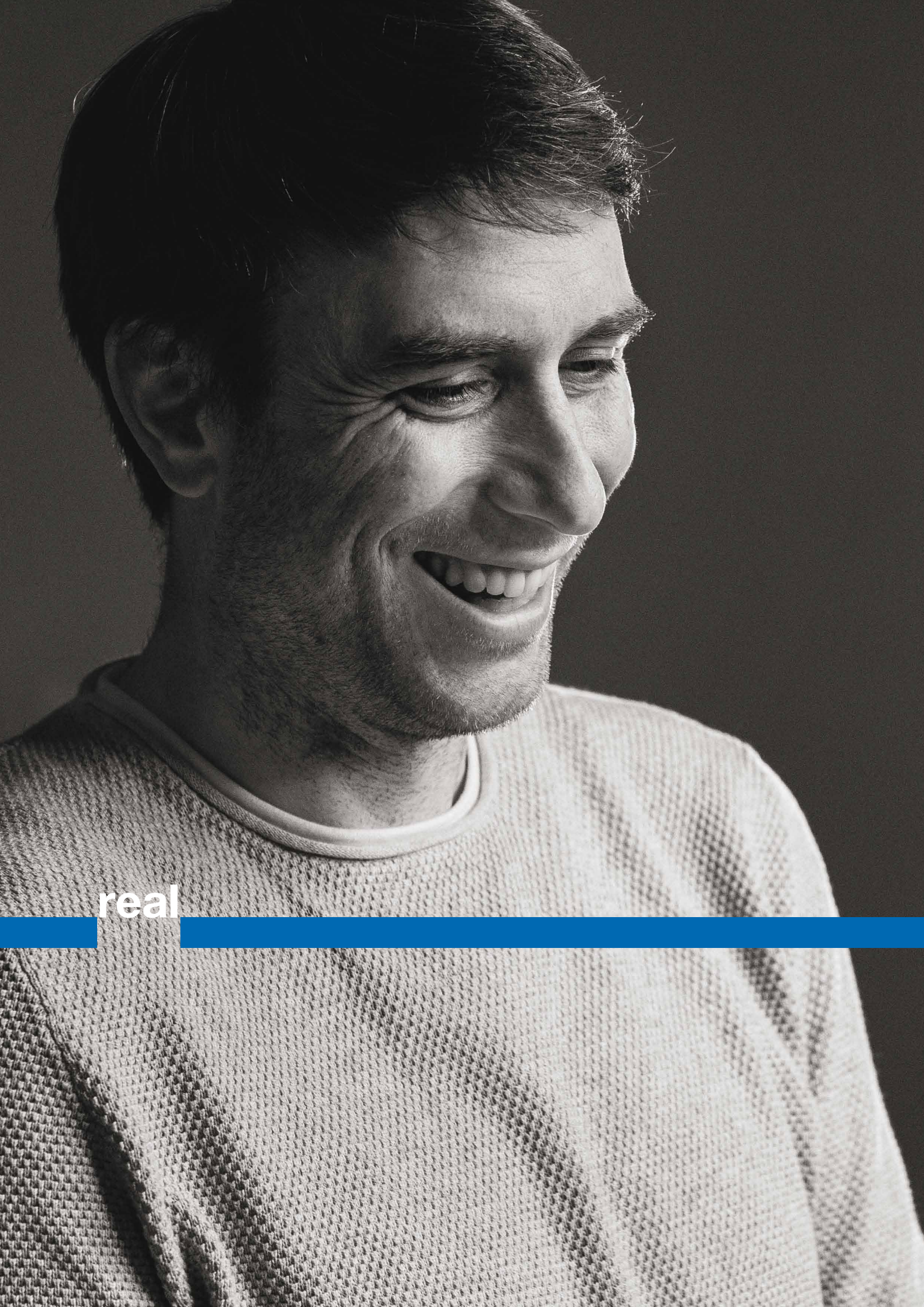
- Building an efficient structure to cover the entire value chain associated with the development of renewable energy sources in the domestic market
- Achieving a major position in the generation and supply of heat from renewable energy sources

CEZ Group prepares an annual CEZ Group Sustainability Report, which includes reporting in accordance with GRI standards.

### Decarbonization

CEZ Group has long been committed to reducing its carbon footprint, and as early as in 2015, it made a commitment to generate electricity without CO<sub>2</sub> emissions no later than by 2050 in accordance with the conclusions of the Paris climate conference. Reducing the impact of energy on the environment is our long-term goal. CEZ Group has invested tens of CZK billions in desulphurisation, denitrification, reduction of CO<sub>2</sub> emissions, and modernization of power plants, and is continuously taking steps in advance to meet all emission and environmental requirements and limits. CEZ Group's emission intensity, i.e., the volume of CO<sub>2</sub> emissions per generated electricity, has decreased over the last three years from 0.40t of CO<sub>2</sub> per generated MWh of electricity to 0.33, i.e., by almost 20%. In 2021, we expect another decrease, 12% y-o-y to 0.28. In the future, CEZ Group intends to actively continue decarbonizing its portfolio and gradually shut down coal-fired power plants without jeopardizing its obligations to supply stable electricity and heat. By 2025, the installed capacity of coal-fired power plants and the emission intensity of CEZ Group will decrease significantly. At the same time, CEZ Group is aware of its commitment to communities and regions adversely affected by the shutdown of coal-fired power plants or mining. It already supports the regions through the ČEZ Foundation activities and prepares plans for retraining employees so that even in the event of a plant shutdown or mine closure, negative social impacts are minimized. CEZ Group has the ambition to become a major actor in the field of renewable sources in Czechia and to put into operation photovoltaic power plants with a capacity of over 1 GW by 2025. CEZ Group will also focus on further reducing energy consumption and comprehensive solutions for achieving customer savings. The decarbonization strategy of ČEZ is currently being developed, which CEZ Group intends to publish in 2021, and through which it intends to become a regional leader in the transformation of energy towards sustainable solutions while maintaining economic rationality and security.





real



**Nuclear power plants did a perfect job  
during limitations caused by COVID-19**

# Energy

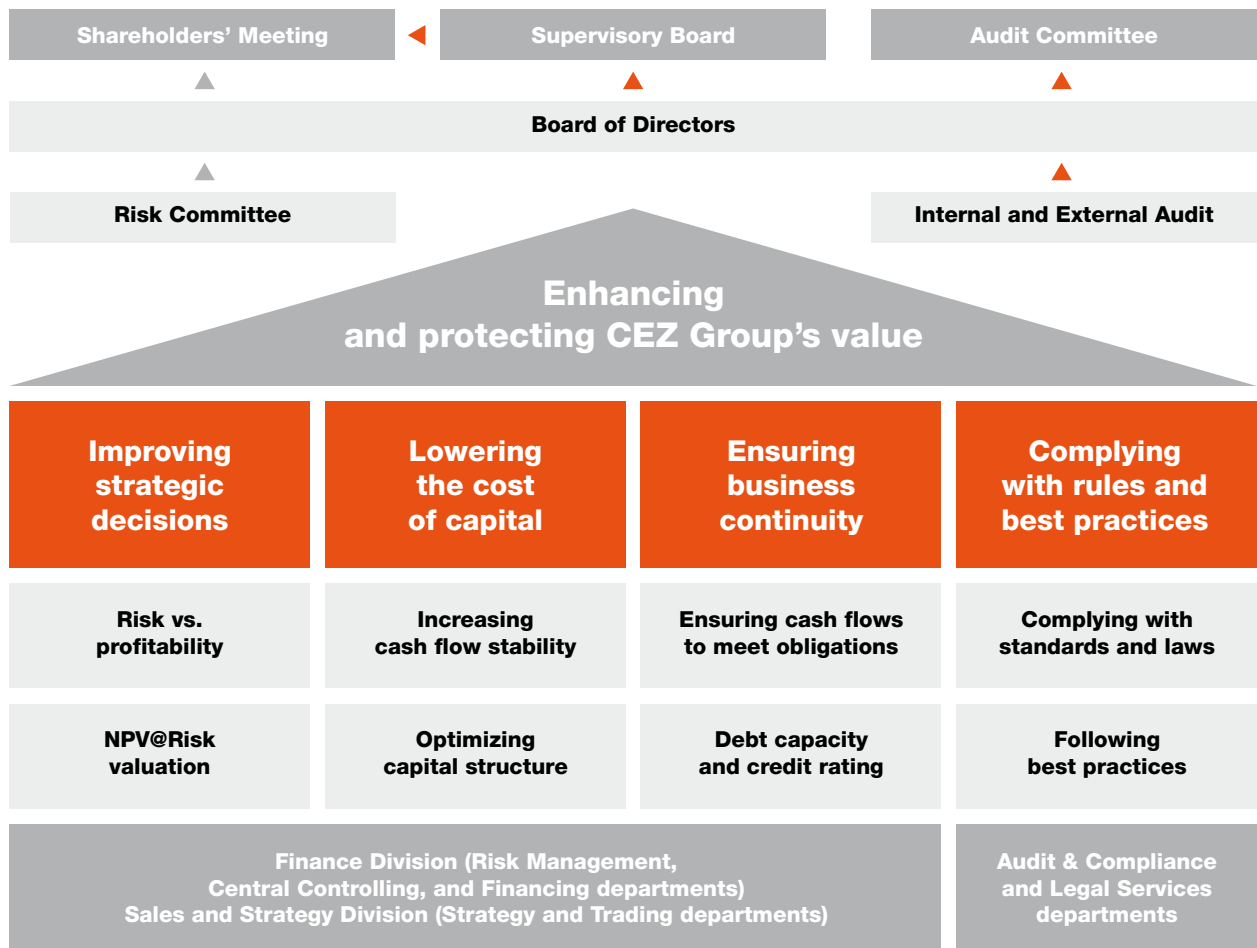
**Petr Šůkal**, Primary Coolant Operator, ČEZ, Dukovany Nuclear Power Plant

“Operating a nuclear reactor is a great responsibility for me and my colleagues, as well as a professional courtesy. Like the whole world, our activities were significantly affected by the COVID-19 pandemic. We have taken very strict measures and thanks to them we have been successfully managing all its pitfalls.”

## Risk Management, Internal Audit, and Compliance in CEZ Group

### Risk Management

A risk management system and a system of internal controls are developed continually at CEZ Group. The two areas are audited on an ongoing basis by Internal Audit, which also makes sure all processes are in compliance with best practices and internal and external regulations and standards. The principal risk management functions, objective, and manner of reporting at CEZ Group are illustrated by the following chart:





The aim of the risk management system is to protect the value of CEZ Group while taking on an acceptable level of risk. Centralized risk management is based on the perception of risk as measurable uncertainty (potential deviation between actual and planned developments), expressed in Czech crowns at a chosen uniform confidence level enabling various types of risk to be compared and priorities to be set accordingly.

Centralized risk management relies on tools and models for managing and quantifying risks in one-year and medium-term time frames. Together with CEZ Group's budget, the ČEZ Board of Directors approves the Profit at Risk, an overall risk limit expressing CEZ Group's inclination to risk for a given year. The limit is allocated to individual risks and organizational units on an ongoing basis. Rules, responsibilities, and structure of limits for managing partial risks are discussed by the Risk Committee (an advisory body to the member of the Board of Directors responsible for risk management—Chief Financial Officer), which monitors the overall impact of risks on CEZ Group, including the utilization of CEZ Group's debt capacity. Risks having the form of specific threats and/or events are managed in a decentralized manner, with only the most significant of them being reported centrally, in a unified fashion, within the process of updating the CEZ Group business plan.

The tools and processes used at CEZ Group allow:

- Measuring the objective susceptibility of internal resources to changes in market and credit risks, applying selected principles used in the banking sector
- Managing the degree of fixation of future cash flows, thereby minimizing the potential danger to CEZ Group's value
- Making decisions on acquisitions and investments in the context of real debt capacity
- Monitoring compliance with requirements stipulated by creditors and credit rating agencies for debt indicators in the medium term, thereby minimizing the risk of downgrading
- Updating the strategy in accordance with the anticipated financial capacity of CEZ Group

CEZ Group uses a unified system for categorizing risks according to their primary causes:

#### 1. Market Risks

- Commodity risks to generation margin associated with the operation of power plants (managed through running sales of nuclear electricity or by fixing the gross margin of coal-fired power plants for the next 3–6 years in long-term electricity sales contracts and through operative management of the overall CO<sub>2</sub> position)
- Commodity risks resulting from trading in electricity, emission allowances, natural gas, hard coal, crude oil, and oil products (managed by setting financial limits on deviation from plans, position limits, and rules)
- Currency and interest rate risks hedged by maintaining well-balanced operating, investing, and financing cash flows denominated in foreign currencies and utilizing standard financial instruments in accordance with risk limits and rules for fixing generation revenues on a running basis within a five-year time frame
- Volume risk to generation at renewable sources abroad

#### 2. Credit Risks

- Credit risks of CEZ Group's business and financing partners are managed through individual limits; due to the uncertainty of individual markets, conservative rules for entering into business transactions remain in place
- Credit risks of end-use customers for electricity and gas are managed through payment terms based on customer credibility

#### 3. Operational Risks

- The risk of deviations from the plan in the output of nuclear and Czech coal-fired power plants is quantified and reported on a monthly basis and the long-term results are utilized for optimizing the scope of maintenance

#### 4. Business Risks

- Strategic, regulatory, and legislative business risks are assessed on an ongoing basis and taken into account when updating acquisition and investment strategies in order to reflect changes in CEZ Group's debt and financial capacities
- CEZ Group also faces risks of new taxes and/or decisions by EU competition and regulatory bodies as well as political risks in all countries it operates in

## Insurance

A number of risks in CEZ Group companies are dealt with through an insurance program that is largely arranged by ČEZ.

ČEZ's most important kinds of insurance taken out in Czechia include:

- Nuclear plant third-party liability insurance pursuant to the Atomic Energy Act; there are separate insurance policies for the Dukovany Nuclear Power Plant and the Temelín Nuclear Power Plant; each policy is for the statutory limit of CZK 2 billion; the insurers are Česká pojišťovna, representing the Czech Nuclear Insurance Pool, and European Liability Insurance for the Nuclear Industry
- Liability insurance for nuclear material transports pursuant to the Atomic Energy Act; the insurance covers transports of nuclear fuel for both nuclear power plants to the statutory limit of CZK 300 million; the insurers are Česká pojišťovna, representing the Czech Nuclear Insurance Pool, and European Liability Insurance for the Nuclear Industry
- Property insurance for the nuclear power plants, covering damage arising from natural hazards and mechanical risks, including damage arising from a nuclear accident; the insurers are Česká pojišťovna, representing the Czech Nuclear Insurance Pool, and the European Mutual Association for Nuclear Insurance
- Property insurance for thermal and hydroelectric power plants providing coverage against natural hazards and mechanical risks
- General liability insurance that covers CEZ Group companies against financial losses that may result from damage inflicted on a third party due to a company's operations and/or defective product

Following on from CEZ Group's insurance program and applicable legislation, CEZ Group companies in Czechia and abroad have taken out insurance usual for their business segments, such as insurance against property and mechanical risks, insurance against interruption of operation, accounts receivable insurance, or erection all-risk insurance for major capital projects. Mandatory contractual insurance and insurance required by an issued license for the performance of an activity are maintained at all times.

## Internal Audit

Internal Audit at ČEZ provides the Company's management and governance bodies with assurance that the internal management and control system is functional and all significant risks are managed adequately. As such, it helps achieve CEZ Group's goals and initiates improvement of activities and mitigation of business risk.

The internal audit activity at ČEZ is performed by the Audit and Compliance department. The unit reports directly to the Company's Board of Directors. The unit's independence and efficiency are overseen by the ČEZ Audit Committee. All key processes and segments of CEZ Group, including abroad, are subject to internal audit supervision.

The head of ČEZ's Audit and Compliance has direct access to and attends meetings of the Board of Directors and participates as a guest in meetings of the ČEZ Plant Safety Committee, Risk Management Committee, and CEZ Group Security Committee. The unit's independence and the compliance of its activities with the Standards of Professional Internal Audit Practice were verified by an external quality assessment in late 2016 and an internal quality assessment in 2019 in compliance with the Standards. Internal audit plans are prepared on the basis of an assessment of the level of risk involved in individual processes, making use of suggestions made by CEZ Group managers and assessments of specific risks made by the Company's specialized functions (for example, cybersecurity, nuclear safety, compliance, and corruption risks) and integrating follow-up audits.

A total of 37 audits were conducted in 2020: 15 at ČEZ and 22 at subsidiaries (including six audits at foreign shareholdings) where audits are conducted by ČEZ's internal audit function under a contract.

There are also separate audit units in Bulgaria, Romania, and Turkey, whose audit activities are coordinated at the audit plan level to prevent overlapping activities. Audit outputs are reports documenting all objective findings and formulating corrective action where shortcomings are identified. The outputs are discussed with the managements of the audited entities, which subsequently take corrective action. Audit and Compliance department regularly reviews the corrective action taken, using follow-up audits where appropriate.

The results of auditing and corrective actions taken are reported quarterly in summary form to the ČEZ Board of Directors and Audit Committee. In the event of serious findings or shortcomings the correction of which is beyond the audited entity's purview, resolutions on correction are adopted by the ČEZ Board of Directors.

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## Ethics and Compliance

The area of ethics and compliance forms an integral part of the management of CEZ Group companies. CEZ Group has implemented the Compliance Management System (CMS) which is an effective tool for managing the risks of breaching legal obligations, and ethical and internal code of conduct. The CEZ Group's Compliance Management System is designed in accordance with international compliance standards, in particular ISO 37001:2016—Anti-Corruption Management System and ISO 19600:2014 Compliance Management System. The Board of Directors of ČEZ has established the Corporate Compliance Committee as its advisory body, to which it has delegated operational management in the area of corporate compliance. The members of the committee are representatives of several professional departments within CEZ Group (the security department and the legal services) and its chairman is the head of the Audit and Compliance Department of ČEZ. The Committee evaluates current and potential compliance risks, assesses their impact, evaluates the level of their management, and regularly informs the Board of Directors about the results of its activities and about the main events, performance, and results of CEZ Group's CMS. The focus of compliance activities is regularly revised on the basis of a compliance risk analyses, which are also approved by the Board of Directors of ČEZ.

The commitment of the Company's management to promoting ethical principles in business activities and in the conduct of its employees and trading partners is enshrined in two major CEZ Group documents. These are the Code of Ethics (Ethical Conduct Policy), which sets out the ethical rules of conduct for employees and members of CEZ Group's statutory bodies, and the Compliance Management System Policy, which sets out the responsibilities, conditions, and tools in the field of CEZ Group's compliance. The Code of Ethics is binding for all employees. Familiarity with the Code is verified by regular mandatory online trainings. Follow-up management documents specify procedures in individual areas, such as training, preventing conflicts of interest, verifying employees and trading partners, giving and accepting gifts, whistleblowing hotline, and follow-up compliance investigations. Ethical rules are also defined for all CEZ Group suppliers in the Commitment to Ethical Conduct, which is part of the agreements concluded with suppliers and which is listed on the CEZ Group website. Compliance with these rules is regularly verified through internal audits and compliance checks. Compliance checks are also carried out for suppliers. Fields of conflict of interest, gifts, corruption prevention, etc. are regularly inspected in this manner.

Strong emphasis is placed on training in the areas of ethics and compliance. All CEZ Group employees undergo regular training at least once in every two years. In addition to these regular trainings, specialized trainings are organized focused on specific topics (e.g., in the area of corruption prevention, all employees of the ČEZ, a. s., Procurement department are trained on an annual basis). CEZ Group's Ethics Hotline, available on the CEZ Group website, is also an effective CMS tool not only for employees but also for trading partners and the general public. It is designed to ensure the whistleblower anonymity, and their protection against sanctions or discrimination. Any information reported by its means is subsequently investigated internally and corrective action is taken based on the findings. Dozens of notifications are examined annually in this way.

## Approach to Risks in Relation to Financial Reporting

Pursuant to the Accounting Act, ČEZ keeps its books in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Other CEZ Group companies, regardless of the accounting standard they use to prepare their individual financial statements, also report all data for CEZ Group's consolidation purposes according to IFRS. Unified accounting policies followed at ČEZ and selected subsidiaries are defined in the CEZ Group Accounting Standards in full compliance with generally applicable accounting standards. The standards are further supplemented with a set of auxiliary guidelines detailing specific areas of the accounting process. Consolidation rules and other general principles applicable to the preparation of CEZ Group consolidated financial statements are specified in the Rules of Consolidation.

As a rule, any accounting document in CEZ Group may only be entered into the books on the basis of approved supporting documents. Approval takes place primarily online, through the approval process in the enterprise information system. The scope of each approver's signatory authority is set forth in the relevant company's internal regulations.

In terms of organization, the accounting function is separated from the process of managing business partners, including the administration of bank accounts and payment of posted liabilities. This rules out any possibility of a single employee entering a business partner in the database, posting an amount payable to that partner, and issuing a payment order. Liabilities are paid only when approved by an employee authorized to carry out the business transaction and an employee authorized to confirm actual performance in accordance with the signature rules.

Only users with appropriate privileges have access to the accounting system. Access privileges for the system are granted by means of a software application and are subject to approval by a superior and a system administrator. Access privileges are granted according to each employee's position. Only employees of the relevant accounting department have privileges for active operations in the accounting system. All logins to the accounting system are logged in a database and can be searched retroactively. The accounting system allows identifying the user that created, changed, or reversed any accounting record. Taking an inventory of assets and liabilities is an integral part of the system of accounting controls. The inventory-taking process verifies whether all predictable risks and potential losses associated with the assets have been reflected in the accounts, whether the assets are properly protected and maintained, and whether records of assets and liabilities are true.

The accuracy of the accounts and financial statements is checked by the accounting unit on an ongoing basis. In addition, it is checked by an independent auditor, who audits individual and consolidated financial statements prepared on the reporting date, that is, December 31 of a given year.

Selected accounting areas are also subjected to internal audits to verify whether the procedures used are in compliance with applicable law and the Company's internal regulations. Where discrepancies are found, corrective action is proposed immediately and taken as soon as possible.

The effectiveness of ČEZ's system of internal controls, the process of compiling ČEZ's individual financial statements and CEZ Group's consolidated financial statements, and the process of auditing financial statements are also reviewed by the Audit Committee, which conducts these activities as a Company governing body without prejudice to the responsibilities of members of the Board of Directors and the Supervisory Board.

## Summary Report pursuant to Section 118(9) of the Capital Market Undertakings Act

This summary explanatory report pursuant to Section 118(9) of the Capital Market Undertakings Act is based on the requirements laid down in Sections 118(5)(a) through (k) of said Act.

### a) Information concerning the Structure of the Company's Equity

#### Equity Structure as at December 31, 2020

Equity	CZK
Stated capital	53,798,975,900
Treasury shares	(2,845,359,517)
Retained earnings and additional paid-in capital	150,491,109,652
<b>Total equity</b>	<b>201,444,726,035</b>

As at December 31, 2020, the stated capital of ČEZ, a. s., recorded in the Commercial Register totaled CZK 53,798,975,900. It consisted of 537,989,759 shares with a nominal value of CZK 100 each. The issue price of all shares had been paid up in full. All the shares had been issued as dematerialized bearer shares and admitted to trading on a European regulated market. The Company's stated capital is divided exclusively into common shares, with no special rights attached. All of the Company's shares have been admitted to trading on the Prague Stock Exchange in Czechia and the Warsaw Stock Exchange in Poland.

### b) Information concerning Restrictions on the Transferability of Securities

The transferability of the Company's securities is not restricted.

### c) Information on Significant Direct and Indirect Shares in the Company's Voting Rights

As at December 31, 2020, the following entities were registered by the Central Securities Depository as having a share of at least 1% in the stated capital of ČEZ, a. s.:

- The Czech Republic, represented by the Ministry of Finance of the Czech Republic, holding a stake amounting in total to 69.78% of the stated capital, i.e., 70.11% of voting rights
- Clearstream Banking S.A., holding a share amounting to 2.38% of the stated capital, that is, 2.39% of voting rights
- Chase Nominees Limited, holding a share amounting to 1.73% of the stated capital, that is, 1.74% of voting rights
- A group of shareholders consisting of HAMAFIN RESOURCES LIMITED, J&T SECURITIES MANAGEMENT PLC, and Tinsel Enterprises Limited and Ing. Michal Šnobl, a natural person; at the above date, this group of shareholders acting in concert held a share amounting to 1.16% of the stated capital, i.e., 1.17% of voting rights

The aforementioned entities had rights pursuant to the provisions of Section 365 et seq. of the Business Corporations Act as at December 31, 2020. The possibility that some of the aforementioned entities manage shares owned by third parties cannot be excluded.

### d) Information on Owners of Securities with Special Rights, Including Description of Such Rights

No special rights are attached to any of the Company's securities.

**e) Information on Restrictions on Voting Rights**

The voting right attached to the Company's shares is not restricted. Pursuant to Section 309(1) of the Business Corporations Act, the Company does not exercise voting rights attached to treasury shares. As at December 31, 2020, ČEZ held 2,516,240 treasury shares corresponding to 0.47% of its stated capital.

**f) Information on Agreements between Shareholders That May Impede the Transferability of Shares or Voting Rights**

ČEZ is not aware of any agreements between its shareholders that might result in impeded transferability of its shares or voting rights.

**g) Information on Special Rules Specifying the Election and Removal of Members of the Statutory Governing Body and Amendment to the Company's Bylaws**

Pursuant to the Company's bylaws, members of the Board of Directors are elected and removed by the Supervisory Board by a majority of the votes of all its members. Bylaws may be amended by a shareholders' meeting by a qualified, two-thirds majority of the votes of the shareholders present at the shareholders' meeting. No special rules specifying the election and removal of members of the statutory governing body and amendment to the Company's bylaws are applied.

**h) Information on Special Authority of the Company's Statutory Governing Body**

The Company's Board of Directors has no special powers.

**i) Information concerning Significant Contracts Relating to Change in Control Over the Company as a Result of a Takeover Bid**

ČEZ, a. s., has entered into significant contracts that will become effective, change, or expire if control over ČEZ changes as a result of a takeover bid. These are the 7th, 12th, 13th, 19th, 21st, 24th, 30th, 33rd, and 34th Eurobond issues; the 1st, 2nd, and 4th Namensschuldverschreibung issues; the 1st and 2nd US bond issues; the ČEZ, a. s., Promissory Note Issue Program and bilateral committed credit lines; loan agreements with the European Investment Bank for EUR 100 million made in 2010, EUR 180 million made in 2011, EUR 100 million made in 2012, EUR 200 million made in 2014, EUR 200 million made in 2010 (originally between the European Investment Bank and a Romanian subsidiary) and assumed by ČEZ, a. s., in 2016, and EUR 330 million made in 2019. In these contracts, the counterparty would be entitled, but not required, to demand early repayment should there be a change in the controlling entity of ČEZ. However, the right to early repayment may be exercised only if either Standard & Poor's or Moody's publicly declares or notifies ČEZ in writing that it has downgraded ČEZ's existing credit rating due to, in full or in part, the change in controlling entity. Downgrading an existing credit rating is defined as any change from investment grade to noninvestment grade, any downgrade of original noninvestment grade, or nondetermination of investment grade if no rating is given at all. The above downgrading would have to take place in the period from the public disclosure of the step that could result in the change in controlling entity to 180 days after the announcement of the change in controlling entity. The counterparty would not be allowed to exercise its right to early repayment if, following the actual change in the controlling entity, the credit rating agency reevaluated its position, and restored ČEZ's investment grade or original noninvestment grade rating within the period defined above. The contractual provisions concerning a change in control over ČEZ should be seen in the context of ČEZ's credit ratings, which in 2020 were A- (with a stable outlook) by Standard & Poor's and Baa1 (with a stable outlook) by Moody's, that is, 4 and 3 grades, respectively, above the credit rating agencies' noninvestment-grade ratings. Said change-of-rating condition does not apply to the loan agreements with the European Investment Bank, worth EUR 1,110 million in total, under which the counterparty's right becomes effective as soon as control over ČEZ, a. s., changes.



**j) Information on Contracts Binding the Company in Relation to a Takeover Bid**

ČEZ has not entered into any contracts with members of its Board of Directors or its employees in which the Company would undertake to provide performance in case their service or employment is terminated in relation to a takeover bid.

**k) Information on Programs That Allow Acquiring the Company's Corporate Securities**

ČEZ top managers' compensation included an incentive program that allowed them to acquire Company shares (a "stock option plan") until the end of 2019. Under the stock option plan applicable until December 31, 2019, members of the Board of Directors and selected managers were entitled to options on the Company's common stock under the terms and conditions set forth in their service contracts (for Board of Directors members) and stock option agreements (for selected managers). Under the stock option rules, members of the Board of Directors and selected managers received options on a certain number of Company's shares every year as long as they remained in office. According to the rules of the stock option plan, the exercise price per share was determined as the weighted average of prices at which Company's shares were traded on the regulated market in Czechia during one month before the annual grant date, and stock option beneficiaries may call on the Company to transfer shares up to the number corresponding to a given option grant, no earlier than two years and no later than by the middle of the fourth year after every option grant. The exercise of the stock option (in relation to allocating stock options to which the right arose until the termination of the stock option plan) is limited so that the appreciation of the Company's shares may not exceed 100% of the purchase price. In 2020, there were 18 individuals among employees and members of the Board of Directors who owned shares of stock obtained through the stock option plan. None of the individuals exercised their right to attend the shareholders' meeting of ČEZ as a Company shareholder. Dividend rights were exercised by 16 people. None of the above-mentioned 18 individuals exercised any other rights associated with their ownership of Company shares. According to information submitted to the Company for the purposes of preparing this report, no beneficiary of the stock option plan transferred any separately transferable right attached to their shares to any third party.

The stock option plan was terminated on December 31, 2019, based on the Supervisory Board's decision approving amendments to service contracts (in relation to members of the Board of Directors) and the Board of Directors' and Supervisory Board's decision to terminate the stock option plan in relation to the selected managers. The right to exercise the call for options granted until the end of 2019 has been maintained, with the following exception: All option grants provided to members of the Board of Directors and/or selected managers in 2019 were reduced proportionately so as to correspond to the number of shares determined according to the number of days remaining between the grant date and the end date of the stock option plan (that is, December 31, 2019).

Starting from January 1, 2020, the stock option plan was replaced with a new long-term performance-based bonus system for members of the Board of Directors and a new system of long-term performance-based bonus agreements/multiannual bonus agreements for selected managers. The new system of long-term performance-based bonus is not linked to the right to acquire shares.

**We have produced disinfectant against COVID-19  
for ourselves and for hospitals, schools, and local  
governments in the surrounding towns**

**real**

**Richard Seydl**, Director of the Chemical Regimes Department, ČEZ, Ledvice power plant

“Energy also involves a lot of chemical processes, which few people are aware of. As chemists, we can also produce our own disinfectant, which was lacking at the beginning of the COVID-19 pandemic. Colleagues from the headquarters provided us with production equipment and were also supportive in legislative processes. We obtained certification and within a few days we began to manufacture and deliver disinfectant to the necessary locations, including Thomayer Hospital in Prague. It went incredibly fast.”





# Products

## Governance Bodies

(Standalone Section of the Annual Report pursuant to Section 118(4)(j) of Act No. 256/2004 Sb.)

ČEZ, a. s., is a joint-stock company that was incorporated in the Commercial Register on May 6, 1992. The scope of the Company's business activities is mainly electricity generation, generation and distribution of thermal energy, electricity trade, gas trade, and other activities. The Company is headquartered in Czechia at Duhová 2/1444, 140 53 Praha 4. The Company's website is located at [www.cez.cz](http://www.cez.cz). The Company is subject to Act No. 90/2012 Sb., on Commercial Companies and Cooperatives (Business Corporations Act) as a whole.

The Company had the following governance bodies in 2020:

- Shareholders' meeting
- Supervisory Board
- Audit Committee
- Board of Directors

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### Shareholders' Meeting

The Company's supreme governance body is the shareholders' meeting, the sessions of which are held at least once in each accounting period, no later than six months after the last day of the previous accounting period.

The exclusive powers of the shareholders' meeting include, in particular, the following:

- Making decisions on amendments to the Company's bylaws
- Making decisions on changes to the Company's stated capital and on issues of convertible or priority bonds
- Electing and removing two-thirds of members of the Supervisory Board, approving contracts on service on the Supervisory Board and amendments thereto
- Approving annual or extraordinary financial statements, consolidated financial statements, where approval by the shareholders' meeting is stipulated by law, as well as interim financial statements; making decisions on the distribution of profits or other own resources or the settlement of a loss

- Making decisions on the provision of consideration within the meaning of Section 61 of the Business Corporations Act to members of the Supervisory Board and members of the Audit Committee
- Making decisions on filing an application for admission or withdrawal of the Company's shares and securities to or from trading on a European regulated market
- Making a decision on Company dissolution with liquidation, appointing and removing a receiver, approving the final report and proposal for the use of the liquidation balance
- Making a decision on Company transformation unless such a decision is not required by law
- Approving the assignment, pledge, or lease of an enterprise or such a part of property that would result in a substantial change to the Company's actual scope of business or activities
- Approving silent partnership agreements and other agreements establishing the right to a share in the Company's profits or other own resources
- Making decisions on the amount of funds for donations over a defined period
- Making decisions on changes to the class or form of shares and on changes in rights associated with a certain class of shares
- Excluding or restricting preferential rights to acquire convertible and/or priority bonds and to subscribe new shares
- Making decisions on stock mergers or splits
- Making decisions on the Company's business policy and changes thereto
- Discussing the Board of Directors' report on the Company's business activities, the Supervisory Board's report and the Audit Committee's report on their activities
- Making decisions on the appointment of an auditor to conduct the statutory audit
- Electing and removing members of the Audit Committee and approving their service contracts
- Approval the remuneration policy and remuneration report
- Approving significant transactions under the Capital Market Undertakings Act



**Attendance at the Shareholders' Meeting**

A person registered as a shareholder in the register of investment instruments (Central Securities Depository) has the right to participate in the shareholders' meeting. The record date for attendance at the shareholders' meeting is the seventh day preceding the date on which the shareholders' meeting is held. The shareholders' meeting is further attended by members of the Board of Directors, Supervisory Board, Audit Committee, and persons that can reasonably give their opinion on items of the agenda can also be invited, such as the Company's auditors and advisers, as well as individuals that make arrangements for the shareholders' meeting.

**Procedure at the Shareholders' Meeting**

The person presiding at the shareholders' meeting must make sure that all proposals and such counterproposals that were submitted in a due and timely manner are communicated to shareholders at the shareholders' meeting. They must also ensure that an explanation of matters provided for by law is given at shareholders' request.

At the shareholders' meeting, shareholders may vote, request, and receive explanations in matters concerning the Company or its controlled entities, apply proposals and counterproposals, and file protests.

Each shareholders' meeting shall, as a general rule, last for a maximum of 10 hours from its opening, whereas: (a) this maximum duration shall not include the time when (i) the Board of Directors (or other elected body) submits its proposals, reports, or other communications to the shareholders' meeting; (ii) a break is announced in order to prepare responses to the submitted requests for clarification; and (iii) the procedure of the shareholders' meeting is interrupted due to a fact preventing the continuation of its proper course.

If during the shareholders' meeting it becomes clear that it is not possible to discuss all matters included in its agenda without exceeding this maximum duration, the Board of Directors is entitled (even repeatedly, or after exceeding this maximum duration) to propose to the shareholders' meeting either (i) suspending the discussion and postponing unresolved issues to another specified date, time, and place (but not later than the fifth working day after the commencement day of the shareholders' meeting), or (ii) postponing unresolved issues to the next shareholders' meeting pursuant to Section 409 of the Business Corporations Act. The Board of Directors is obliged to submit to the shareholders' meeting a draft of any of the above decisions whenever it receives the relevant initiative from the Chairman of the shareholders' meeting. If the shareholders' meeting fails to make any of the above decisions, the shareholders' meeting will continue even after exceeding this so-called maximum duration.

Discussing the request for explanation takes place separately for each item on the shareholders' meeting agenda, or for several items on the agenda together in two rounds.

Requests for explanation are preferred (but not mandatory) in written form. A shareholder is obliged to submit written submissions containing a request for explanation either before the beginning of the shareholders' meeting, delivering it to the Company, or at the shareholders' meeting via the information center. A shareholder is not entitled to read the written submission containing the request for explanation during their oral address. A shareholder is obliged to deliver any extensive submissions with requests for explanations (containing more than 10 requests for explanations or clearly exceeding 4 standard pages of text) to the Company in writing at least two working days before the date of the shareholders' meeting.

A shareholder may also submit their request for explanation during their oral address, within the first or second round of request discussions, provided that they register in the relevant round in time and observe the other rules set for individual rounds during their address.

In the first round, each shareholder is entitled only to one address, whereas the address is limited in time (maximum 10 minutes), and they may submit a maximum of 5 requests for explanation during the address. In addition, they shall be entitled to add a justification of explanation orally to their requests for explanations submitted with their written submissions.

In the second round, the number of addresses of one shareholder is not limited, but the total time of all their addresses may not exceed 10 minutes. The second round ends with the submission of an explanation to all submitted requests for explanation, provided that no other shareholders are registered for their address.



The Chairman of the shareholders' meeting is entitled, based on a reasoned request from the shareholder(s), to decide after discussion with the Board of Directors that, before voting, shareholders may speak for a certain time (usually no longer than 30 minutes) and submit brief requests for explanation (at this additional time provided, the number of requests for explanation per shareholder or the time limit for oral address per shareholder is not limited; however, the total duration of this additional time will be determined).

A representative (including a member of a statutory body) of several shareholders is considered to be one shareholder for the purposes of the above restrictions.

Explanations may be provided as a summary response to multiple requests for explanation with similar content. If that is not possible due to the complexity of the explanation, the Company will provide the explanation to the shareholder within 15 days of the date on which the shareholders' meeting is held. An explanation is deemed to have been given to a shareholder even if the information was published on the Company's website no later than on the day preceding the day of the Shareholders' Meeting and is available to the shareholders at the place of the shareholders' meeting.

When voting, the proposal of the Board of Directors is first voted on, then the proposal of the Supervisory Board and then the proposals and counterproposals of shareholders in the order in which they were submitted (this does not apply if the item was included on the shareholders' meeting agenda on the basis of a request from shareholders referred to in Sec. 365 of the Business Corporations Act, where the proposal of the given shareholders is first voted on). Once a proposal has been approved, further proposals and counterproposals contrary to the approved proposal shall no longer be voted on.

If a shareholder intends to submit a proposal or counterproposal to the shareholders' meeting agenda, they are obliged to deliver it to the Company in writing no later than ten days before the date of the Shareholders' Meeting (this does not apply in the case of proposals and counterproposals for the election or removal of specific persons to/from a Company body).

#### **Decision-Making at the Shareholders' Meeting**

The shareholders' meeting constitutes a quorum if the present shareholders hold shares whose cumulative face value exceeds 30% of the Company's stated capital.

The shareholders' meeting makes decisions by a simple majority of the votes of the shareholders present, unless a different majority is required by law or the Company's bylaws. Each Company share with a face value of CZK 100 carries one vote.

Matters that were not included in the published agenda of the shareholders' meeting may only be decided on in the presence and with the approval of all Company shareholders. The minutes of the shareholders' meeting together with notices of the shareholders' meeting and attendance lists, including submitted powers of attorney, are kept in the Company archives for the existence of the Company.

#### **Shareholders' Meeting in 2020**

An annual shareholders' meeting of ČEZ, a. s., was held on June 29, 2020, which:

- Heard the Board of Directors' Report on the Company's Business Activities and Assets for 2019, the Summary Report pursuant to Section 118(9) of the Capital Market Undertakings Act, and Conclusions from the Related Parties Report for 2019, the Supervisory Board's Report, and the Audit Committee's Report on the Results of Its Activities
- Approved the financial statements of ČEZ, a. s., and the consolidated financial statements of CEZ Group for the year 2019
- Approved the distribution of the 2019 profit of ČEZ, a. s., amounting to CZK 17,393,230,007.24 and a portion of retained earnings amounting to CZK 898,421,798.76 as follows:
  - Share in profit to be distributed to shareholders (dividend) CZK 18,291,651,806
  - The dividend is CZK 34 per share before tax
- Appointed Ernst & Young Audit, s.r.o., as the auditor to perform the statutory audit for the accounting period of the calendar year of 2020
- Approved a 2021 donations budget of CZK 110 million
- Approved increase of the 2020 donations budget by CZK 30 million to a total of CZK 140 million
- Approved granting a noncash donation totaling CZK 50,752,450 in 2020
- Decided to change some of the Company's bylaws with effect from June 30, 2020, and some of the Company's bylaws with effect from January 1, 2021
- Approved the contribution of a part of the Mělník Power Plant enterprise to the stated capital of Energotrans, a.s.
- Approved the Remuneration Policy of ČEZ, a. s., as presented to the shareholders' meeting by the company's Board of Directors
- Heard information about the preparation of a new nuclear power plant at Dukovany
- Removed Vladimír Kohout, Ondřej Landa, Lubomír Lízal, and František Vágner from the Supervisory Board with effect from July 1, 2020
- Elected Vladimír Černý, Vladimír Kohout, Ondřej Landa, and František Vágner as members of the Supervisory Board with effect from July 2, 2020
- Removed Otakar Hora from the company's Audit Committee with effect from July 1, 2020
- Elected Otakar Hora as a member of the Audit Committee with effect from July 2, 2020
- Heard the proposal of a group of Company shareholders in the position of a qualified shareholder consisting of Ing. Michal Šnobl and J&T SECURITIES MANAGEMENT PLC, TINSEL ENTERPRISES LIMITED, and HAMAFIN RESOURCES LIMITED, to change the business concept of CEZ Group and ČEZ, a. s., and did not approve this proposal

## Supervisory Board

### Supervisory Board Status and Powers

The Supervisory Board is the Company's control body supervising the exercising of the powers of the Board of Directors and the Company's activities. It presents the results of its activities to the shareholders' meeting.

In addition to other matters specified by law or the Company's bylaws, the Supervisory Board is competent in particular to

- Check compliance with generally binding legal regulations, the Company's bylaws and shareholders' meeting resolutions
- Check how the Board of Directors executes ownership rights in legal entities that the Company has an ownership interest in
- Review annual, extraordinary, consolidated, and, where applicable, also interim financial statements, proposals for the distribution of profits or other own resources, or loss settlement, and the Related Parties Report, and present its comments to the shareholders' meeting
- Debate quarterly financial results, half-year reports, and other reports as applicable pursuant to the Capital Market Undertakings Act, and annual reports pursuant to the Accounting Act
- Present its comments, recommendations, and proposals to the shareholders' meeting and the Board of Directors
- Elect and remove members of the Board of Directors
- Approve service contracts with members of the Board of Directors and consideration for members of the Board of Directors pursuant to Section 61 of the Business Corporations Act; however, the Supervisory Board is not entitled to make a decision on the provision of consideration if the performance of the member of the Board of Directors apparently contributed to the Company's unfavorable financial results
- Make decisions defining and assessing the performance of individual assignments of members of the Board of Directors
- Propose to the shareholders' meeting the appointment of an auditor to conduct the mandatory audit
- Establish an internal procedure enabling regular assessment of whether the conditions for exemption from the obligation to conclude, approve, and publish significant transactions under the Capital Market Undertakings Act are met

The Supervisory Board grants its prior consent to the implementation of certain decisions by the Board of Directors. These include, in particular, decisions of the Board of Directors regarding:

- Acquisition, alienation, pledging, renting, lease, or free use of immovable and/or movable property (except for inventories according to Czech accounting regulations and securities held for liquidity management) that are to be, or are, included in the Company's assets and whose book value exceeds CZK 500 million

- Implementation of the Company's capital expenditure project or the granting of the Company's consent to the implementation of a controlled company's capital expenditure project if the value of the capital expenditure project is higher than CZK 500 million
- Operations with the Company's ownership interests in other legal entities in certain cases, for example, if the sum of the value of the interest alienated to a third party (that is, a party other than a controlled entity) and the net debt attributable to it ("enterprise value") exceeds CZK 500 million
- Transfers and pledging of treasury stock
- Staffing of the of supervisory boards of legal entities in whose capital ČEZ, a. s., has an interest higher than CZK 500 million or companies for which the Supervisory Board has reserved prior consent
- A draft contract with the auditor appointed by the shareholders' meeting to conduct the statutory audit
- Alienation of real property with market or appraisal price higher than CZK 100 million
- Granting of a loan (credit) to a third party (that is, a party other than a controlled entity) or the provision of security for a third party's liability that in each individual case exceeds CZK 200 million
- Acceptance of a long-term loan (credit) from a third party (that is, a party other than a controlled entity) for a period of more than one year and other similar long-term financial operations, except hedging operations in excess of CZK 500 million
- Issue of bonds other than those for which the consent of the shareholders' meeting is required
- Granting of Company stock options where the law permits the Board of Directors to do so
- Transformation of the Company, if the law allows the Board of Directors to decide so
- Making of a contract under which ČEZ, a. s., is to acquire or alienate assets whose value during one accounting period exceeds one-third of its equity as shown by the latest approved consolidated financial statements
- Enabling the conduct of due diligence (legal, financial, technical, and/or environmental audit)
- Conclusion of management contracts with Company division heads that are not members of the Board of Directors, and appointment of the chief executive officer
- Distribution of tender specifications to tenderers for public contracts pursuant to the Public Procurement Act if the anticipated value of the contract is greater than one-third of the Company's equity as shown by the last consolidated financial statements

### Composition and Activities of the Supervisory Board

The Supervisory Board has 12 members. Two thirds of members are elected and removed by the shareholders' meeting and one-third are elected and removed by Company employees. The Supervisory Board elects and removes its Chairman and two Vice-Chairmen. The term of office of members of the Supervisory Board is four years and the members may be reelected. Unless the number of members of the Supervisory Board dropped by more than half, the Supervisory Board may appoint substitute members until the next shareholders' meeting in place of Supervisory Board members elected by the shareholders' meeting whose membership ended since the last shareholders' meeting. The term of office of a substitute Supervisory Board member is included in the total term of office of the member of the Supervisory Board.

### Supervisory Board Decision-Making

The Supervisory Board constitutes a quorum if a majority of all its members, that is, at least 7 members, is present. Each member of the Supervisory Board has one vote when making decisions. The Supervisory Board makes decisions by a majority of the votes of all members unless the Company's bylaws stipulate otherwise. The Chairman of the Supervisory Board must always call a Supervisory Board meeting if a Supervisory Board member or the Board of Directors requests so or if shareholders defined in Section 365 of the Business Corporations Act request that the performance of the Board of Directors be reviewed pursuant to Section 370 of the Business Corporations Act. Such a request must be in writing and must include an urgent reason. A record is made of the course of each Supervisory Board meeting and the resolutions passed.

The participation of members of the Supervisory Board in meetings is usually personal, or in justified cases it is possible to use technical means (telephone conference, video conference). In necessary cases that allow no delay, it is possible to take a vote outside a meeting (by letter) in written form or using technical means. The resolution is adopted if at least two-thirds of all members took part in the vote and a majority of all members voted in favor of the resolution. The Supervisory Board may invite members of the Company's other bodies, Company employees, and/or other persons to its meetings.

Supervisory Board meetings are held usually once a month. In 2020, 13 meetings took place, of which 11 regular and two extraordinary. Two members were absent from one meeting and one member was absent from one meeting (whereas it was the same person in two cases).

### Supervisory Board Members

#### Otakar Hora

Chairman of the Supervisory Board since August 16, 2018, member of the Supervisory Board since June 23, 2018 (term ending June 23, 2022)

A graduate of the Economic Reporting and Audit program, University of Economics, Prague. He completed his research assistantship at the Department of Accounting of the University of Economics.

He gained managerial and professional experience in such positions as lecturer at the Department of Accounting, then deputy head of the Department of Management Accounting, and member of the Scientific Board of the Faculty of Finance and Accounting, University of Economics, Prague; Vice-President of the Czech Chamber of Auditors; partner at KPMG Česká republika Audit, s.r.o.; and partner in charge of the management of operations of KPMG group companies in Czechia.

Number of ČEZ shares as at December 31, 2020: 14,950.

- Standing Committee on the Construction of New Nuclear Power Plants in Czechia—committee member
- DZD, v.o.s. in liquidation—liquidator
- ABarent s. r. o.—Managing Director and company member
- České dráhy a.s.—Vice-Chairman of the Audit Committee
- Severomoravské vodovody a kanalizace Ostrava a.s.—Vice-Chairman of the Audit Committee
- SAZKA Group a.s.—Chairman of the Audit Committee
- KPMG Česká republika, s.r.o.—proxy with an individual power of procuration
- KPMG Česká republika Audit, s.r.o.—Managing Director
- DZD, v.o.s. in liquidation—company member and statutory representative
- VODÁRNA PLZEŇ a.s.—Chairman of the Audit Committee

**Zdeněk Černý**

Vice-Chairman of the Supervisory Board since August 16, 2018, member of the Supervisory Board since June 27, 2014, last reelected with effect from June 28, 2018 (term ending June 28, 2022)

A graduate of the Faculty of Law, Charles University, Prague, and a Commercial Law MBA program, Ústav práva a právní vědy, o.p.s., Prague.

He gained managerial and professional experience in such positions as member of the Supervisory Board of UNIPETROL, a.s.; member and Chairman of the Supervisory Board of ČESKÁ RAFINÉRSKÁ, a.s.; Chairman of the ECHO Labor Union; and member of the Supervisory Board of CEZ Group's ČEZ Energetické služby, s.r.o.

Number of ČEZ shares as at December 31, 2020: 0.

- ECHO Labor Union—Chairman
- ČESKÁ RAFINÉRSKÁ, a.s.—Chairman of the Supervisory Board
- UNIPETROL, a.s (now ORLEN Unipetrol a.s.)—Vice-Chairman of the Supervisory Board

**Ondřej Landa**

Vice-Chairman of the Supervisory Board from June 23, 2016, to July 1, 2020, reelected with effect from July 23, 2020, member of the Supervisory Board from June 3, 2016, to July 1, 2020\*, reelected by the shareholders' meeting with effect from July 2, 2020 (term ending July 2, 2024)

A graduate of the Faculty of Law, Masaryk University, Brno. He gained managerial and professional experience in such positions as lawyer and Director of Litigation and Difficult Cases at Československá obchodní banka, a. s., and Deputy Minister managing the Legal Section of the Ministry of Finance of the Czech Republic.

Number of ČEZ shares as at December 31, 2020: 0.

- Letiště Praha, a. s.—Vice-Chairman of the Supervisory Board
- Český Aeroholding, a.s.—Vice-Chairman of the Supervisory Board (the company ceased to exist as a result of a merger by acquisition by Letiště Praha, a. s., as the acquiring company)

**Jitka Čermáková**

Member of the Supervisory Board elected by the shareholders' meeting from among employees from April 12, 2017, member of the Supervisory Board—direct representative of employees from January 23, 2018 (term ending January 23, 2022)

A graduate of the Trutnov Grammar School.

She gained professional experience in various administrative positions at the Poříčí power plant (officer of a project team for the construction of fluidized bed boilers, technical documentation officer for the Poříčí and Vítkovice sites, printing consultant) and as a full-time labor union chairwoman at the Poříčí power plant.

Number of ČEZ shares as at December 31, 2020: 0.

- CEZ Group European Works Council—Vice-Chairwoman

**Vladimír Černý**

Member of the Supervisory Board elected by the shareholders' meeting with effect from July 2, 2020 (term ending July 2, 2024)

A graduate of mechanization and agriculture at the University of Agriculture in Brno and the Faculty of Law at the Bratislava University of Law in Bratislava (Slovakia).

He gained managerial and professional knowledge mainly as the mayor of the Rouchovany municipality and as a member of the Board of Directors of the ČEZ Foundation.

Number of ČEZ shares as at December 31, 2020: 0.

- ENERGETICKÉ TŘEBÍČSKO (interest association of legal entities)—member of the governing body
- ČEZ Foundation— member of the Board of Directors
- Rouchovany Hunting Association—Association Chairman

\* Pursuant to Section 20(1) and (4) of Act No. 191/2020 Sb., on certain measures to mitigate the impacts of the SARS CoV-2 epidemic on participants of court proceedings, injured persons, crime victims, and legal entities, and on amendments to the Insolvency Act and the Code of Civil Procedure (the so-called Lex Covid), valid and effective from April 24, 2020, the term of the said members of the Supervisory Board, which was originally to end on June 3, 2020, was extended "until 3 months from the date following the date of the end of the extraordinary epidemic measure", which in the case of the said members of the Supervisory Board meant that as at the date of the Company's shareholders' meeting held on June 29, 2020, they performed their function in an extended term as a result of applying the said provision of the law. In order to increase legal certainty regarding the end of the original and the beginning of the new term of these members of the Supervisory Board, the shareholders' meeting proceeded to their dismissal with effect from July 1, 2020, and reelection to office with the new term beginning on July 2, 2020.

- Current membership of governance bodies outside CEZ Group or at CEZ Group affiliates and/or joint ventures.
- Membership of governance bodies outside CEZ Group or at CEZ Group affiliates and/or joint ventures ended in the past 5 years.

**Vladimír Hronek**

Member of the Supervisory Board elected by the shareholders' meeting from among employees from September 30, 2010, reelected by the shareholders' meeting from among employees from April 12, 2017, member of the Supervisory Board—direct representative of employees from January 23, 2018 (term ending January 23, 2022), Vice-Chairman of the Supervisory Board from March 20, 2013, to January 22, 2018

A graduate of the Industrial School of Electrical Engineering, Prague. He gained professional experience in such positions as member and Vice-Chairman of the CEZ Group European Works Council.

Number of ČEZ shares as at December 31, 2020: 0.

- CEZ Group European Works Council—Vice-Chairman

**Lubomír Klosik**

Member of the Supervisory Board elected by the shareholders' meeting from among employees since April 12, 2017, member of the Supervisory Board—direct representative of employees from January 23, 2018 (term ending January 23, 2022)

A graduate of the Industrial School of Chemistry in Ostrava and a three-year continuing education course in Social and Economic Management at the Faculty of Business and Economics, Mendel University, Brno.

He gained managerial and professional experience in such positions as shift foreman at the Dětmárovice power plant, Vice-Chairman and member of the Supervisory Board of ČEZ, Vice-Chairman and member of the Audit Committee of ČEZ, and graduating from the Czech Institute of Directors, Prague.

Number of ČEZ shares as at December 31, 2020: 2.

- ECHO Labor Union Elektrárna Dětmárovice—Committee Chairman
- ECHO Labor Union—member of the Executive Board

**Vladimír Kohout**

Member of the Supervisory Board from June 3, 2016, to July 1, 2020\*, reelected by the shareholders' meeting with effect from July 2, 2020 (term ending July 2, 2024)

A graduate of the Brno University of Technology, Faculty of Electrical Engineering.

He gained managerial and professional experience in such positions as Technology and Investment Director at Teplárny Brno, a.s.; Economic Director and Vice-Chairman of the Board of Directors of Energetické strojírný Brno, a.s.; and Chairman of the Board of Directors and Statutory Director of Moravská energetická a.s. In CEZ Group, he has worked as a heating plant technology operations manager; electrical operations manager; and director of the Brno branch of ČEZ—Jihomoravské elektrárny Brno, k.p., Brno.

Number of ČEZ shares as at December 31, 2020: 10,235.

- ESB Elektro, a.s.—Chairman of the Board of Directors
- ESB Rozvaděče, a.s.—member of the Board of Directors
- Moravská energetická a.s.—Chairman of the Board of Directors and sole shareholder
- Moravská energetická a.s.—Statutory Director

**Josef Suchánek**

Member of the Supervisory Board elected by the shareholders' meeting from among employees since April 12, 2017, member of the Supervisory Board—direct representative of employees since January 23, 2018 (term ending January 23, 2022)

A graduate of a fitter program at the Vocational School in Znojmo, a mechanical engineering program at the Secondary Industrial School of Mechanical Engineering in Třebíč, and a post-secondary water management program at the Energy Institute of the State Energy Inspection in Prague.

He gained managerial and professional experience particularly in various positions at ČEZ—Dalešice Hydroelectric Power Plant unit (fitter, fitter/dam operator, chief dam operator/operations manager, water management and construction group manager).

Number of ČEZ shares as at December 31, 2020: 0.



**Karel Tyll**

Member of the Supervisory Board since June 23, 2018  
(term ending June 23, 2022)

A graduate of the University of Economics, Prague, majoring in finance with a minor in computer science.

He gained managerial and professional experience in such positions as Director of the State Budget department of the Czech Ministry of Finance and member of the Supervisory Board of the Agricultural and Forestry Subsidy and Guarantee Fund.

Number of ČEZ shares as at December 31, 2020: 530.

- Podpůrný a garanční rolnický a lesnický fond, a.s.—member of the Supervisory Board

**František Vágner**

Member of the Supervisory Board from June 3, 2016,  
to July 1, 2020\*, reelected by the shareholders' meeting with  
effect from July 2, 2020 (term ending July 2, 2024)

A graduate of the nuclear chemistry program at the Faculty of Nuclear Sciences and Physical Engineering, Czech Technical University, Prague.

He gained managerial and professional experience in such positions as Director, Managing Director, Chief Executive Officer, and Vice-Chairman and Chairman of the Board of Directors of ENVINET a.s. and Senior Adviser at NUVA a.s. In CEZ Group, he has worked as ČEZ's Head of Technical Support.

Number of ČEZ shares as at December 31, 2020: 0.

- Perálec 77, s.r.o.—company member and Managing Director
- IFRE a.s.—Chairman of the Board of Directors and sole shareholder
- IFRE INDUSTRY a.s.—member of the Board of Directors
- P77 s.r.o.—company member and Managing Director
- TREBITSCH HOLDING SE—member of the Board of Directors
- AEF ACIMEX ELECTRONICS FULNEK s.r.o.—Managing Director
- IFRE FJ s.r.o.—Managing Director
- BD ŘÍČANY s.r.o.—Managing Director
- Denní centrum Barevný svět, o.p.s.—member of the Board of Directors
- IFRE a.s.—Statutory Director

**Jan Vaněček**

Member of the Supervisory Board since June 27, 2019  
(term ending June 27, 2023)

A graduate of the Faculty of Electrical Engineering, Czech Technical University, Prague, and the ACCA/FCCA—Chartered Certified Accountant international professional training program at Charles University, Prague.

He gained managerial and professional experience in such positions as Audit Senior at Arthur Andersen and Chief Financial Officer for the Czech Republic at U.S. energy company Cinergy.

Number of ČEZ shares as at December 31, 2020: 0.

- pinn partners s.r.o.—Managing Director and company member
- CP Praha s.r.o., in liquidation—Vice-Chairman of the Supervisory Board

**Members of the Supervisory Board whose membership ended in 2020 or before the Annual Report closing date:****Lubomír Lízal**

Member of the Supervisory Board from June 23, 2018,  
to July 1, 2020

**Supervisory Board Committees**

The Supervisory Board's powers include setting up committees to serve as advisory bodies in selected areas of expertise.

Only Supervisory Board members may become committee members. Committee members are elected and removed by the Supervisory Board. The term of a member of a Supervisory Board committee ends at the latest on the date of termination of their membership of the Supervisory Board unless they are removed or resign from the committee on an earlier date. Each committee elects its Chairman and Vice-Chairman.

There were no Supervisory Board committees operating at the Company in 2020. Their tasks were assumed by work groups, which work as currently needed by the Supervisory Board.

\* Pursuant to Section 20(1) and (4) of Act No. 191/2020 Sb., on certain measures to mitigate the impacts of the SARS CoV-2 epidemic on participants of court proceedings, injured persons, crime victims, and legal entities, and on amendments to the Insolvency Act and the Code of Civil Procedure (the so-called Lex Covid), valid and effective from April 24, 2020, the term of the said members of the Supervisory Board, which was originally to end on June 3, 2020, was extended "until 3 months from the date following the date of the end of the extraordinary epidemic measure", which in the case of the said members of the Supervisory Board meant that as at the date of the Company's shareholders' meeting held on June 29, 2020, they performed their function in an extended term as a result of applying the said provision of the law. In order to increase legal certainty regarding the end of the original and the beginning of the new term of these members of the Supervisory Board, the shareholders' meeting proceeded to their dismissal with effect from July 1, 2020, and reelection to office with the new term beginning on July 2, 2020.

- Current membership of governance bodies outside CEZ Group or at CEZ Group affiliates and/or joint ventures.
- Membership of governance bodies outside CEZ Group or at CEZ Group affiliates and/or joint ventures ended in the past 5 years.

## Audit Committee

### Position and Powers of the Audit Committee

Without prejudice to the responsibilities of members of the Board of Directors and the Supervisory Board, the Audit Committee, in particular,

- Monitors the process of compiling financial statements and consolidated financial statements and presents recommendations to the Board of Directors and the Supervisory Board in order to ensure integrity of accounting and financial reporting systems
- Monitors the efficiency of internal controls and risk management systems
- Monitors the efficiency of internal audit and its functional independence
- Recommends an auditor to conduct a statutory audit to the Supervisory Board, duly justifying such a proposal
- Monitors the statutory audit process
- Assesses the independence of the auditor conducting a statutory audit and the provision of nonaudit services to the Company by the auditor
- Discusses with the auditor risks to the auditor's independence and safeguards applied by the auditor in order to mitigate such risks
- Gives its opinion on release from an obligation under a statutory audit contract or termination of a statutory audit contract
- Informs the Supervisory Board of the result of a statutory audit and its findings obtained monitoring the statutory audit process
- Informs the Supervisory Board of how a statutory audit contributed to ensuring integrity of accounting and financial reporting systems
- Approves the provision of other nonaudit services
- Exercises other powers pursuant to the Auditors Act or directly applicable EU legislation

The Audit Committee discusses reports on significant facts arising from the statutory audit on an ongoing basis. If it receives an additional audit report pursuant to applicable provisions of the Audit Act, it debates it and submits it to the Board of Directors and the Supervisory Board without undue delay upon request. The Audit Committee prepares an activity report once per year and provides it to the Public Audit Oversight Board. Members of the Audit Committee attend the Company's shareholders' meetings and are required to present the results of their activities to the shareholders' meeting.

### Composition and Activities of the Audit Committee

The Audit Committee has five members, who are elected and removed by the shareholders' meeting from among the members of the Supervisory Board or third parties. Members of the Audit Committee may not be members of the Board of Directors nor Company proxies. A majority of members must be independent and professionally qualified as required by the applicable provisions of the Auditors Act. At least one member must be a person that is or was a statutory auditor or a person whose expertise and/or prior practice in accounting qualify them to duly perform the duties, taking into consideration the Company's line of business. This member must always be independent. The Audit Committee elects its Chairman who must be independent pursuant to the applicable provisions of the Auditors Act, and its Vice-Chairman. The term of each member is four years. The business address of members of the Audit Committee is the Company's registered office address: Duhová 2/1444, 140 53 Praha 4.

### Decision-Making in the Audit Committee

The Audit Committee constitutes a quorum if a majority of all its members is present. Each member has one vote when making decisions. The Audit Committee makes decisions by a majority of the votes of all its members. The participation of members of the Audit Committee in meetings is usually personal, or in justified cases it is possible to use technical means (telephone conference, video conference). In necessary cases that allow no delay, it is possible to take a vote outside a meeting (by letter) in written form or using technical means. The proposal for the Audit Committee's resolution must be sent to all its members. The resolution is adopted if at least two-thirds of all members took part in the vote and a majority of all members voted in favor of the resolution. The Audit Committee may invite members of the Company's other bodies, Company employees, and/or other persons to its meetings.

Audit Committee meetings are held as necessary. In 2020, seven meetings were held: five regular meetings and two extraordinary meetings. Out of these, two members were absent from one meeting and one member was absent from one meeting, with one person being absent twice.

## Members of the Audit Committee

### Jan Vaněček

Chairman of the Audit Committee reelected from June 27, 2019, member of the Audit Committee reelected by the shareholders' meeting from June 27, 2019 (term ending June 27, 2023), Chairman of the Audit Committee from September 25, 2015, to June 12, 2019, member of the Audit Committee from June 12, 2015, to June 12, 2019

For personal details, see his entry as a member of the Supervisory Board.

### Otakar Hora

Vice-Chairman of the Audit Committee from September 27, 2016, to July 1, 2020, reelected with effect from July 2, 2020, member of the Audit Committee from June 3, 2016, to July 1, 2020\*, reelected from July 2, 2020 (term ending July 2, 2024)

For personal details, see his entry as Chairman of the Supervisory Board.

### Andrea Lukasičková

Member of the Audit Committee since June 27, 2014, reelected by the shareholders' meeting with effect from June 28, 2018 (term ending June 28, 2022)

A graduate of the Faculty of International Relations, University of Economics, Prague.

She gained managerial and professional experience in such positions as Head of Risk Management at Deloitte Audit s.r.o., in the independent European Affairs department of the Chancellery of the Senate of the Parliament of the Czech Republic, and in financial management and accounting at Olife Corporation, a.s. She is currently the head of internal audit at Czech Television.

Number of ČEZ shares as at December 31, 2020: 0.

- Letiště Praha, a. s.—Vice-Chairwoman of the Audit Committee
- Český Aeroholding, a.s.—member of the Audit Committee (the company ceased to exist as a result of a merger by acquisition by Letiště Praha, a. s., as the acquiring company)
- Česká exportní banka, a.s.—member of the Audit Committee

### Jiří Pelák

Member of the Audit Committee since June 21, 2017 (term ending June 21, 2021)

A graduate of the Faculty of Finance and Accounting, University of Economics, Prague, where he also earned his doctorate. He studied at the Copenhagen Business School in Denmark for six months and at St. Mark's International College in Australia for another six months.

He gained managerial and professional experience particularly in his positions in the Department of Financial Accounting and Audit, Faculty of Finance and Accounting, University of Economics, Prague; as an auditor and First Vice-President of the Czech Chamber of Auditors; and as a reporting specialist at Global Payments Europe, where he was in charge of subsidiary reporting management, consolidation, and reporting to the parent company. As an expert, he prepared a number of interpretations of the National Accounting Council, application clauses of the Czech Chamber of Auditors, and helped to translate International Financial Reporting Standards. He collaborated on the Czech Corporate Governance Code as a member of the advisory panel.

Number of ČEZ shares as at December 31, 2020: 0.

- AFC CENTER, spol.s r.o.—company member and Managing Director
- Chamber of Auditors of the Czech Republic—member of the Executive Board
- Hippokrates Endowment Fund—auditor
- ŠAKAL Kbely—školní atletický klub Albrechtická, z. s. (School Athletic Club)—Vice-Chairman of the Executive Board
- Pražská plynárenská, a.s.—member of the Supervisory Board
- Pražská vodohospodářská společnost a.s.—member of the Supervisory Board
- PRISKO a.s.—Chairman of the Audit Committee
- Pražské vodovody a kanalizace, a.s.—member of the Supervisory Board
- ZOOT a.s.—member of the Audit Committee

### Tomáš Vyhnánek

Member of the Audit Committee since June 21, 2017 (term ending June 21, 2021)

A graduate of the Faculty of Social Sciences, Charles University, Prague.

He gained managerial and professional experience in such positions as manager at Deloitte Advisory s.r.o.; manager at ČSOB Advisory, a.s.; and various positions at the Ministry of Finance of the Czech Republic (Director of the Central Harmonization Unit, Deputy Minister for Financial Management and Audit).

Number of ČEZ shares as at December 31, 2020: 0.

- České dráhy, a.s.—Chairman of the Audit Committee

\* Pursuant to Section 20(1) and (4) of Act No. 191/2020 Sb., on certain measures to mitigate the impacts of the SARS CoV-2 epidemic on participants of court proceedings, injured persons, crime victims and legal entities, and on amendments to the Insolvency Act and the Code of Civil Procedure (the so-called Lex Covid), valid and effective from April 24, 2020, the term of the said members of the Audit Committee, which was originally to end on June 3, 2020, was extended "until 3 months from the date following the date of the end of the extraordinary epidemic measure", which in the case of the said members of the Audit Committee meant that as at the date of the Company's shareholders' meeting held on June 29, 2020 they performed their function in an extended term as a result of applying the said provision of the law. In order to increase legal certainty regarding the end of the original and the beginning of the new term of these members of the Audit Committee, the shareholders' meeting proceeded to their dismissal with effect from July 1, 2020, and reelection to office with the new term beginning on July 2, 2020.

- Current membership of governance bodies outside CEZ Group or at CEZ Group affiliates and/or joint ventures.
- Membership of governance bodies outside CEZ Group or at CEZ Group affiliates and/or joint ventures ended in the past 5 years.

## Remuneration of Supervisory Board Members and Audit Committee Members

In compliance with applicable law, all service-related stipulations between the Company and members of the Supervisory Board or members of the Audit Committee are included in service contracts. Remuneration of members of the Supervisory Board and the Audit Committee, including all considerations, is approved by the shareholders' meeting. The Company enters into a service contract with each member of the Supervisory Board or the Audit Committee in compliance with resolutions passed by the shareholders' meeting.

The individual remuneration components of members of the Supervisory Board are described in the Remuneration Policy of ČEZ, a.s., approved by the Company's shareholders' meeting on June 29, 2020, which is prepared in accordance with Section 121l of Act No. 256/2004 Sb., Capital Market Undertakings Act, as amended. In accordance with Section 121o to 121q thereof, a report on the remuneration of ČEZ, a. s., for the accounting period of 2020 will be prepared, which will be submitted for approval to the Company's shareholders' meeting in 2021.

Members of the Audit Committee receive the following remuneration and perquisites:

- **Remuneration of an Audit Committee member**—Paid regularly after the end of every calendar month. The monthly remuneration is stipulated as a fixed amount and is differentiated by the importance of the position held (chairman, vice-chairman, and member). The remuneration of a member of the Audit Committee has no variable component. If an Audit Committee member is temporarily unable to perform activities associated with service on the Audit Committee due to sickness, they remain entitled to the full monthly remuneration for the first 30 calendar days of their inability to perform activities associated with service on the Audit Committee due to the above reasons. If such inability to perform activities associated with service on the Audit Committee lasts longer than 30 calendar days without interruption, the amount of monthly remuneration for every calendar month in which the member is unable to perform activities associated with service on the Audit Committee, from the 31st calendar day to the end of their inability, is 50% of the stipulated monthly remuneration.
- **Passenger car**—An Audit Committee member may use their private car to discharge their duties. In such a case, travel costs are reimbursed in compliance with applicable law.
- **Travel expenses**—Audit Committee members traveling in connection with the discharge of their duties ("business travel") receive meal allowances at rates stipulated in their service contracts and reimbursement for other necessary expenses at face value; in addition, Audit Committee members are covered by travel insurance for short-term foreign business travel and they receive a per diem allowance at the maximum rate stipulated by the Labor Code when traveling on business abroad.

Supervisory Board and Audit Committee members that are civil servants receive consideration up to the amount allowed by law.

## Board of Directors

### Position and Powers of the Board of Directors

The Board of Directors is a statutory body managing the Company's activities. It makes decisions on all Company matters unless they are reserved for the shareholders' meeting, the Supervisory Board, or another governance body by law or the Company's bylaws. It may delegate decisions on certain matters to individual members of the Board of Directors within the meaning of Section 156(2) of the Civil Code and to Company employees. Such delegation does not relieve members of the Board of Directors of their responsibility for overseeing how Company matters are managed. The Board of Directors complies with principles and instructions approved by the shareholders' meeting as long as they are in compliance with the law and the Company's bylaws.

The Board of Directors is competent, in particular, to

- Take care of business management and proper bookkeeping
- Call a shareholders' meeting, make organizational arrangements for it, and present to it, in particular, the following:
  - Draft company business policies and draft amendments thereto, at least once every four years
  - Draft amendments to the bylaws
  - Proposals to increase/decrease the stated capital, and to issue convertible and/or priority bonds
  - Annual, extraordinary, consolidated, and/or interim financial statements, if they are required to be approved by the shareholders' meeting
  - Proposals for the distribution of profits and other own resources including the amount, manner, and date of payment of dividends, the amount of directors' fees, and allocations to reserves or the manner of settlement of Company losses
  - Report on Company's business activities
  - Proposal for Company dissolution
  - Summary explanatory report pursuant to Section 118(9) of the Capital Market Undertakings Act
  - Remuneration policy and a report on remuneration pursuant to the Capital Market Undertakings Act
- Implement resolutions of the shareholders' meeting
- Grant and revoke procuration
- Approve, after consultation with labor organizations operating within the Company, the ČEZ, a. s., Election Rules for the election of Supervisory Board members elected by Company employees, and organize such elections
- Remove Company executives pursuant to Section 73 of the Labor Code
- Make service contracts with members of Company governing bodies on behalf of the Company

### Composition and Activities of the Board of Directors

The Board of Directors has seven members, who are elected and removed by the Supervisory Board. The Board of Directors elects and removes its chairman and two vice-chairmen (currently only one position of vice-chairman is filled). The term of office of each member is four years and members may be reelected. The business address of members of the Board of Directors is the Company's registered office address: Duhová 2/1444, 140 53 Praha 4.

### Board of Directors Decision-Making

The Board of Directors constitutes a quorum if a majority of all its members is present. Each member has one vote. The Board of Directors makes decisions by a majority of the votes of all its members. A record is made of the proceedings and the resolutions passed. In necessary cases that allow no delay, it is possible to take a vote outside a meeting (by letter). The proposal for the Board of Directors' resolution must be sent to all its members. The resolution is adopted if at least two-thirds of all members took part in the vote and a majority of all members voted in favor of the resolution. The Board of Directors may invite members of the Company's other bodies, Company employees, and/or other persons to its meetings.

Board of Directors meetings are held at least once a month. In 2020, a total of 47 meetings were held: 41 regular meetings and six extraordinary meetings.

### Description of the Activities, Competence, and Decision-Making Powers of the Board of Directors

The office of member of the ČEZ Board of Directors involves the exercise of all rights and obligations that are associated with the office pursuant to applicable law, the Company's bylaws, and contracts on service on the Board of Directors. The specific tasks of a member of the Board of Directors may be determined by the Board of Directors.

In business management, the Board of Directors makes decisions on the following, in particular (depending on the amount of an transaction):

- Using funds from the legal reserve, unless otherwise provided by law
- Increasing the Company's stated capital in compliance with the Business Corporations Act and the Company's bylaws and, in that context, issuing Company shares as dematerialized bearer securities
- Draft purchase contracts concerning electricity, heat, natural gas, and greenhouse gas emission allowances; distribution, transmission, and ancillary services; commodity derivatives and commodity trade services
- Selected capital projects and implementation thereof
- Acceptance of selected long-term loan (credit) for a period of more than one year or other similar financial operations of the Company, except hedging operations
- Contents of annual reports pursuant to the Accounting Act and half-year and annual reports pursuant to the Capital Market Undertakings Act
- The founding legal action in the establishment of another legal entity, acquisition, transfer, or cancellation of the Company's ownership interest in another legal entity
- Selected disposals or leases of real estate

The Board of Directors must seek the Supervisory Board's prior opinion to take some of its decisions, see information on the Supervisory Board.

The Board of Directors must submit certain matters to the Supervisory Board for review and seek the Supervisory Board's prior opinion. These are:

- Approval of and amendment to the ČEZ Organizational Rules
- Approval of rules for the creation and use of Company funds
- Draft annual capital and operating budgets
- Proposals for substantial changes in the Company's organizational structure
- Proposal for the Company's strategy or a substantial update thereto under the business policy approved by the shareholders' meeting
- Draft business plan of the Company
- Draft business policies (including amendments thereto) of controlled entities with stated capital in excess of CZK 500 million
- All proposals to be presented by the Board of Directors to the shareholders' meeting for decision or information; however, it is sufficient to just notify the Supervisory Board of proposals that the Board of Directors is required to present to the shareholders' meeting by law
- Contents of tender specifications pursuant to the Public Procurement Act if the estimated value of the contract is greater than one-third of the Company's equity as shown by the latest consolidated financial statements
- Remuneration policy and a report on remuneration pursuant to the Capital Market Undertakings Act

No later than May 30 of the calendar year, the Board of Directors submits to the Supervisory Board for review the regular and consolidated financial statements, the proposal for profit distribution (including the method of payment and maturity of dividends), the proposed amount of royalties, the report on relations pursuant to Section 82 of the Business Corporations Act, as well as extraordinary and interim financial statements in cases where the obligation to prepare them arises from law.

Pursuant to the Company's bylaws, the Board of Directors must notify some of its decisions to the Supervisory Board.

The Board of Directors may entrust its members with powers in a certain field of management and function in the Company's organizational structure. In such a case, the member of the Board of Directors is authorized, within the scope of the entrusted powers, to manage a certain Company division or unit. In conjunction with such authorization, the member of the Board of Directors is also entitled to use the title of the position so delegated (Chief Executive Officer, division head). When acting on behalf of the Company in legal matters, e.g., signing contracts, they always use the title "member/Vice-Chairman/Chairman of the Board of Directors."





**Daniel Beneš**  
Chairman of the Board of Directors  
and Chief Executive Officer



**Pavel Cyrani**  
Vice-Chairman of the Board of Directors  
and Chief Sales and Strategy Officer



**Martin Novák**  
Member of the Board of Directors  
and Chief Financial Officer



Tomáš Pleskač  
Member of the Board of Directors  
and Chief Renewables and Distribution Officer



Michaela Chaloupková  
Member of the Board of Directors  
and Chief Administrative Officer



Ladislav Štěpánek  
Member of the Board of Directors  
and Chief Fossil/Hydro Officer



Bohdan Zronek  
Member of the Board of Directors  
and Chief Nuclear Officer

## Members of the Board of Directors

### Daniel Beneš

Chairman of the Board of Directors since September 15, 2011, member of the Board of Directors since December 15, 2005 (term ending December 18, 2021), reelected for another term ending December 19, 2025

A graduate of the Technical University of Ostrava, Faculty of Mechanical Engineering, and the Brno International Business School Nottingham Trent University (MBA).

He gained managerial and professional experience in such positions as Procurement Director, Chief Administrative Officer, and Chief Operating Officer of ČEZ.

Number of ČEZ shares as at December 31, 2020: 22,500.

Number of ČEZ stock options as at December 31, 2020: 305,753.

Number of ČEZ stock options as at February 28, 2021: 305,753.

- Technical University of Ostrava—member of the Administrative Board
- Confederation of Industry of the Czech Republic—member of the Board of Directors and First Vice-President
- ČEZ Foundation—Chairman of the Board of Directors
- RELT Investments, a.s.—member of the Supervisory Board and sole shareholder
- Czech Association of Energy Sector Employers—member of the Board of Directors

### Pavel Cyrani

Vice-Chairman of the Board of Directors since January 1, 2020, member of the Board of Directors since October 20, 2011 (term ending October 22, 2023)

A graduate of the University of Economics, Prague, majoring in international trade, and the Kellogg School of Management in Evanston, Illinois (USA), where he was awarded an MBA in Finance.

He gained managerial and professional experience primarily at ČEZ, where he has served since 2006, first as Head of Planning & Controlling and Head of Asset Management and since 2011 as a member of the Board of Directors, Chief Strategy Officer, and then Chief Sales and Strategy Officer. Prior to joining ČEZ, he worked at McKinsey & Company.

Number of ČEZ shares as at December 31, 2020: 5,216.

Number of ČEZ stock options as at December 31, 2020: 131,671.

Number of ČEZ stock options as at February 28, 2021: 131,671.

### Michaela Chaloupková

Member of the Board of Directors from October 20, 2011, to October 21, 2019, reelected with effect from January 1, 2020 (term ending January 1, 2024)

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

She gained managerial and professional experience, in particular, at Stratego Invest a.s. (later i-Tech Capital, a.s.), where she served as Head of Controlling and Vice-Chairwoman of the Board of Directors, as well as in managerial positions in Procurement and Human Resources at ČEZ.

Number of ČEZ shares as at December 31, 2020: 1,410.

Number of ČEZ stock options as at December 31, 2020: 125,671.

Number of ČEZ stock options as at February 28, 2021: 125,671.

- ČEZ Foundation—member of the Supervisory Board
- CEZ GROUP SENIORS Endowment Fund—Chairwoman of the Supervisory Board
- Revenium Endowment Fund—member of the Board of Directors
- Odyssey, z.s.—member of the Board of Directors



**Martin Novák**

Member of the Board of Directors since May 21, 2008, reelected with effect from May 24, 2020 (term ending May 24, 2024), Vice-Chairman of the Board of Directors from October 20, 2011, to December 31, 2019

A graduate of the Faculty of International Relations, University of Economics, Prague, majoring in international trade and commercial law. In 2007, he completed an Executive Master of Business Administration (MBA) program at the KATZ School of Business, University of Pittsburgh, specializing in the energy sector.

He has been a member of the Czech Chamber of Tax Advisers since 1996.

He gained managerial and professional experience particularly during his almost ten-year career in the oil refining industry and fuel generation and distribution. He served as manager in ConocoPhillips' global headquarters in Houston, Texas, as well as its London regional office. He also worked at ConocoPhillips Czech Republic s.r.o., where he served as Chief Financial Officer with responsibility for Central & Eastern Europe (in this position he also served as statutory representative for several regional branches of ConocoPhillips), and at ČEZ as Head of Accounting.

Number of ČEZ shares as at December 31, 2020: 11,600.

Number of ČEZ stock options as at December 31, 2020: 161,096.

Number of ČEZ stock options as at February 28, 2021: 161,096.

- Burza cenných papírů Praha, a.s. (Prague Stock Exchange)—member of the Supervisory Board

**Tomáš Pleskač**

Member of the Board of Directors since January 26, 2006 (term ending January 29, 2022),

Vice-Chairman of the Board of Directors from June 26, 2017, to December 31, 2019

A graduate of the Faculty of Business and Economics, University of Agriculture, Brno; MBA from Prague International Business School. He gained managerial and professional experience in such positions as Chief Financial Officer for Severomoravská energetika, a. s., and Deputy Director for Finance for the Dukovany Nuclear Power Plant.

Number of ČEZ shares as at December 31, 2020: 6,000.

Number of ČEZ stock options as at December 31, 2020: 192,329.

Number of ČEZ stock options as at February 28, 2021: 192,329.

- Akcez Enerji A.S. (Turkey)—Vice-Chairman of the Board of Directors
- Akenerji Elektrik Üretim A.S (Turkey)—Vice-Chairman of the Board of Directors

**Ladislav Štěpánek**

Member of the Board of Directors since June 27, 2013 (term ending June 28, 2021)

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

He gained managerial and professional experience in such positions as Head of the Office of the Chief Executive Officer and the Board of Directors, and Head of Fuel Cycle at ČEZ.

Number of ČEZ shares as at December 31, 2020: 16,934.

Number of ČEZ stock options as at December 31, 2020: 90,740.

Number of ČEZ stock options as at February 28, 2021: 90,740.

- Radioactive Waste Repository Authority—member of the Board

**Bohdan Zronek**

Member of the Board of Directors since May 18, 2017 (term ending May 18, 2021)

A graduate of the Faculty of Electrical Engineering, Czech Technical University, Prague, and the InterLeader® 2012 development program.

He gained managerial and professional experience in various positions at the Temelín Nuclear Power Plant, where he took up a job after school. His latest positions were Chief Safety Officer at ČEZ, a. s., and Director of the Temelín Nuclear Power Plant. He is a member of the Board of Management of the World Nuclear Association and President of the Nuclear Safety Advisory Committee of MVM (owner of operated power plant Paks).

Number of ČEZ shares as at December 31, 2020: 2,890.

Number of ČEZ stock options as at December 31, 2020: 97,479.

Number of ČEZ stock options as at February 28, 2021: 97,479.

- Radioactive Waste Repository Authority—Vice-Chairman of the Board

■ Current membership of governance bodies outside CEZ Group or at CEZ Group affiliates and/or joint ventures.

■ Membership of governance bodies outside CEZ Group or at CEZ Group affiliates and/or joint ventures ended in the past 5 years.

## Working Commissions, Teams, and Committees of the Board of Directors

The Board of Directors may set up working commissions, teams, and committees for the purposes of its activities in compliance with the bylaws of ČEZ, a. s.

### Board of Directors Committee

ČEZ, a. s., Corporate Compliance Committee was established as an advisory body to the Board of Directors. Its mission is to contribute to the expertise and efficiency of decision-making at ČEZ, a. s., within its defined purview. The Committee's tasks include assessing current and potential compliance risks, their impact, and the level of their management at ČEZ.

The Operations and Development teams, which have acted as advisory bodies to the Board of Directors since 2016, were abolished on March 1, 2020, with more emphasis on the roles of Chief Executive Officer's deputies (Chief Executive Officer's Deputy for Strategic Development, Chief Executive Officer's Deputy for New Energy, and Chief Executive Officer's Deputy for Operations).

### Board of Directors Member Committees

Each member of the Board of Directors may set up working commissions, teams, and committees in their appointed area. Other members of the Board of Directors involved in the matters in question and relevant Company employees may participate in their work.

Key committees in 2020 included the following:

- **Crisis Staff of ČEZ, a. s.**, which is an advisory body to the Chief Executive Officer of ČEZ, a. s., designated to coordinate preparations for crisis situations, for resolving crisis situations, and implementing measures in the sense of Act No. 240/2000 Sb. (the Crisis Act). In 2020, the Expert Working Group—Coronavirus was established within the Crisis Staff, which is intensively involved in preparing measures to minimize the transmission of COVID-19 at workplaces within the entire CEZ Group.
- **ČEZ, a. s., Plant Safety Committee**, which, among other things, deals with matters concerning the safety of ČEZ, a. s., nuclear facilities, especially as regards compliance with integrated requirements for nuclear safety, radiation protection and technical safety, radiation situation monitoring, radiological emergency management, and security; it also debates matters concerning statutory and regulatory changes and their impact on nuclear safety management, the condition of onsite safety of nuclear facilities, safety culture, and allocation of resources to ensure an appropriate level of nuclear safety. The Committee is an advisory body to the Chairman of the Board of Directors (Chief Executive Officer).
- **CEZ Group Security Committee**, which, among other things, deals with CEZ Group security policies, strategies, and objectives, selected activities, threats, risks, analyses of security incidents, and proposed security requirements, corrective measures, and priorities or conditions for their implementation. The Committee is an advisory body to the Chairman of the Board of Directors (Chief Executive Officer).
- **Risk Committee**, which deals with matters concerning CEZ Group's risk management, in particular, adopts recommendations and opinions in the field of integrated risk management system (e.g., proposes a strategy for developing a risk management system), in the field of venture capital management, the oversight of internal risk management, and the monitoring of the overall impact of risks on CEZ Group's value. The Risk Committee is an advisory body to the member of the Board of Directors in charge of the Finance division (Chief Financial Officer).
- **Nuclear Energy Division Safety Committee**, established to provide support for operational safety management at ČEZ's nuclear power plants. The Committee is an advisory body to the member of the Board of Directors in charge of the Nuclear Energy division (Chief Nuclear Officer).
- **Strategic IT Committee**, created on account of the ever-growing importance of matters concerning information technology for the further growth of CEZ Group's business and the resulting requirements for CEZ Group IT coordination and direction. The Committee deals with the strategy and overall architecture of key IT platforms. The committee is an advisory body to the member of the Board of Directors in charge of the Finance division (Chief Financial Officer).

## Remuneration of Members of the Board of Directors

In compliance with applicable law, all service-related stipulations between the Company and members of the Board of Directors are included in service contracts and/or amendments thereto. Remuneration of Board of Directors members is stipulated by the Company's Supervisory Board. In compliance with the Supervisory Board's resolutions, the Company makes service contracts with members of the Board of Directors, which specify all remuneration and perquisites to be provided. Contracts of service on the Board of Directors are approved by the Supervisory Board. The manner and amounts of remuneration are determined on the basis of the methodology and surveys of Korn/Ferry International (formerly HayGroup), an international consultancy firm that has long specialized in remuneration consultancy worldwide. The company has used a globally uniform HayGroup analytical method and standardized remuneration surveys since 2008. The HayGroup analytical method assesses positions with respect to responsibility and powers, scope of management in terms of the number of employees and countries as well as the diversity of managed processes and segments, the difficulty of handled issues, required know-how, amount of revenue, amount of investment, as well as the degree of freedom in decision-making. A frame of reference for the remuneration of members of the Board of Directors is also the Top Executive Compensation in Europe (EUROTOPEX) survey. Members of the Board of Directors are in charge of the management of the Company's respective divisions and responsible for managing the matters of CEZ Group subsidiaries in their respective areas of management.

The individual remuneration components of members of the Board of Directors are described in the Remuneration Policy of ČEZ, a. s., approved by the Company's shareholders' meeting on June 29, 2020, which is prepared in accordance with Section 121l of Act No. 256/2004 Sb., Capital Market Undertakings Act, as amended. In accordance with Section 121o to 121q thereof, a Report on the Remuneration of ČEZ, a. s., for the accounting period of 2020 will be prepared, which will be submitted for approval to the Company's shareholders' meeting in 2021.

## Persons with Executive Authority

At ČEZ, persons with executive authority, as defined by the Capital Market Undertakings Act, are members of the Board of Directors, members of the Supervisory Board, and members of the Audit Committee. Members of the Board of Directors are authorized by their service contracts to manage their respective divisions.

Members of the Board of Directors may also be authorized by the Board of Directors to manage the matters of Czech and foreign companies within CEZ Group.

### Description of the Delegated Powers of Board of Directors Members as at March 1, 2021

#### Daniel Beneš—Chief Executive Officer,

#### Chairman of the Board of Directors in charge of the CEO Division

He is responsible for the fulfillment of tasks assigned by the Board of Directors in its resolutions and has the authority to take decisions on Company matters that are not reserved for the shareholders' meeting, the Supervisory Board, or another Company body, and are within the decision-making authority of the Board of Directors and were not expressly placed within the decision-making authority of other members of the Board of Directors or the Board of Directors as a whole. In particular, the Chief Executive Officer coordinates the activities of division heads.

He takes care of the management of CEO division departments, management activities concerning the system of management, communication and marketing, legal services, corporate compliance, corporate governance, public affairs, CEZ Group security, and independent nuclear oversight. His competence extends to procurement and sales (other than the procurement and sales of electricity, heat, certain process materials, and financial services), incorporated in the procurement function that Board of Directors member Michaela Chaloupková, Chief Administrative Officer, is in charge of. He manages Czech subsidiaries' matters relating to coal extraction and sales.

#### Pavel Cyrani—Chief Sales and Strategy Officer,

#### Vice-Chairman of the Board of Directors in charge of the Sales and Strategy Division, Chief Executive Officer's Deputy for Strategic Development

He is responsible for sales of electricity and gas and for sales of comprehensive energy services to end-use customers (households, small and large corporate customers, and public administration). He is in charge of commercial arrangements for CEZ Group's production position (sales of electricity, purchases of emission allowances, and purchases of gas) and of trading in electricity, gas, emission allowances, and other commodities in Czechia and abroad. He is also responsible for formulating CEZ Group's strategy and coordinating the preparation of key strategic projects such as the construction of new nuclear power plants. He manages subsidiaries' matters relating to sales of electricity, natural gas, and energy services to end-use customers and foreign trade agencies' matters.

#### Tomáš Pleskač—Chief Renewables and Distribution Officer,

#### member of the Board of Directors in charge of the Renewable Energy and Distribution Division, Chief Executive Officer's Deputy for New Energy

He is responsible for managing the distribution segment, for the operation and development of renewables, for the efficient operation of country management units, and for support for mergers and acquisitions (M&A). He manages the matters of subsidiaries in the distribution segment, companies operating renewable energy sources, and companies oriented toward securing and developing opportunities in clean and smart technologies as well as innovative business models.

**Martin Novák—Chief Financial Officer,**

member of the Board of Directors in charge of the Finance Division, Chief Executive Officer's Deputy for Operations. He is responsible for economic and financial management, financing, investor relations, risk management, controlling, accounting, tax matters, and coordinates efficient organization and operation of ancillary ICT services. He manages subsidiaries' matters relating to information technology and telecommunications.

**Bohdan Zronek—Chief Nuclear Officer,**

member of the Board of Directors in charge of the Nuclear Energy Division

He is responsible for the safe and efficient operation and development of nuclear generation assets, including heat generation at nuclear power plants for district heating. He is also responsible for managing project teams in the preparation of the construction of new units at the Dukovany and Temelín nuclear power plants. He manages the matters of subsidiaries involved in the preparation of the construction of new nuclear units and service activities relating to nuclear activities.

**Ladislav Štěpánek—Chief Fossil/Hydro Officer,**

member of the Board of Directors in charge of the Fossil and Hydro Generation Division

He is responsible for the safe and efficient operation and development of conventional electricity generation assets (coal-fired, gas-fired, and large hydroelectric plants) and heat generation and distribution assets. He is responsible for ensuring ecological investments in existing plants and provides technical support for acquisition projects. He manages the matters of subsidiaries involved in conventional electricity generation, heat generation, distribution, and sales, and related service activities.

**Michaela Chaloupková—Chief Administrative Officer,**

member of the Board of Directors in charge of the Administration Division

She is responsible for HR management, equity interest management, non-technological asset management, vehicle management, and activities related to sustainable development and the function of ombudsman. She is also in charge of the Procurement Department (procurement and sales, excluding procurement and sales of electricity, heat, selected operating materials, and financial services) organized under the Chief Executive Officer's division.

## Supplementary Information on Persons with Executive Authority at ČEZ, a. s.

### Convictions for Fraud-Related Crimes during the Past Five Years

No member of the Supervisory Board, Audit Committee, or Board of Directors has been convicted of a fraud-related crime.

### Insolvency Proceedings, Receiverships, and/or Liquidations during the Past Five Years

Otakar Hora was a partner and statutory representative at DZD, v.o.s. in liquidation. He has been the liquidator of this company since 2019. Jiří Pelák worked in the Audit Committee of ZOOT a.s., which underwent a reorganization based on a resolution of the Municipal Court in Prague.

Jan Vaněček was Vice-Chairman of the Supervisory Board of CP Praha s.r.o., in liquidation. (The company was wound up with liquidation on August 16, 2016, based on a decision of the receiver of CP Praha s.r.o. exercising the powers of a shareholders' meeting, dated May 18, 2016.)

### Official Public Charges or Penalties by Statutory Governing Bodies or Regulatory Bodies (including Designated Professional Bodies) and/or Disqualification by Court from Service on the Administrative, Governing, or Supervisory Bodies of Any Issuer or Service in the Management or Performance of Activities of Any Issuer in at Least the Past Five Years

No member of the Supervisory Board, Audit Committee, or Board of Directors has been publicly charged or disqualified from service by court.

### Information on Employment or Other Contracts with the Issuer and/or Its Subsidiaries along with a Description of Benefits Received upon Termination of Employment

Three of the four Supervisory Board members elected from among employees are on long-term leave in order to act as chairmen of labor organizations. All Supervisory Board members elected from among employees have an employment contract with ČEZ, a. s., that does not include any extra benefits upon termination of employment beyond the scope of the Company's collective agreement or beyond statutory benefits.

Employees under contract may receive pay in lieu of notice or severance pay under the terms in the amount set down in the Company's collective agreement when their employment is terminated.

### Conflicts of Interest

No person with executive authority has any conflict of interest in connection with their role at ČEZ.

### Agreements with Major Shareholders or Other Entities on Selection for a Current Position on the Supervisory Board, Audit Committee, or the Board of Directors

There is no prior agreement on the selection of a person with executive authority for their current position. Members of the Supervisory Board and the Audit Committee are elected and removed by a shareholders' meeting.

### Agreement with the Issuer concerning Restrictions on Disposal of Its Securities

In accordance with the terms of the stock option plan, which was terminated on December 31, 2019, shares acquired under an option call granted during the stock option plan (regardless of the exercise date of the call) are no longer subject to a holding account obligation on the beneficiary's property account. Appreciation of the shares on a public market on the exercise date may not exceed 100% over the exercise price applicable to the option grant in question. Options may be exercised no earlier than two years and no later than by the middle of the fourth year after the grant date.

Members of the Company's governance bodies as well as persons having access to inside information are informed by ČEZ's central controlling function of time limits (and any modifications thereto) applicable to the prohibition on trading in ČEZ shares pursuant to relevant provisions of the European Union's Regulation No. 596/2014.



## Concern Management

ČEZ, a. s., as the managing entity, leads a concern, which also includes the following managed entities:

Areál Třeboradice, ČEZ Bohunice, ČEZ Distribuce, ČEZ Energetické produkty, ČEZ Energetické služby, ČEZ ENERGOSERVIS, ČEZ ESCO, ČEZ ICT Services, ČEZ Obnovitelné zdroje, ČEZ Prodej, ČEZ Teplárenská, Elektrárna Dětmarovice, Elektrárna Dukovany II, Elektrárna Mělník III, Elektrárna Temelín II, Energetické centrum, Energotrans, MARTIA, PRODECO, Revitrans, Severočeské doly, SD - Kolejová doprava, and Telco Pro Services.

In the period since the publication of the Annual Report of 2019, the following members of the concern have ceased to be members:

- ČEZ Korporátní služby, s.r.o., which ceased to exist as at January 1, 2021, as a result of a merger with ČEZ, a. s., as the successor company, and the transfer of its assets to this successor company. The effects of this merger were directly related to the effects of two other transformations of ČEZ Korporátní služby, s.r.o., carried out on the same record date in the form of a spin-off by merger, when parts of its assets were transferred to ČEZ ICT Services, a. s., and ČEZ Distribuce, a. s.
- Elektrárna Počeradý, a.s., whose shares were transferred to Vršanská uhelná a.s., on December 31, 2020, as the buyer.

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

The common interest of CEZ Concern members is promoting and fulfilling concern interests on a long-term basis through the application of unified concern management. As part of concern management, the managing entity may give binding instructions to managed entities. General and operating concern instruments may be issued to that end. General concern instruments are shared CEZ Group documents and the managing entity's internal documents that are also intended for managed entities. Operating concern instruments are concern instructions given on an ad hoc basis. Fundamental documents having concern-wide application are Concern Management Policies governing primarily areas and activities that should be subjected to concern management and follow concern interests.

Under concern management, binding instructions may be given to managed entities provided that the following conditions are met:

- The instruction is in line with declared concern interests
- It is not unlawful to execute the instruction
- The execution of the instruction will not render the managed entity bankrupt
- Any detriment to the managed entity resulting from the execution of the instruction will be in the interest of the concern
- The managed entity was or will be compensated within the concern for any detriment resulting from the execution of the instruction with adequate consideration or other demonstrable benefit derived from membership in the concern

## Safety Management

Safety is CEZ Group's topmost priority. The method of managing and ensuring the safety of generating facilities, environmental protection, and protection of individuals and the public is defined in the Safety and Environmental Protection Policy, which is binding for all CEZ Group employees. It is linked to the strategic pillars of CEZ Group and forms a basic condition for the function of all its elements. It develops corporate principles, especially the Safety principle, based on a safety culture representing group and individual values, attitudes, competencies, and patterns of behavior that determine the commitment, style, and expertise of CEZ Group employees in the field of safety. It is presented to employees at regular intervals via internal communication tools and also at mandatory regular trainings.

CEZ Group implements the principle of continuous improvement within its management system. It is an interconnected evaluation system, which is followed by a sequence of activities for addressing the findings, followed by a comprehensive assessment of the management system's effectiveness and efficiency at all levels of management, with outputs implemented to increase performance. One of the basic goals is to set and maintain a systemic approach to safety management to meet the legal requirements and other requirements based on international ISO standards for management systems in the areas of fire protection, emergency preparedness, health, and safety and environmental protection. Safety culture forms an integral part of corporate culture and is an indicator of behavior and compliance with safety standards and safety management in the company, where weaknesses are considered as starting points and opportunities for improvement. The main principles and priorities in the field of safety are approved for each year by the Company's Board of Directors in the document "Regulations of the Board of Directors of ČEZ, a. s., on Annual Tasks".

Part of the main principles and priorities in the area of safety is the obligation for ČEZ, a. s., and CEZ Group companies to determine the Safety Topic of the Year, which builds on the key performance indicators and priorities and is based on regular safety risk assessments. At the same time, safety indicators are determined in a graded manner (number of fatal injuries of employees through the employer's fault, accident frequency, and other indicators).

The Company's management is presented with the Annual Report on the CEZ Group's State of Safety. In environmental protection, ČEZ proceeds in compliance with applicable law as well as Czechia's international commitments.

CEZ Group's centrally managed internal regulations give priority to safety in all processes and activities.

In accordance with the declared concern interest—CEZ Group Uniform Governance System—management systems are introduced to support corporate governance at companies that are certified by accredited certification bodies or audited by relevant independent bodies, as appropriate, which is in line with stakeholder expectations. The certification of individual companies within CEZ Group supports transparency and communication toward the general public and other stakeholders. Management systems are a tool for systematically reducing the risks of environmental disasters and serious work-related injuries. Established management systems include continuous improvement. For the area of occupational safety and health, a management system has been introduced according to the Safe Enterprise program, or according to the standard ČSN ISO 45001.

### Safety of Operated Nuclear Power Plants

ČEZ's nuclear power plants were operated in compliance with applicable nuclear energy legislation in 2020, fulfilling the conditions of all valid licenses. Their operation had a negligible impact on the environment and the populace.

Even during the state of emergency due to COVID-19 (in 2020 in the period from March 12 to May 17, and October 5 to December 31) and the adopted crisis measures, outages for fuel change and all other activities took place to ensure safe generation.

All international reviews and emergency response drills planned for the spring were postponed until the fall or, along with international events, until some later time. With regard to development of the COVID-19 situation, part of the exercises was not carried out.

Nuclear Power Plant Safety Enhancement Plans were evaluated, updated, and implemented in relation to Nuclear Safety Policy.

The assessments and updates are carried out every April. The actions supporting the improvement of the nuclear power plant safety were implemented in 2020 as scheduled.

The Temelín and Dukovany plants were successfully audited and recertified as a "Safe Enterprise" in April and May, respectively. Since November, the airspace of both Dukovany and Temelín has been protected by a new laser system, the purpose of which is to protect the area of the selected buildings against new airborne threats, such as drones.

In November, both nuclear power plants successfully passed the first part of the environmental audit. Its first part, focused on the area of documentation, took place in distance form, as a result of anti-COVID-19 measures, the second part of the audit, aimed at comparing the practice with the set rules, will take place after the necessary measures are released in 2021.

In both nuclear power plants, exercises in the use of alternative and mobile means took place in 2020. The exercises took place according to the approved scenarios; the implementation of the exercises was part of the training days of operation shifts. Due to the worsened COVID-19-related pandemic situation, some exercises were carried out in a staff form in accordance with the measures for training implementation.

#### Nuclear Power Plant Safety Indicators in 2020

Indicator	Number of Events	
	Dukovany NPP	Temelín NPP
INES 0 events	6	9
INES 1 events	1	2

Note: as at March 15, 2021

#### Dukovany Nuclear Power Plant

When Unit 3 was being put into operation again in March after a regular refueling outage, the outage was extended. The extension included cleaning and inspecting the equipment of the reactor upper block in connection with changes in the required vessel level in the reactor.

During outages of Units 1—3, an extraordinary replacement of sealing systems was performed at the reactor coolant pumps; this extraordinary replacement is planned at Unit 4 for 2021.

During 2020, eight exercises with different topics took place.

### Temelín Nuclear Power Plant

A refueling outage was successfully completed at Unit 1 in May. Nuclear power plants have been operating in a mode with defined “vital premises” since January and this outage was the first one to take their existence into account. Moreover, it was made the even more difficult due to the anti-COVID-19 measures.

From June to August, an outage for the fuel change of Unit 2 took place. The most challenging work of this outage was the replacement of two separators—steam heaters, thanks to which the achievable capacity was increased by 4 MW<sub>e</sub>, now being 1,086 MW<sub>e</sub>.

In September, ČEZ, a. s., received a permit for further operation of Unit 1 from the State Office for Nuclear Safety (SÚJB). The permit is subject to regular ten-year cycles, during which Czech nuclear power plants must demonstrate that they meet all the conditions related to their safe operation.

In November, the Temelín laboratory was accredited to carry out material inspections, which means that ČEZ, a. s., does not have to rely solely on suppliers for material inspections of both the Temelín and Dukovany power plants, but performs important verifications directly. This is another step towards strengthening the nuclear power plant safety.

During 2020, eight exercises with different topics took place.

### Cybersecurity

Since 2016, ČEZ has been the administrator of critical information infrastructure in the sense of Act No. 181/2014 Sb., on cybersecurity, and since 2019, the designation under the Act has been extended for ČEZ both in the critical information infrastructure (especially for electricity generation facilities), and in the field of basic services information systems (thermal energy generation facilities). In the course of 2020, ČEZ went through a period of implementation and ensuring compliance with the requirements of the Act. This phase was successfully completed at the end of 2020.

Regular training of employees of CEZ Group companies and suppliers in the field of information and cybersecurity is underway. Compliance with specific security rules is required, which is supported by security tools as well as appropriate information and technological system configuration.

To be able to meet objectives in the protection of key assets more efficiently, construction of an integrated security operations center (iSOC) continues, under which measures for comprehensive security monitoring and efficient response to cyber and other threats are being introduced.

ČEZ also continues to duly honor its obligations concerning computer security pursuant to Act No. 263/2016 Sb., Atomic Energy Act. In this respect, in relation to new legal requirements, and in order to enhance the security of computer systems at the nuclear power plants, ČEZ implemented new organizational measures in 2020.

### Supplier Competence (Audit) and Assessment

Suppliers of safety-relevant items and services are subject to initial and recurrent audits carried out by ČEZ as a license holder pursuant to Section 9 of Act No. 263/2016 Sb., Atomic Energy Act. Supplier audits examine the extent to which suppliers comply with applicable requirements in nuclear legislation. The quality of a supplier's work is monitored and assessed on an ongoing basis according to a specified assessment system and predefined parameters and criteria.

There were 94 supplier audits conducted in 2020, including 34 audits conducted jointly with CEZ Group companies' principal contractors. As part of a unified supplier assessment system for supplies related to safety-relevant items, 160 companies were assessed.

## Corporate Governance Compliance

The Company's corporate governance is based on rules stipulated by applicable law, in particular the Business Corporations Act, Civil Code, Capital Market Undertakings Act, and Corporate Criminal Liability Act. As an issuer of securities admitted to trading on the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A., WSE), ČEZ is required to comply with the Code published by the stock exchange (WSE Code). The current text of the WSE Code in Polish and English can be found on the Warsaw Stock Exchange's website at [https://www.gpw.pl/pub/GPW/files/PDF/GPW\\_1015\\_17\\_DOBRE\\_PRAKTYKI\\_v2.pdf](https://www.gpw.pl/pub/GPW/files/PDF/GPW_1015_17_DOBRE_PRAKTYKI_v2.pdf) and [https://www.gpw.pl/pub/GPW/o-nas/DPSN2016\\_EN.pdf](https://www.gpw.pl/pub/GPW/o-nas/DPSN2016_EN.pdf).

ČEZ takes into account all material rules of the WSE Code in its activities, considering the individual areas and topics governed by the Code to be important also to its shareholders. ČEZ's practices departed from the WSE Code in the following cases in 2020 (an explanation or reasoning for each departure or deviation is given):

- The Company's website does not include a scheme, or a diagram showing the division of responsibilities (division of responsibilities for individual areas of the Company's activities) among individual members of the Board of Directors, however, detailed information in this sense is included in the chapter "Persons with Executive Authority" of the Company's Annual Report, which is always published on its website.
- Concerning the rotation in the audit firm that audits its financial statements, the Company adheres to the applicable Regulation (EU) No. 537/2014 of the European Parliament and of the Council of April 16, 2014, on specific requirements regarding statutory audit of public-interest entities, and Act No. 93/2009 Sb., on auditors, as amended, which regulate these matters comprehensively; therefore, the Company deems it unnecessary to set rules on the matter in an internal regulation as required by the WSE Code.
- The Company does not pursue a diversity policy applicable to members of the Company's upper management, as required by the WSE Code. The fact that ČEZ does not apply a diversity policy consisting in equal representation of such elements as gender, age, or education among its employees helps the Company hire and keep talented employees and exploit their professional potential to the full extent; nevertheless, no direct or indirect discrimination is allowed. Every applicant's education, expertise, qualifications, and skills are the determinant factors in hiring. A fundamental value honored by CEZ Group is a fair and equal approach to all employees regardless of their race, ethnic origin, nationality, gender, sexual orientation, age, health, religious belief, or other criteria excluded from consideration by applicable law, not only for hiring but also for remuneration, personal growth, or career development. For the application of a diversity policy to Company governance bodies (Section 118(4)(l) of Act No. 256/2004 Sb., Capital Market Undertakings Act, CMUA), refer to Diversity Policy in Relation to Company Governance Bodies below.
- The Company does not publish on its website explanations concerning shareholders' questions provided by the Company during a shareholders' meeting; such explanations are included in detailed shareholders' meeting minutes, which are available to shareholders upon request.
- The Company does not publish any audio/video recording of its shareholders' meetings; detailed minutes of shareholders' meetings are available to shareholders upon request.
- The WSE Code requires that the participation of Board of Directors members in another company's governance bodies be conditional on the Supervisory Board's approval. The Company's bylaws and internal regulations do not include any regulation of such approval; nevertheless, members of the Company's Board of Directors may not be members of the statutory governing body of a company with an identical or similar purpose (unless it is part of the Concern) pursuant to applicable law. In addition, members of the Company's Board of Directors have an obligation to disclose any potential conflict of interest to other members of the Board of Directors and the Supervisory Board.



- The Company has no means to ensure compliance with the WSE Code requirement that at least two members of the Supervisory Board be independent as two-thirds of Supervisory Board members are elected by the shareholders' meeting (from candidates proposed by shareholders) and one-third of Supervisory Board members are elected by Company employees from among Company employees in compliance with applicable law; notwithstanding the absence of such instruments on the part of the Company, this requirement of the Code is currently being met.
- The Company has not set up internal processes for Supervisory Board members' providing a declaration of independence; nonetheless, the Company has established measures to prevent a conflict of interest and members of the Supervisory Board have an obligation to disclose any potential conflict of interest to other members of the Supervisory Board pursuant to applicable law.
- The Supervisory Board's report for the shareholders' meeting meets requirements for its contents as specified by the WSE Code, with the exception of assessment of the Company's system of internal controls, as such assessment is carried out, in compliance with applicable law, by the Audit Committee, which communicates it to the Supervisory Board and the Company shareholders' meeting, and with the exception of assessment of the Company's sponsorship activities, which are regularly reported to the Supervisory Board, and assessment of the fulfillment of the obligation to provide information concerning the Company's compliance with corporate governance principles, which, however, the shareholders' meeting is informed of by the Company's Board of Directors, and with the exception of compliance with the requirement for the Supervisory Board's self-assessment and independence of its members. The Supervisory Board's report contains all information required by law, which the Company deems sufficient.
- The Company does not provide a public broadcast of its shareholders' meeting, because the Company's policy, which is in compliance with applicable law, is based on permitting its shareholders' meetings to be attended only by its shareholders (either in person or by proxy), individuals that can reasonably give their opinion on items on the shareholders' meeting agenda, such as the Company's auditors or advisers, and individuals that make arrangements for the shareholders' meeting.
- Representatives of the mass media can attend a shareholders' meeting, as required by the WSE Code, but their attendance must be approved by the shareholders' meeting unless they are Company shareholders.
- Dividend payment is always dealt with by the Company on an ad hoc basis, in a decision of a shareholders' meeting; the WSE Code's requirement that the period between the dividend record date and the dividend payment date be no longer than 15 days cannot be met for technical reasons concerning dividend payment.
- The WSE Code requirement that the Supervisory Board grant its approval to making a significant contract between the Company, of the one part, and a shareholder having a share in voting rights of 5% or more or a related party, of the other part, is not regulated by the bylaws; nevertheless, the Supervisory Board reviews the related parties report, which includes a list of the Company's contracts with related parties, including the majority shareholder; in addition, the obligation of the Company to enter into any significant transaction with a so-called related party only with the consent of the shareholders' meeting follows directly from the relevant legal regulation (Sec. 121s et seq. of CMUA). The Company's bylaws then imply the principle that the Board of Directors is obliged to submit for discussion and request the previous opinion of the Supervisory Board, inter alia, for all proposals submitted by the Board of Directors to the shareholders' meeting for decision or information. In this way, both the approval of significant transactions with related parties by the Company's shareholders' meeting and their discussion by the Supervisory Board are ensured. The definition of a related party is regulated by the provision of Sec. 2(2)(d) of CMUA, which refers to Sec. 9 of International Accounting Standard IAS 24 – Related Party Disclosures, annexed to Commission Regulation (EC) No. 1126/2008 of November 3, 2008. A significant transaction is a contract or agreement under which (a) the assets or acquisitions of the Company are disposed of, or (b) to increase the Company's debts, both in excess of 10% of the assets arising from the financial statements for the accounting period immediately preceding the accounting period in which the transaction is concluded. Transactions with the same related party concluded in the same accounting period are added together for these purposes.

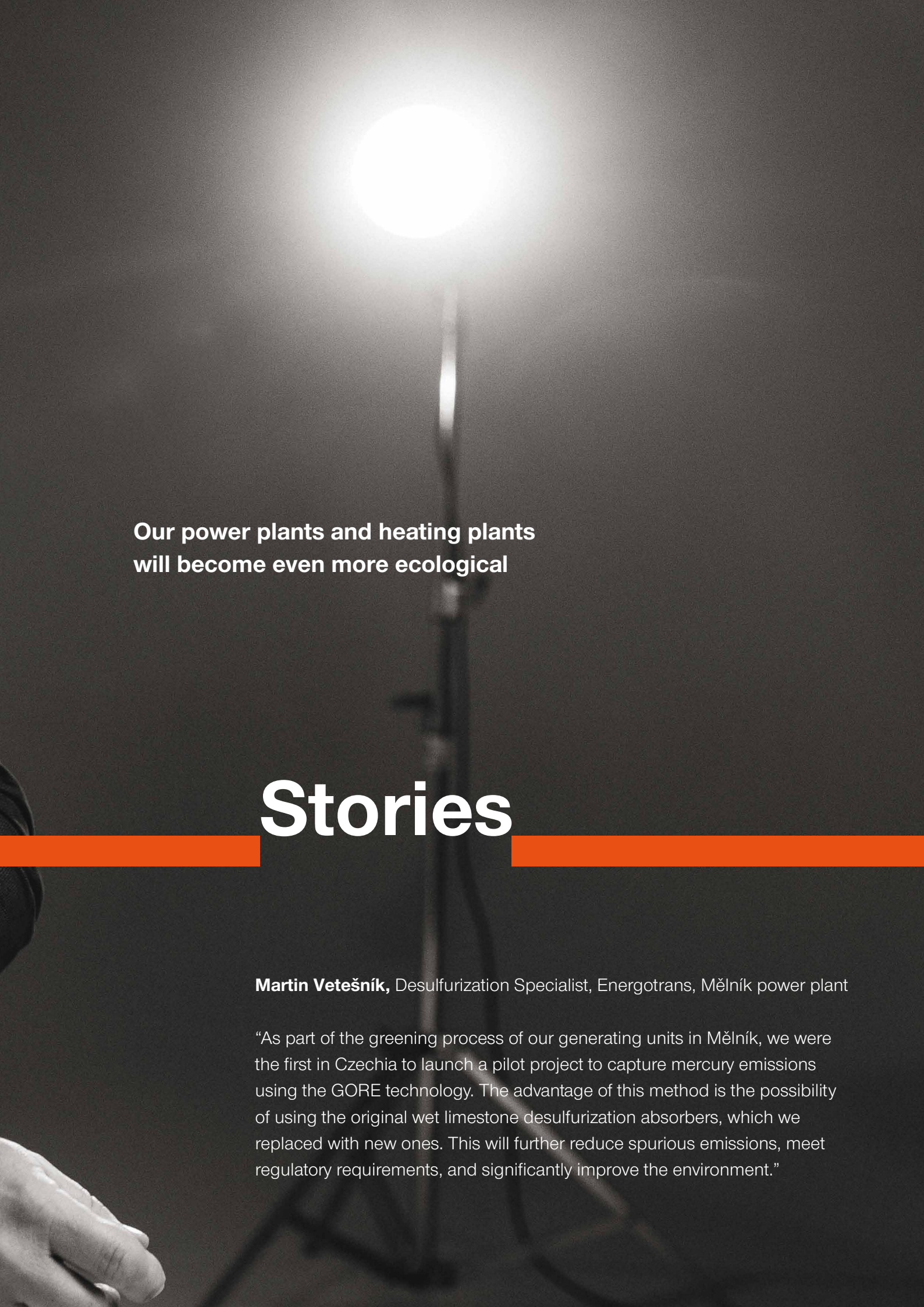
#### **Diversity Policy in Relation to Company Governance Bodies (Section 118(4)(l) of the Capital Market Undertakings Act)**

The Company does not formally declare any diversity policy to be applied to its governance bodies, that is, Board of Directors, Supervisory Board, and Audit Committee. Decisions on the staffing of the Board of Directors are within the purview of the Supervisory Board and decisions on the staffing of the Audit Committee are within the purview of the shareholders' meeting, which exercise their will in these matters independently of the Company's internal documents and/or declarations. Likewise, decisions on the composition of two-thirds of the Supervisory Board are within the purview of the shareholders' meeting. In relation to the remaining one-third of Supervisory Board members that are elected by Company employees, the Election Rules applicable to the election of these Supervisory Board members place emphasis on providing equal opportunities and promoting diversity in respect to differences between people. In this context, the Election Rules emphasize that equal opportunity and diversity are the concern of the entire management, labor unions, and every individual at CEZ Group and the approach is fully respected in relation to the elections of Supervisory Board members. However, ČEZ does not have any means to influence the composition of this portion of the Supervisory Board within the meaning of a diversity policy.



real





**Our power plants and heating plants  
will become even more ecological**

# Stories

**Martin Vetešník**, Desulfurization Specialist, Energotrans, Mělník power plant

“As part of the greening process of our generating units in Mělník, we were the first in Czechia to launch a pilot project to capture mercury emissions using the GORE technology. The advantage of this method is the possibility of using the original wet limestone desulfurization absorbers, which we replaced with new ones. This will further reduce spurious emissions, meet regulatory requirements, and significantly improve the environment.”

## CEZ Group Financial Performance

As at December 31, 2020, the consolidated CEZ Group comprised a total of 202 companies, with 180 companies fully consolidated and 22 associates and joint ventures consolidated using the equity method.

### Consolidated CEZ Group as at December 31, 2020

The companies of the consolidated accounting unit of CEZ Group are divided into six operating segments.

#### Generation—Traditional Energy

ČEZ, a. s.  
 Areál Třeboradice, a.s.  
 Centrum výzkumu Řež s.r.o.  
 CEZ Chorzów S.A.  
 CEZ Chorzów II sp. z o.o.  
 CEZ Magyarország Kft. (CEZ Hungary Ltd.)  
 CEZ Produkty Energetyczne Polska sp. z o.o.  
 CEZ Skawina S.A.  
 CEZ Srbija d.o.o.  
 CEZ Towarowy Dom Maklerski sp. z o.o.  
 CEZ Trade Romania S.R.L.  
 ČEZ Bohunice a.s.  
 ČEZ Energetické produkty, s.r.o.  
 ČEZ ENERGOSERVIS spol. s r.o.  
 ČEZ Teplárenská, a.s.  
 Elektrárna Dětmarovice, a.s.  
 Elektrárna Dukovany II, a. s.  
 Elektrárna Mělník III, a. s.

Elektrárna Temelín II, a. s.  
 Energetické centrum s.r.o.  
 Energotrans, a.s.  
 MARTIA a.s.  
 OSC, a.s.  
 ŠKODA PRAHA a.s.  
 Tepelné hospodářství města Ústí nad Labem s.r.o.  
 ÚJV Řež, a. s.  
 Ústav aplikované mechaniky Brno, s.r.o.  
 AK-EL Kemah Elektrik Üretim ve Ticaret A.S.\*  
 Akenerji Dogal Gaz Ithalat Ihracat ve Toptan Ticaret A.S.\*  
 Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.S.\*  
 Akenerji Elektrik Üretim A.S.\*  
 Jadrová energetická spoločnosť Slovenska, a. s.\*

#### Generation—New Energy

A.E. Wind S.A.  
 Baltic Green Construction sp. z o.o.  
 Baltic Green II sp. z o.o.  
 Baltic Green III sp. z o.o.  
 Baltic Green VI sp. z o.o.  
 Baltic Green VIII sp. z o.o. w likwidacji  
 Baltic Green IX sp. z o.o.  
 BANDRA Mobiliengesellschaft mbH & Co. KG  
 Bara Group EOOD  
 CASANO Mobiliengesellschaft mbH & Co. KG  
 CEZ Bulgarian Investments B.V.  
 CEZ Deutschland GmbH  
 CEZ Erneuerbare Energien Beteiligungs GmbH  
 CEZ Erneuerbare Energien Beteiligungs II GmbH  
 CEZ Erneuerbare Energien Verwaltungs GmbH  
 CEZ France SAS

CEZ Holdings B.V.  
 CEZ RES International B.V.  
 CEZ Windparks Lee GmbH  
 CEZ Windparks Luv GmbH  
 CEZ Windparks Nordwind GmbH  
 ČEZ Obnovitelné zdroje, s.r.o.  
 ČEZ OZ uzavřený investiční fond a.s.  
 ČEZ Recyklace, s.r.o.  
 Ferme éolienne d'Allas-Nieul SAS  
 Ferme Eolienne d'Andelaroche SAS  
 Ferme éolienne de Feuillade et Souffrignac SAS  
 Ferme éolienne de Genouillé SAS  
 Ferme éolienne de la Petite Valade SAS  
 Ferme Eolienne de la Piballe SAS  
 Ferme Eolienne de Neuville-aux-Bois SAS  
 Ferme éolienne de Nueil-sous-Faye SAS  
 Ferme Eolienne de Saint-Laurent-de-Céris SAS  
 Ferme éolienne de Saugon SAS  
 Ferme Eolienne de Seigny SAS  
 Ferme Eolienne de Thorigny SAS  
 Ferme éolienne des Besses SAS  
 Ferme Eolienne des Breuils SAS  
 Ferme Eolienne des Grands Clos SAS  
 Ferme éolienne du Blessonnier SAS  
 Ferme Eolienne du Germancé SAS  
 Free Energy Project Oreshets EAD  
 Inven Capital, SICAV, a.s.  
 M.W. Team Invest S.R.L.  
 Ovidiu Development S.A.  
 TMK Hydroenergy Power S.R.L.  
 Tomis Team S.A.  
 Windpark Baben Erweiterung GmbH & Co. KG

Windpark Badow GmbH & Co. KG  
 Windpark Cheinitz-Zethlingen GmbH & Co. KG  
 Windpark FOHREN-LINDEN GmbH & Co. KG  
 Windpark Frauenmark III GmbH & Co. KG  
 Windpark Gremersdorf GmbH & Co. KG  
 Windpark Mengeringhausen GmbH & Co. KG  
 Windpark Naundorf GmbH & Co. KG  
 Windpark Zagelsdorf GmbH & Co. KG  
 GP JOULE PPX Verwaltungs-GmbH\*  
 GP JOULE PP1 GmbH & Co. KG\*  
 Green Wind Deutschland GmbH\*  
 juwi Wind Germany 100 GmbH & Co. KG\*  
 Windpark Bad Berleburg GmbH & Co. KG\*  
 Windpark Berka GmbH & Co. KG\*  
 Windpark Moringen Nord GmbH & Co. KG\*  
 Windpark Nortorf GmbH & Co. KG\*  
 Windpark Prezelle GmbH & Co. KG\*

#### Distribution

CEZ Bulgaria EAD  
 CEZ ICT Bulgaria EAD  
 CEZ Razpredelenie Bulgaria AD  
 CEZ Romania S.A.  
 ČEZ Distribuce, a. s.  
 Distribuție Energie Oltenia S.A.  
 Akcez Enerji A.S.\*  
 Sakarya Elektrik Dagitim A.S.\*

\* Joint venture or associate



**Sales**

AirPlus, spol. s r.o.  
 AXE AGRICOLTURA PER L'ENERGIA SOCIETA' AGRICOLA A R.L.  
 AZ KLIMA a.s.  
 AZ KLIMA SK, s.r.o.  
 BUDRIO GFE 312 SOCIETA' AGRICOLA S.R.L.  
 CEZ Distribučné systavy a.s.  
 CEZ Elektro Bulgaria AD  
 CEZ ESCO Bulgaria EOOD  
 CEZ ESCO II GmbH  
 CEZ ESCO Polska sp. z o.o.  
 CEZ ESCO Romania S.A.  
 CEZ ESCO Slovensko, a.s.  
 CEZ SERVIS, s.r.o.  
 CEZ Slovensko, s.r.o.  
 CEZ Trade Bulgaria EAD  
 CEZ Vanzare S.A.  
 ČEZ Energetické služby, s.r.o.  
 ČEZ Energo, s.r.o.  
 ČEZ ESCO, a.s.  
 ČEZ LDS s.r.o.  
 ČEZ Prodej, a.s.  
 D-I-E ELEKTRO AG  
 Domat Control System s.r.o.  
 e-Dome a. s.  
 EAB Automation Solutions GmbH  
 EAB Elektroanlagenbau GmbH Rhein/Main  
 Elektro-Decker GmbH  
 Elektro-Technik-Pfisterer GmbH  
 Elevion Deutschland Holding GmbH  
 Elevion GmbH  
 Elevion Group B.V.  
 Elevion Holding Italia S.r.l.  
 Elevion Österreich Holding GmbH  
 En.plus GmbH  
 ENESA a.s.  
 ESCO City I sp. z o.o. w likwidacji  
 ESCO City II sp. z o.o. w likwidacji  
 ESCO City III sp. z o.o. w likwidacji  
 ESCO City IV sp. z o.o. w likwidacji  
 ESCO City V sp. z o.o. w likwidacji  
 ESCO City VI sp. z o.o. w likwidacji  
 ETS Efficient Technical Solutions GmbH  
 ETS Efficient Technical Solutions Shanghai Co. Ltd.  
 ETS Engineering Kft.  
 Euroklimat sp. z o.o.  
 GWE Verwaltungs GmbH  
 GWE Wärme- und Energietechnik GmbH & Co. KG  
 HA.EM OSTRAVA, s.r.o.  
 Hermos AG  
 Hermos Gesellschaft für Steuer-, Meß- und Regeltechnik mbH  
 HERMOS International GmbH

HERMOS SDN. BHD  
 Hermos Schaltanlagen GmbH  
 Hermos Sp. z.o.o.  
 Hermos Systems GmbH  
 High-Tech Clima d.o.o.  
 High-Tech Clima S.A.  
 HORMEN CE a.s.  
 Hybridkraftwerk Culemeyerstraße Projekt GmbH  
 Inewa S.r.l.  
 Inewa Consulting S.r.l.  
 KART, spol. s r.o.  
 Kofler Energies Energieeffizienz GmbH  
 Kofler Energies Ingenieurgesellschaft mbH  
 Kofler Energies International GmbH  
 Kofler Energies Systems GmbH  
 Metrolog sp. z o.o.  
 Moser & Partner Ingenieurbüro GmbH  
 NEK Facility Management GmbH  
 OEM Energy sp. z o.o.  
 Rudolf Fritz GmbH  
 Solární servis, s.r.o.  
 SPRAVBYTKOMFORT, a.s. Prešov  
 SYNECO PROJECT S.R.L.  
 SYNECO tec GmbH  
 TENAUR, s.r.o.  
 Bytkomfort, s.r.o.\*  
 Elevion Co-Investment GmbH & Co. KG\*  
 KLF-Distribúcia, s.r.o.\*  
 Sakarya Elektrik Perakende Satis A.S.\*

**Mining**

PRODECO, a.s.  
 Revitrans, a.s.  
 SD - Kolejová doprava, a.s.  
 Severočeské doly a.s.  
 GEOMET s.r.o.\*  
 LOMY MOŘINA spol. s r.o.\*

**Support Services**

CEZ MH B.V.  
 CEZ Polska sp. z o.o.  
 CEZ Ukraine LLC  
 ČEZ Asset Holding, a. s.  
 ČEZ ICT Services, a. s.  
 ČEZ Korporátní služby, s.r.o.  
 FDLnet.CZ, s.r.o.  
 ISP West s.r.o.  
 TaNET West s.r.o.  
 Telco Infrastructure, s.r.o.  
 Telco Pro Services, a. s.

\* Joint venture or associate

### Changes in the Classification of CEZ Group Companies into Segments as at January 1, 2021

As at January 1, 2021, there was a partial change in the structure of segments, and thus changes in the classification of some companies of the consolidation group into individual segments. The essence of the change in the structure of segments is the merger of the Generation—Traditional Energy segment and Generation—New Energy into the new Generation segment. The main reason is the fact that the development of renewable sources in CEZ Group will take place primarily within the existing companies now operating mainly traditional energy, and not through the existing companies in the Generation—New Energy segment, or in newly acquired companies. This is a result of specifying the regulatory support for the development of RES in Czechia, including the conditions for derogations, and also of accelerating the intention to reduce coal energy in Europe, which accelerates the transformation of existing traditional energy. Furthermore, the Support Services segment is dissolved, especially with regard to the dissolution of ČEZ Korporátní služby, whose activities were mainly transferred to the parent company ČEZ, a. s. (incorporated before January 1, 2021, into the Generation—Traditional Energy segment).

The financial results for 2020 are presented in this Annual Report in the structure valid as at December 31, 2020. Only the expected financial results in 2021 and their comparison with the financial results of 2020 are already presented in the new structure valid from January 1, 2021.

From the point of view of the classification of individual companies, most of the companies of the existing segments of Generation—Traditional Energy, Generation—New Energy, and Support Services were included in the new Generation segment. The classification of all major companies of the consolidation group, whose classification into individual segments changed at January 1, 2021, is given below.

### List of Companies Whose Classification into Segments Changed at January 1, 2021

#### From the Generation—Traditional Energy Segment (until December 31, 2020) to the Generation Segment (from January 1, 2021)

AK-EL Kemah Elektrik Üretim ve Ticaret A.S.  
 Akenerji Dogal Gaz Ithalat Ihracat ve Toptan Ticaret A.S.  
 Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.S.  
 Akenerji Elektrik Üretim A.S.  
 Areál Třeboradice, a.s.  
 Centrum výzkumu Řež s.r.o.  
 CEZ Hungary Ltd.  
 CEZ Chorzów II sp. z o.o.  
 CEZ Chorzów S.A.  
 CEZ Produkty Energetyczne Polska sp. z o.o.  
 CEZ Skawina S.A.  
 CEZ Srbija d.o.o.  
 CEZ Towarowy Dom Maklerski sp. z o.o.  
 CEZ Trade Romania S.R.L.  
 ČEZ Bohunice a.s.  
 ČEZ Energetické produkty, s.r.o.  
 ČEZ ENERGOSERVIS spol. s r.o.  
 ČEZ Teplárenská, a.s.  
 ČEZ, a. s.  
 Elektrárna Dětmorovice, a.s.  
 Elektrárna Dukovany II, a. s.  
 Elektrárna Mělník III, a. s.  
 Elektrárna Temelín II, a. s.  
 Energetické centrum s.r.o.  
 Energotrans, a.s.  
 Jadrová energetická spoločnosť Slovenska, a. s.  
 MARTIA a.s.  
 OSC, a.s.  
 ŠKODA PRAHA a.s.  
 Tepelné hospodářství města Ústí nad Labem s.r.o.  
 ÚJV Řež, a. s.  
 Ústav aplikované mechaniky Brno, s.r.o.

**From the Generation—New Energy Segment  
(until December 31, 2020) to the Generation Segment  
(from January 1, 2021)**

A.E. Wind S.A.  
 Baltic Green Construction sp. z o.o.  
 Baltic Green II sp. z o.o.  
 Baltic Green III sp. z o.o.  
 Baltic Green IX sp. z o.o.  
 Baltic Green VI sp. z o.o.  
 Baltic Green VIII sp. z o.o. w likwidacji  
 BANDRA Mobiliengeellschaft mbH & Co. KG  
 Bara Group EOOD  
 CASANO Mobiliengeellschaft mbH & Co. KG  
 CEZ Bulgarian Investments B.V.  
 CEZ Deutschland GmbH  
 CEZ Erneuerbare Energien Beteiligungs GmbH  
 CEZ Erneuerbare Energien Beteiligungs II GmbH  
 CEZ Erneuerbare Energien Verwaltungs GmbH  
 CEZ France SAS  
 CEZ Holdings B.V.  
 CEZ RES International B.V.  
 CEZ Windparks Lee GmbH  
 CEZ Windparks Luv GmbH  
 CEZ Windparks Nordwind GmbH  
 ČEZ Obnovitelné zdroje, s.r.o.  
 ČEZ OZ uzavřený investiční fond a.s.  
 ČEZ Recyklace, s.r.o.  
 Ferme Eolienne d'Andelaroche SAS  
 Ferme éolienne d'Allas-Nieul SAS  
 Ferme éolienne de Feuillade et Souffrignac SAS  
 Ferme éolienne de Genouillé SAS  
 Ferme éolienne de la Petite Valade SAS  
 Ferme Eolienne de la Piballe SAS  
 Ferme Eolienne de Neuville-aux-Bois SAS  
 Ferme éolienne de Nueil-sous-Faye SAS  
 Ferme Eolienne de Saint-Laurent-de-Céris SAS  
 Ferme éolienne de Saugon SAS  
 Ferme Eolienne de Seigny SAS  
 Ferme Eolienne de Thorigny SAS  
 Ferme éolienne des Besses SAS  
 Ferme Eolienne des Breuils SAS  
 Ferme Eolienne des Grands Clos SAS  
 Ferme éolienne du Blessonnier SAS  
 Ferme Eolienne du Germancé SAS  
 Free Energy Project Oreshets EAD  
 GP JOULE PP1 GmbH & Co. KG  
 GP JOULE PPX Verwaltungs-GmbH

Green Wind Deutschland GmbH  
 juwi Wind Germany 100 GmbH & Co. KG  
 M.W. Team Invest S.R.L.  
 Ovidiu Development S.A.  
 TMK Hydroenergy Power S.R.L.  
 Tomis Team S.A.  
 Windpark Baben Erweiterung GmbH & Co. KG  
 Windpark Bad Berleburg GmbH & Co. KG  
 Windpark Badow GmbH & Co. KG  
 Windpark Berka GmbH & Co. KG  
 Windpark FOHREN-LINDEN GmbH & Co. KG  
 Windpark Frauenmark III GmbH & Co. KG  
 Windpark Gremersdorf GmbH & Co. KG  
 Windpark Cheinitz-Zethlingen GmbH & Co. KG  
 Windpark Mengerlinghausen GmbH & Co. KG  
 Windpark Moringen Nord GmbH & Co. KG  
 Windpark Naundorf GmbH & Co. KG  
 Windpark Nortorf GmbH & Co. KG  
 Windpark Prezelle GmbH & Co. KG  
 Windpark Zagelsdorf GmbH & Co. KG

**From the Generation—New Energy Segment  
(until December 31, 2020) to the Sales Segment  
(from January 1, 2021)**

Inven Capital, SICAV, a.s.

**From the Support Services Segment  
(until December 31, 2020) to the Generation Segment  
(from January 1, 2021)**

CEZ MH B.V.  
 CEZ Polska sp. z o.o.  
 CEZ Ukraine LLC  
 ČEZ Asset Holding, a. s.  
 ČEZ ICT Services, a. s.  
 ČEZ Korporátní služby, s.r.o.

Note: As at January 1, 2021, ČEZ Korporátní služby ceased to exist and most of the company's activities were transferred to ČEZ, a. s. Another part of its activities was transferred to ČEZ ICT Services, a. s., which has also been part of the Generation segment since January 1.

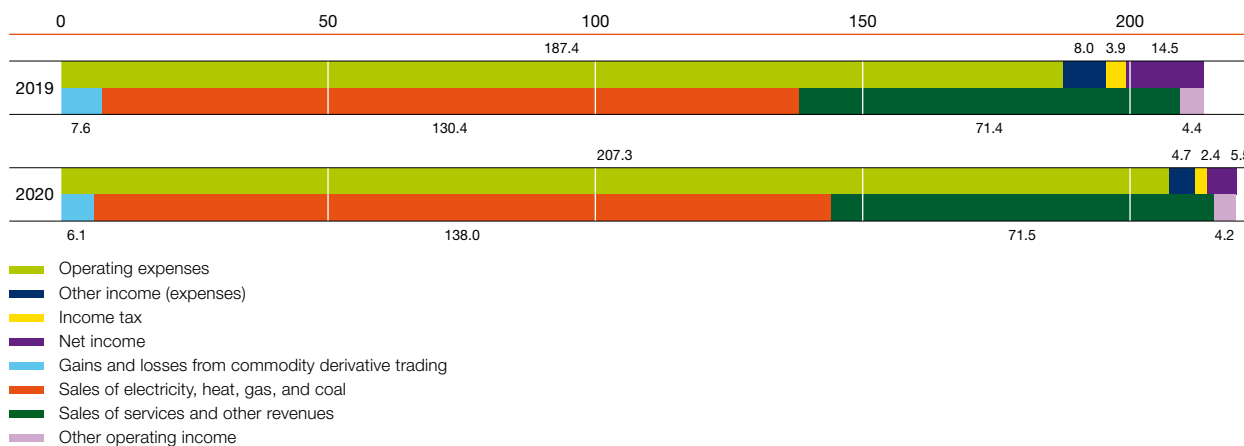
**From the Support Services Segment  
(until December 31, 2020) to the Sales Segment  
(from January 1, 2021)**

FDLnet.CZ, s.r.o.  
 ISP West s.r.o.  
 TaNET West s.r.o.  
 Telco Infrastructure, s.r.o.  
 Telco Pro Services, a. s.

## CEZ Group's Financial Results

### Changes in Revenues, Expenses, and Income

#### CEZ Group Net Income Breakdown (CZK Billions)



Net income (after-tax income) in 2020 amounted to CZK 5.5 billion, which is a year-on-year decrease of CZK 9.0 billion. In 2020, the decrease was mainly due to higher additions to impairments of property, plant, and equipment and intangible assets, including goodwill. Operating revenues increased by CZK 7.5 billion year-on-year, primarily due to higher revenues from sales of electricity, heat, gas, and coal (CZK +7.6 billion), of which the highest increase was electricity sales.

Gain from commodity derivative trading decreased by CZK 1.5 billion.

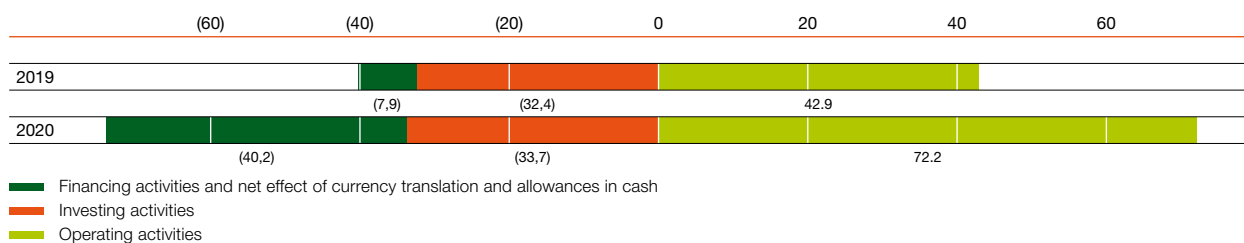
Operating expenses increased by CZK 19.9 billion year-on-year. The increase in expenses was mainly due to higher provisions for fixed assets, including a decrease in the value of goodwill by CZK 19.2 billion, mainly in connection with the conclusion of the agreement on the sale of Romanian assets, and the unfavorable development of conditions for coal generation and coal mining. Year-on-year, fuel and emission allowances also increased by CZK 1.9 billion (due to higher acquisition prices and lower volumes of allowances allocated free of charge), personnel costs by CZK 2.0 billion, and costs of purchasing electricity, gas, and other energy by CZK 0.8 billion. There was a year-on-year decrease in operating expenses for depreciation by CZK 0.7 billion, service costs by CZK 1.1 billion, and other operating expenses by CZK 2.2 billion.

Other income and expenses increased year-on-year net profit by CZK 3.3 billion, mainly due to interest received on arrears in connection with the refund of part of the gift tax paid on emission allowances from 2011 and 2012 (CZK +1.5 billion) and a higher balance of foreign exchange profits and losses, including revaluation of financial derivatives and securities (CZK +1.3 billion).

Income tax dropped by CZK 1.5 billion due to lower earnings before taxes.

### Cash Flows

#### CEZ Group Cash Flows (CZK Billions)



Cash flows from operating activities increased by CZK 29.2 billion year-on-year to CZK 72.2 billion. Change in working capital contributed positively to the increase (CZK +42.2 billion), while income before taxes adjusted for noncash operations (CZK -12.9 billion) had the opposite effect. Income tax paid decreased slightly year-on-year (CZK +0.4 billion), while interest paid (CZK -0.2 billion) and lower interest and dividends received (CZK -0.2 billion) had the opposite effect.

In respect of working capital, positive year-on-year effects included change in the balance of payables and receivables from derivatives including options (CZK +28.8 billion) and change in emission allowances adjusted for changes in the fair value of allowances for trading (CZK +22.1 billion). In contrast, there was a negative effect of change in short-term time deposits and securities (CZK -2.9 billion), change in the balance of trade receivables and payables (CZK -5.2 billion) and change in the balance of other payables and receivables (CZK -0.6 billion).

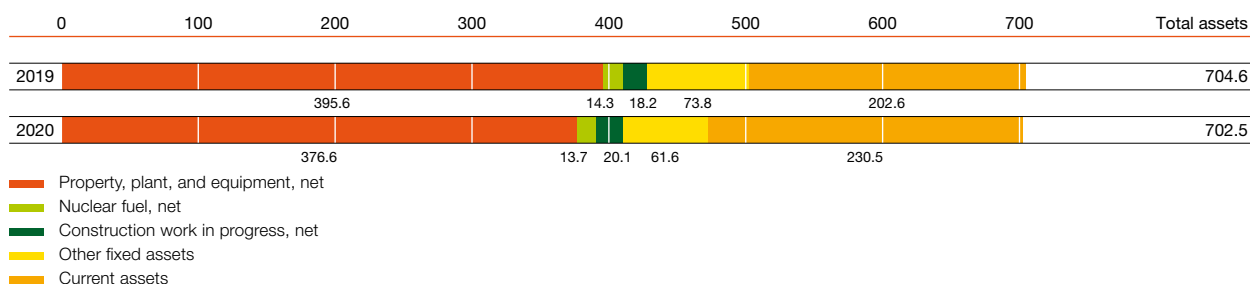
Cash used in investing activities increased by CZK 1.4 billion year-on-year to CZK 33.7 billion. Acquisition of fixed assets including capitalized interest increased (CZK -1.8 billion) due to higher investments in property, plant, and equipment and intangible fixed assets. Revenues from the sale of fixed assets decreased (CZK -2.1 billion) and loans granted increased (CZK -0.7 billion). Year-on-year, fewer funds were spent on the acquisition of subsidiaries, associates, and joint ventures (CZK +2.2 billion) and there was a lower increase in financial assets with limited availability (CZK +1.1 billion).

Cash used in financing activities (including net effect of currency translation and allowances in cash) increased by CZK 32.3 billion year-on-year to CZK 40.2 billion. The increase was mainly due to repayments and borrowings (CZK -26.9 billion) and higher dividends paid to the Company's shareholders (CZK -5.3 billion). In 2020, more funding was spent on purchasing noncontrolling interests (CZK -1.1 billion). The change in other long-term liabilities had a positive effect on cash flows from financing activities (CZK +0.8 billion), while the sale of treasury shares contributed to the year-on-year decrease (CZK -0.2 billion). The net effect of currency translation and allowances in cash had a positive effect (CZK +0.4 billion).

### Structure of Assets, Equity, and Liabilities

The value of CEZ Group's consolidated assets, equity, and liabilities decreased by CZK 2.1 billion to CZK 702.5 billion in 2020.

#### Structure of CEZ Group Assets as at December 31 (CZK Billion)



Noncurrent assets decreased by CZK 30.0 billion to CZK 471.9 billion.

The value of property, plant, and equipment, net, decreased (CZK -19.0 billion), of which fixed assets, gross, decreased (CZK -37.5 billion), whereas provisions and adjustments were lower (CZK +18.4 billion). The most significant share of changes in property, plant, and equipment was caused by the transfer of Romanian assets to assets classified as held for sale.

Construction work in progress, net, increased year-on-year (CZK +1.8 billion).

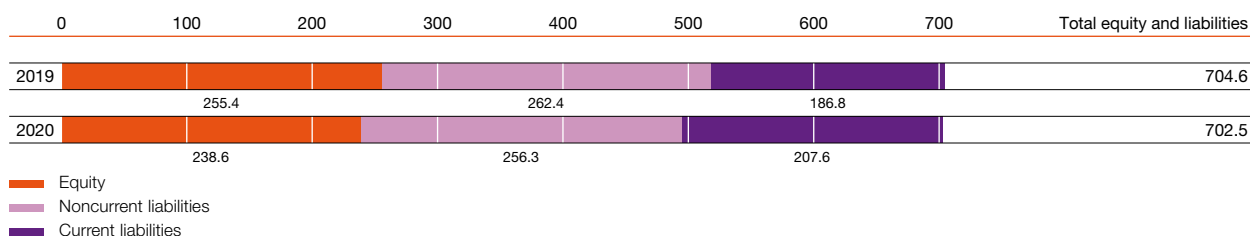
Value of nuclear fuel decreased (CZK -0.6 billion).

The decrease in other fixed assets (CZK -12.3 billion) was due to a decrease in intangible fixed assets (CZK -13.2 billion), mainly as a result of lower balance of long-term emission allowances (CZK -9.4 billion) and due to decrease in goodwill in subsidiaries (CZK -2.4 billion). Year-on-year, long-term receivables from derivatives (CZK -2.6 billion), long-term equity securities (CZK -0.7 billion), and deferred tax assets (CZK -0.7 billion) decreased. By contrast, long-term receivables from the sale of subsidiaries (CZK +2.3 billion), other long-term receivables (CZK +1.1 billion), and other fixed assets increased. Investments in associates and joint ventures increased year-on-year (CZK +0.8 billion), mainly due to new investments in Geomet. In 2020, financial assets with limited availability increased (CZK +0.7 billion).



The value of current assets increased by CZK 27.9 billion to CZK 230.5 billion. This was mainly due to an increase in assets classified as held for sale (CZK +23.1 billion) as a result of concluding an agreement on the sale of Romanian assets. The value of emission allowances increased year-on-year, mainly due to an increase in the market price (CZK +10.8 billion). In 2020, short-term time deposits (CZK +2.8 billion), short-term receivables from the sale of subsidiaries (CZK +2.0 billion), and short-term loans (CZK +1.0 billion) increased. In contrast, receivables from derivatives, including options, decreased (CZK -4.6 billion), while cash and cash equivalents (CZK -3.7 billion) and trade receivables (CZK -1.4 billion) decreased. Other current assets decreased (CZK -2.2 billion), most of which were contractual assets.

#### Structure of CEZ Group Equity and Liabilities as at December 31 (CZK Billion)



Equity decreased by CZK 16.8 billion to CZK 238.6 billion.

Dividends awarded to shareholders (CZK -18.2 billion) and other comprehensive profit and loss of 2020 (CZK -3.8 billion) had the largest impact on the decline in equity. By contrast, net income generated in 2020 increased equity (CZK +5.5 billion). Other changes in equity decreased it slightly (CZK -0.3 billion).

Long-term liabilities decreased by CZK 6.2 billion to CZK 256.3 billion. Bonds issued contributed the most to the decrease (CZK -21.0 billion), especially the repayment of the 20th issue of Eurobonds in 2020. In 2020, long-term liabilities were transferred from the acquisition of emission allowances for trading to short-term liabilities (CZK -1.8 billion). Deferred tax liability decreased year-on-year (CZK -1.2 billion). By contrast, due to the growth of nuclear provisions, long-term provisions increased (CZK +15.8 billion). Long-term liabilities from derivatives increased (CZK +2.3 billion) and long-term bank loans, including lease liabilities, increased (CZK +0.5 billion). Current liabilities increased by CZK 20.9 billion year-on-year to CZK 207.6 billion. The growth was caused mainly by the rising short-term liabilities from derivatives, including options (CZK +8.7 billion) and increase in trading payables (CZK +6.9 billion). Liabilities related to Romanian assets held for sale increased (CZK +6.5 billion) due to concluding the sale agreement. Liabilities associated with Bulgarian assets held for sale decreased (CZK -0.5 billion). The short-term portion of long-term debts increased (CZK +3.7 billion). Short-term liabilities from the acquisition of subsidiaries increased only slightly (CZK +0.2 billion). By contrast, short-term loans (CZK -3.3 billion) decreased year-on-year, short-term provisions (CZK -0.6 billion), taxes and fees excluding income taxes (CZK -0.5 billion), and contractual obligations decreased (CZK -0.2 billion).

#### Comprehensive Income

In 2020, net comprehensive income decreased by CZK 26.9 billion to CZK 1.7 billion, compared to 2019. Year-on-year, both net income decreased by CZK 9.0 billion and other comprehensive income decreased by CZK 17.9 billion.

Decrease in other comprehensive income was affected primarily by change in the fair value of cash flow hedging financial instruments (CZK -19.1 billion), which resulted from reduction in the fair value of sales contracts for electricity supplies in 2021–2025 in relation to increased market prices of electricity in 2020. Derecognition of cash flow hedges into profit or loss also had a negative effect (CZK -5.3 billion). By contrast, differences from exchange rate conversions of subsidiaries, associates, and joint ventures increased the other comprehensive income (CZK +2.5 billion), while the related deferred tax also increased the other comprehensive income (CZK +4.8 billion). Other changes had a negative impact on the comprehensive income (CZK -0.7 billion), mainly due to a change in the fair value of equity instruments.

## Financial Results of CEZ Group Segments

### Segments and Their Contributions to CEZ Group's Financial Performance

	External Operating Revenues	Intersegment Operating Revenues	Total Operating Revenues	EBITDA	Net Income	CAPEX	Workforce Headcount as at Dec 31
	(CZK millions)	(CZK millions)	(CZK millions)	(CZK millions)	(CZK millions)	(CZK millions)	(Persons)
<b>Generation—Traditional Energy</b>							
2019	61,498	36,864	98,362	25,633	11,859	10,759	10,031
2020	66,913	34,874	101,787	29,260	13,617	10,705	10,159
<b>Generation—New Energy</b>							
2019	6,346	368	6,714	4,100	3,136	682	181
2020	6,067	1,269	7,336	4,629	(2,819)	427	202
<b>Distribution</b>							
2019	43,151	632	43,783	20,553	7,259	13,709	9,016
2020	44,621	586	45,207	21,502	4,412	14,869	9,172
<b>Sales</b>							
2019	86,557	7,013	93,570	3,561	1,636	1,530	7,277
2020	90,789	6,806	97,595	4,644	1,986	1,160	7,646
<b>Mining</b>							
2019	4,882	6,099	10,981	4,991	1,862	2,306	4,776
2020	4,281	4,697	8,978	3,429	(2,186)	3,307	4,582
<b>Support Services</b>							
2019	3,758	4,781	8,539	1,347	696	1,088	1,084
2020	1,066	4,170	5,236	1,316	568	969	774
<b>Elimination</b>							
2019	–	(55,757)	(55,757)	(10)	(11,948)	(285)	–
2020	–	(52,402)	(52,402)	3	(10,110)	(278)	–
<b>Consolidated</b>							
2019	206,192	–	206,192	60,175	14,500	29,789	32,365
2020	213,737	–	213,737	64,783	5,468	31,159	32,535

The net profit of the most important segment, Generation—Traditional Energy, increased year-on-year by CZK 1.8 billion. In Czechia, the segment's net profit increased by CZK 5.3 billion year-on-year, which was due to higher operating profit before depreciation, provisions, and sale of assets (EBITDA; CZK +3.7 billion), interest received on arrears in relation to the paid gift tax on emission allowances from 2011 and 2012 pursuant to a court decision (CZK +1.5 billion), lower provisions for fixed assets (CZK +1.2 billion), the balance of foreign exchange gains and losses, including the revaluation of financial derivatives and securities (CZK +1.1 billion), and lower depreciation (CZK +0.9 billion). By contrast, reduced dividend received in 2020 by the parent company ČEZ (CZK -1.9 billion) and higher income tax (CZK -1.5 billion) had a negative effect. In Poland, the segment's net profit decreased by CZK 3.6 billion due to higher provisions for fixed assets (CZK -4.3 billion), while income tax decreased (CZK +0.8 billion).

The net profit of the Generation—New Energy segment decreased by CZK 6.0 billion, the most in Romania (CZK -5.8 billion). Higher provisions for fixed assets (CZK -7.3 billion) in Romania were partially offset by higher EBITDA (CZK +0.7 billion) and lower income tax (CZK +0.7 billion).

The Distribution segment's net income decreased by CZK 2.8 billion. Most again in Romania (CZK -3.5 billion), where higher provisions for fixed assets (CZK -4.7 billion) were only partially offset by higher EBITDA (CZK +0.4 billion) and lower income tax (CZK +0.7 billion). Net income in Czechia decreased by CZK 0.3 billion (CZK -0.4 billion) due to increased depreciation. Net income of the Bulgarian distribution increased by CZK 0.1 billion. The Turkish distribution's net profit increased by CZK 0.8 billion as a result of creating a provision for issued guarantees on liabilities of the companies of Akcez Enerji A.S. in 2019.

The Sales segment's net profit increased by CZK 0.4 billion, (CZK +0.8 billion) of which in Czechia due to an increase in EBITDA, on the contrary, in Romania it decreased (CZK -0.4 billion) as a result of creating provisions for fixed assets.

In the Mining segment, net profit decreased by CZK 4.0 billion as a result of creating provisions for fixed assets (CZK -3.3 billion) and a decrease in EBITDA (CZK -1.6 billion), partially offset by lower income tax (CZK +0.9 billion).

The Support Services segment's net income decreased by CZK 0.1 billion year-on-year.

Concerning other indicators of individual segments included in the table, comments are provided below on year-on-year changes in EBITDA (operating income before depreciation and amortization, impairment, and asset sales), which is the most frequently used indicator of operating performance of companies traded on global exchanges and is monitored by international analysts, creditors, investors, and shareholders.

EBITDA of the largest segment, Generation—Traditional Energy increased by CZK 3.6 billion to CZK 29.3 billion. In Czechia, the indicator increased by CZK 3.7 billion. The increase was mainly due to higher realization prices of generated electricity, including the effect of hedges (CZK +8.8 billion) and higher revenues from sales of heat (CZK +0.4 billion). By contrast, higher costs of emission allowances for generation had a negative effect on generation due to rising market prices and lower volumes of allowances allocated free of charge (CZK -3.7 billion), lower operating availability of emission sources (CZK -1.0 billion), and lower nuclear generation (CZK -0.2 billion). In trade, lower profit from commodity trading was achieved (CZK -0.6 billion). In Poland, the indicator decreased by CZK 0.1 billion due to higher expenses on emission allowances and biomass for the Chorzów power plant.

EBITDA of the Generation – New Energy segment increased by CZK 0.5 billion to CZK 4.6 billion. In Romania, the indicator increased by CZK 0.7 billion due to a higher gross margin from electricity generation (CZK +0.6 billion) due to higher generation volume and sales price of electricity generated, and further (CZK +0.1 billion) due to higher claims income. In Germany, the indicator increased by CZK 0.1 billion, mainly due to lower fixed operating costs related to the change in the RES strategy abroad. In other countries, EBITDA decreased by a total of CZK 0.2 billion due to the compensation of preacquisition tax assessments of Eco-Wind Construction in 2019 (CZK -0.1 billion) and the establishment of CEZ RES International (covering RES activities in Western Europe), which led to the transfer of costs from ČEZ, a. s. (CZK -0.1 billion).

The Distribution segment's EBITDA increased by CZK 0.9 billion to CZK 21.5 billion. In Czechia, the indicator increased by CZK 0.1 billion, mainly due to higher capitalization of investment costs. In Romania, the indicator increased by CZK 0.4 billion, mainly due to higher revenues from electricity distribution and lower costs to cover losses in the grid (CZK +0.5 billion). In Bulgaria, the indicator increased by CZK 0.4 billion due to lower costs to cover losses in the grid and higher revenue from electricity distribution (CZK +0.6 billion), by contrast, higher fixed operating costs (CZK -0.2 billion) had a negative effect.

The Sales segment showed EBITDA of CZK 4.6 billion, i.e., CZK +1.1 billion year-on-year. The indicator increased in Czechia by CZK 1.2 billion as a result of a court decision in 2019, on the basis of which the performance of the Railway Administration's (SŽ, formerly SŽDC) obligation to ČEZ Prodej from 2010 was returned including accessories (CZK +1.3 billion) and due to higher supplies of electricity not yet invoiced (CZK +0.4 billion). The indicator was negatively affected by the effects of COVID-19 in 2020 on the margin on the commodity sales to corporate customers (CZK -0.2 billion) and on noncommodity ESCO activities (CZK -0.2 billion), and other effects (CZK -0.1 billion), especially through increased creation of provisions and impairments. In Germany, the indicator decreased by CZK 0.4 billion due to the impact of COVID-19 in 2020. In Romania, the indicator increased by CZK 0.2 billion due to a higher gross margin, mainly as a result of lower electricity purchase costs. In other countries, the indicator increased (CZK +0.1 billion) mainly due to the acquisition of Euroklimat in Poland.

In the Mining segment, the EBITDA indicator reached the level of CZK 3.4 billion, i.e., it decreased by CZK 1.6 billion year-on-year. Decrease in revenues from coal sales to CEZ Group (CZK -1.1 billion), is in particular a consequence of extended outage of the Ledvice 4 power plant (new facility) and the closure of the Prunéřov 1 power plant. Revenues from coal sales to external customers also decreased (CZK -0.4 billion), transport performance of SD - Kolejová doprava (CZK -0.2 billion), and reclamation costs (CZK +0.1 billion).

The EBITDA indicator of the Supporting Activities segment reached CZK 1.3 billion, unchanged year-on-year.

### Comparison of Selected Data for 2020 in Segment Structures Applicable at December 31, 2020 and January 1, 2021

CEZ Group will report its financial results for the period from January 1, 2021, in a new structure of the main operating segments. The table below shows what the selected indicators of the operating segments would look like if the new structure already applied to reporting financial results for 2020.

	Operating Revenues	EBITDA	Net Income	Workforce Headcount as at Dec 31
	(CZK millions)	(CZK millions)	(CZK millions)	(Persons)
<b>Sales</b>				
2020	97,595	4,644	1,986	7,646
2020*	98,387	4,770	2,161	7,781
<b>Distribution</b>				
2020	45,207	21,502	4,413	9,172
2020*	45,207	21,502	4,413	9,172
<b>Generation</b>				
2020	x	x	x	x
2020*	110,475	35,079	8,274	11,000
<b>Mining</b>				
2020	8,978	3,429	(2,186)	4,582
2020*	8,978	3,429	(2,186)	4,582
<b>Generation—Traditional Energy (segment has been shut down since 2021)</b>				
2020	101,787	29,260	13,617	10,159
2020*	x	x	x	x
<b>Generation—New Energy (segment has been shut down since 2021)</b>				
2020	7,336	4,629	(2,819)	202
2020*	x	x	x	x
<b>Support Services (segment has been shut down since 2021)</b>				
2020	5,236	1,316	568	774
2020*	x	x	x	x
<b>Elimination</b>				
2020	(52,402)	3	(10,110)	
2020*	(49,310)	3	(7,193)	
<b>Consolidated Data</b>				
2020	213,737	64,783	5,468	32,535
2020*	213,737	64,783	5,468	32,535

\* According to segment structure applicable since January 1, 2021.

The first segment line = reported data for 2020.

The second segment line = 2020 data in terms of segments valid in 2021.

### Economic and Financial Outlook for 2021

As at March 15, 2021, CEZ Group expected its consolidated net income\* for 2021 to reach CZK 17 to 20 billion.

The expected year-on-year increase in net profit is mainly due to the creation of provisions for fixed assets in 2020, which mainly reflected the concluded agreement on the sale of Romanian assets and the impact of deteriorating economic conditions in coal energy in general.

By contrast, the expected year-on-year decrease in consolidated operating profit before depreciation, provisions, and sale of assets (EBITDA) has a negative effect, mainly due to the expected completion of sales of foreign assets in Romania and Bulgaria in the first half of 2021. The contribution of these assets to the consolidated results of 2021 will depend on the settlement date of their sale in 2021.

For the purposes of comparability of year-on-year economic development, we therefore divide CEZ Group into two parts below, namely "Assets Held for Sale" (Romanian, Bulgarian, and Polish companies outside the ESCO activities) and "Strategic Assets" (all other CEZ Group companies).

### Strategic Assets

As at March 15, 2021, CEZ Group expected the contribution of Strategic Assets to CEZ Group's EBITDA for 2021 in the amount of CZK 54 to 57 billion, which represents a year-on-year decrease of a total of CZK 0 to 3 billion.

The major causes of the year-on-year change in financial performance are listed below, broken down by the segment structure applicable since January 1, 2021, to indicate CEZ Group's Strategic Assets expected financial position in 2021.

A year-on-year increase of CZK 0.4 to 1.4 billion is expected in the Sales segment with regard to growth ambitions in the area of ESCO, negative impact of COVID-19 on ESCO companies in 2020 and, conversely, year-on-year difference of ČEZ Prodej's non-invoiced electricity in 2020. The wide range reflects the high uncertainty, especially regarding the acquisition development in relation to COVID-19. In the Distribution segment, a year-on-year change in the range of CZK -0.6 billion to CZK +0.4 billion is expected, with the impact of the new Czech regulatory period having a negative effect and, conversely, the effect of correction factors having a positive effect. The Generation segment is expected to decrease by CZK 1.0 to 4.0 billion year-on-year. In Trading, the year-on-year change is expected to be in the range of CZK -2.0 billion to CZK +0.5 billion due to a lower expected profit from commodity trading. In renewable generation, no change is expected, that is, year-on-year change in the range of CZK -0.2 billion to CZK +0.2 billion. In nuclear generation, a year-on-year increase of CZK 1.3 to 2.4 billion is expected, with higher realization prices of electricity generated and higher generation volumes having a positive effect. In generation from emission sources, a year-on-year decrease of CZK 3.3 to 4.1 billion is expected, with higher costs of emission allowances for generation and higher costs of equipment care, and lower revenues from the sale of ancillary services.

In the Mining segment, a year-on-year decrease is expected, that is, year-on-year change in the range of CZK -0.6 billion to CZK 0.0 billion. The main reason for the expected decline is higher fixed operating costs and higher reclamation costs.

The reasons for using the EBITDA and net profit forecast range for 2021 are mainly the following risks and opportunities: availability of generating facilities, realization prices of produced electricity, profit from commodity trading and revaluation of derivatives, sales revenues from ancillary services for generating facilities in Czechia, and impacts of COVID-19.

Investments in the fixed assets of CEZ Group's Strategic Assets in 2021 are expected to amount to CZK 37 billion, mostly planned to be invested in generation and distribution assets in Czechia.

The 2021 net income of the parent company, ČEZ, a. s., is estimated at CZK +13 billion to +15 billion, the bulk of which consists of dividends received from subsidiaries.

### Assets Held for Sale

The contribution of Assets Held for Sale to CEZ Group's consolidated results in 2021 will depend on the date of settlement of their sale. As at March 15, 2021, CEZ Group expected the contribution of these assets to CEZ Group's EBITDA in the amount of CZK +2 to +3 billion, which assumes the settlement of the sale transaction of Romanian assets as at March 31, 2021, Bulgarian assets as at June 30, 2021, and consolidation of Polish assets throughout 2021. If all Assets Held for Sale are included in the consolidation throughout 2021, the contribution of these assets to CEZ Group's EBITDA would amount to approx. CZK 6 billion. The contribution of Assets Held for Sale to CEZ Group's net profit in 2021 is expected to be close to zero, especially with regard to concluded sales agreements, according to which the achieved net profit belongs to the buyers.

Investments in fixed Assets Held for Sale (for the period when they are expected to be part of CEZ Group) are expected to amount to approx. CZK 2 billion in 2021.

### Solvency in 2020

Solvency of CEZ Group was good in 2020 and CEZ Group companies did not report any problems in paying their liabilities.

During the year, CEZ Group used EUR 230 million from the loan framework concluded with the EIB in 2019 in the amount of EUR 330 million, and expects the remaining EUR 100 million to be used in 2021.

During 2020, CZK 18.0 billion was paid in dividends for 2019 and another 0.1 billion was paid in dividends for previous years.

The average maturity of CEZ Group's financial debts was more than 5.8 years at the end of 2020.

\* When assessing the fulfillment of estimates, CEZ Group adjusts achieved net income for extraordinary effects that are generally unrelated to ordinary financial performance in a given year (such as fixed asset impairments and goodwill impairment) and such adjusted net income of CEZ Group then forms the basis for the application of the Company's current dividend policy.



## CEZ Group Capital Expenditure

### Capital Expenditure in 2019 and 2020

#### Total Capital Expenditure (CZK Millions)

	2019	2020
Additions to property, plant, and equipment, including capitalized interest	29,802	31,558
Additions to property, plant, and equipment	28,584	29,468
Of which: Nuclear fuel procurement	3,242	2,979
Additions to intangibles	1,205	1,691
Additions to noncurrent financial assets	222	414
Change in balance of liabilities attributable to capital expenditure	(209)	(15)
Financial investments*	3,529	1,347
Total capital expenditures	33,331	32,905

\* Acquisition of subsidiaries, associates, and joint ventures, net of cash acquired.

#### Additions to Property, Plant, and Equipment and Intangibles (CAPEX), by Type (CZK Millions)

	Czechia		Germany		Poland		France		Romania		Bulgaria		Other		Total	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Mining	2,306	3,307	-	-	-	-	-	-	-	-	-	-	-	-	2,306	3,307
Generation— Traditional Energy	10,341	10,182	-	-	418	523	-	-	-	-	-	-	-	-	10,759	10,705
Of which: Nuclear fuel acquisition	3,242	2,979	-	-	-	-	-	-	-	-	-	-	-	-	3,242	2,979
Generation— New Energy	8	9	(8)	0	22	-	400	52	260	365	-	-	-	-	682	427
Distribution	10,904	12,376	-	-	-	-	-	-	1,307	1,405	1,497	1,088	-	-	13,709	14,869
Sales	914	732	539	262	13	72	-	-	13	2	2	1	49	90	1,530	1,160
Support services*	798	691	-	-	5	-	-	-	-	-	-	-	-	-	803	691
Total	25,271	27,297	531	263	458	595	400	52	1,579	1,771	1,500	1,090	49	90	29,789	31,159

\* Including the amount of intersegment eliminations.

### Expected Investments in Fixed Assets in 2021–2025

#### Expected Investments in Acquisition of Fixed Assets (CAPEX) of CEZ Group, by Type (CZK Billions)

	2021	2022	2023	2024	2025
Mining	3.6	4.0	3.0	2.2	2.1
Generation	16.7	17.8	17.3	20.1	19.6
Of which: Traditional Energy	15.6	16.9	15.5	18.6	19.3
New Energy	1.1	1.0	1.8	1.5	0.3
Distribution	14.7	14.5	14.5	14.5	14.5
Sales	2.1	1.6	1.2	1.2	1.2
Support services	1.6	1.4	1.0	1.5	1.1
Total CAPEX	38.7	39.3	36.9	39.6	38.5

The above values do not include planned acquisitions of subsidiaries, affiliates and joint ventures and potential specific development expenditures whose implementation will depend on particular future market and regulatory conditions. Therefore, they do not include, for example, development ambitions in the area of renewable sources in Czechia, where CEZ Group expects to build and put into operation photovoltaic power plants with an output of over 1 GW by 2025 as part of its current strategy. The funds spent on these investments will result mainly from the development of the regulatory environment and the number of opportunities that will be economically repayable and in which the Group will be able to succeed in the market.

## CEZ Group Commodity Procurement, Sales, and Generation

### Electricity Procured and Supplied

#### Electricity Procured and Sold (GWh)

	2019	2020	2020/2019 Index (%)
<b>Electricity procured</b>	<b>58,381</b>	<b>54,902</b>	<b>94.0</b>
Generation	64,635	60,946	94.3
In-house and other consumption, including pumping in pumped-storage plants	(6,254)	(6,044)	96.6
<b>Sold to end-use customers</b>	<b>(35,176)</b>	<b>(33,265)</b>	<b>94.6</b>
<b>Wholesale balance</b>	<b>(19,468)</b>	<b>(18,102)</b>	<b>93.0</b>
Sold in the wholesale market	(324,116)	(277,953)	85.8
Purchased in the wholesale market	304,648	259,851	85.3
<b>Grid losses</b>	<b>(3,737)</b>	<b>(3,535)</b>	<b>94.6</b>

#### Electricity Generation, by Source of Energy (GWh)

Type of source	Czechia		Germany		Poland		Romania		Bulgaria		Total	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
<b>Emission-free:</b>	<b>32,635</b>	<b>32,561</b>	<b>285</b>	<b>292</b>	<b>5</b>	<b>9</b>	<b>1,250</b>	<b>1,335</b>	<b>6</b>	<b>6</b>	<b>34,182</b>	<b>34,202</b>
Nuclear	30,245	30,042	–	–	–	–	–	–	–	–	30,245	30,042
Hydro	2,244	2,381	–	–	5	9	66	75	–	–	2,315	2,465
Photovoltaic	136	129	–	–	–	–	–	–	6	6	142	135
Wind	10	8	285	292	–	–	1,185	1,259	–	–	1,479	1,560
<b>Emission-generating:</b>	<b>28,015</b>	<b>24,216</b>	<b>–</b>	<b>–</b>	<b>2,437</b>	<b>2,528</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>30,453</b>	<b>26,744</b>
Coal	23,376	19,672	–	–	2,040	1,987	–	–	–	–	25,416	21,659
Natural gas	4,006	3,915	–	–	–	–	–	–	–	–	4,006	3,915
Biomass	631	625	–	–	397	541	–	–	–	–	1,028	1,167
Biogas	2	3	–	–	–	–	–	–	–	–	2	3
<b>Total</b>	<b>60,650</b>	<b>56,777</b>	<b>285</b>	<b>292</b>	<b>2,443</b>	<b>2,537</b>	<b>1,250</b>	<b>1,335</b>	<b>6</b>	<b>6</b>	<b>64,635</b>	<b>60,946</b>

#### Electricity Sales to End-Use Customers (GWh)

	Czechia		Poland		Romania		Bulgaria		Slovakia		Hungary		Total	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
Large customers	7,449	8,043	1,669	300	1,035	1,040	4,530	4,385	1,220	309	1,520	1,330	17,423	15,406
Commercial retail	2,024	1,928	135	32	950	830	1,605	1,437	156	140	–	–	4,869	4,367
Residential retail	6,819	7,064	–	–	1,723	1,826	4,342	4,601	–	–	–	–	12,884	13,491
<b>Total</b>	<b>16,292</b>	<b>17,035</b>	<b>1,804</b>	<b>332</b>	<b>3,708</b>	<b>3,696</b>	<b>10,476</b>	<b>10,423</b>	<b>1,375</b>	<b>449</b>	<b>1,520</b>	<b>1,330</b>	<b>35,176</b>	<b>33,265</b>

### Installed Capacity by Type of Generation Facility and Country (MW)

Type of source	Czechia		Germany		Poland		Romania		Bulgaria		Total	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
<b>Emission-free:</b>	<b>6,384</b>	<b>6,384</b>	<b>134</b>	<b>134</b>	<b>1</b>	<b>2</b>	<b>622</b>	<b>622</b>	<b>5</b>	<b>5</b>	<b>7,146</b>	<b>7,147</b>
Nuclear power plants	4,290	4,290	–	–	–	–	–	–	–	–	4,290	4,290
Hydroelectric power plants	1,961	1,961	–	–	1	2	22	22	–	–	1,984	1,985
Photovoltaic power plants	125	125	–	–	–	–	–	–	5	5	130	130
Wind power plants	8	8	134	134	–	–	600	600	–	–	742	742
<b>Emission-generating:</b>	<b>6,929</b>	<b>5,217</b>	<b>–</b>	<b>–</b>	<b>568</b>	<b>568</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7,497</b>	<b>5,786</b>
Coal-fired power plants and heating plants	5,973	4,254	–	–	568	568	–	–	–	–	6,541	4,822
CCGT power plants; Gas-fired CUs and boiler plants	955	963	–	–	–	–	–	–	–	–	955	963
Biogas plants	1	1	–	–	–	–	–	–	–	–	1	1
<b>Total</b>	<b>13,313</b>	<b>11,602</b>	<b>134</b>	<b>134</b>	<b>569</b>	<b>570</b>	<b>622</b>	<b>622</b>	<b>5</b>	<b>5</b>	<b>14,643</b>	<b>12,933</b>

## Heat

### Heat Supplied and Sold (TJ)

	Heat Supplied for Heating Purposes		External Heat Sales (Outside CEZ Group)	
	2019	2020	2019	2020
Czechia	21,469	22,084	18,864	18,578
Poland	5,366	5,539	5,252	5,404
<b>CEZ Group, total</b>	<b>26,835</b>	<b>27,623</b>	<b>24,116</b>	<b>23,982</b>

## Natural Gas

### Natural Gas Procured and Sold (GWh)

	2019	2020	2020/2019 Index (%)
Procured	384,216	539,773	140.5
Removed from storage	9,556	7,068	74.0
Sales	(374,459)	(530,017)	141.5
Of which: Trading	(364,005)	(520,128)	142.9
External large customers	(4,130)	(3,364)	81.5
Medium-sized customers	(1,582)	(1,664)	105.2
Retail customers	(1,109)	(1,159)	104.4
Residential retail	(2,964)	(3,131)	105.7
OTE	(670)	(571)	85.3
Placed in storage	(10,648)	(8,304)	78.0
Consumed in-house	(8,664)	(8,520)	98.3

### Natural Gas Sold to End-Use Customers (GWh)

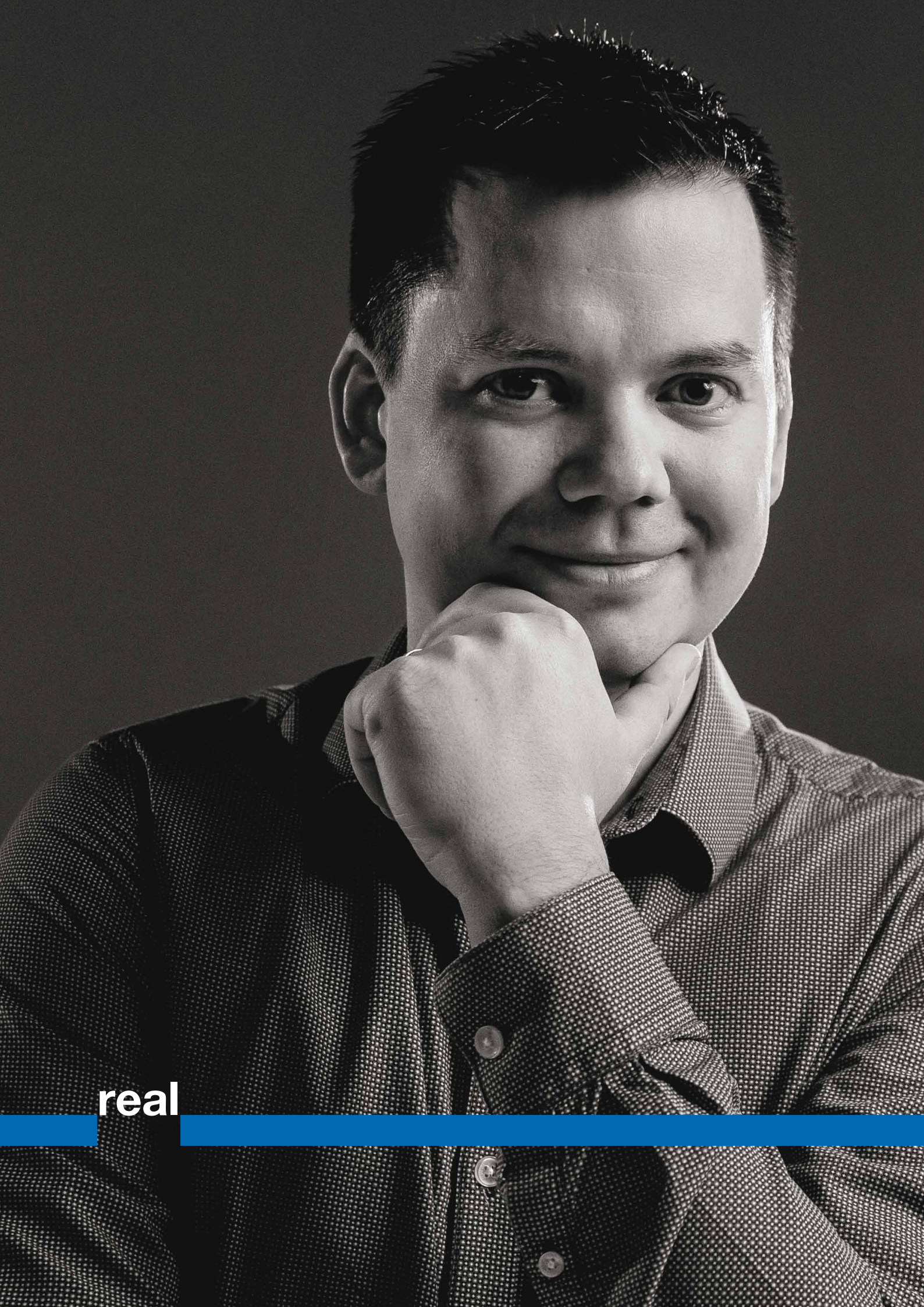
	Czechia		Poland		Romania		Slovakia		Total	
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020
External large customers	893	1,740	884	384	–	–	2,352	1,240	4,130	3,364
Medium-sized customers	298	278	28	28	1,170	1,300	85	58	1,582	1,664
Retail customers	974	1,006	–	–	–	–	135	153	1,109	1,159
Residential retail	2,959	3,126	–	–	–	–	5	5	2,964	3,131
Total	5,124	6,150	913	412	1,170	1,300	2,577	1,456	9,784	9,318

## Distributed Electricity

### Electricity Distributed by CEZ Group (GWh)

	Czechia		Romania		Bulgaria	
	2019	2020	2019	2020	2019	2020
Electricity distributed to end-use customers	35,863	34,676	6,810	6,487	9,426	9,396





real



**We digitize  
and modernize  
all processes for  
our customers**

**Stanislav Hes**, Energy Technology Specialist, ČEZ Distribuce, Prague

“Digitization of distribution networks is a key challenge for us in the coming years. Smart elements mean automation that will enable more efficient integration of growing production from renewable sources into the system, expand the electric mobility structure, but also respond more flexibly to grid emergencies. This will definitely be appreciated by our customers. I am glad to be able to participate in this great modernization of our company.”

**Energy**

## ČEZ, a. s., Financial Performance

The core business of ČEZ, a. s., is mainly electricity generation and trading, heat generation and distribution, and trading in gas and other activities.

### Selected ČEZ, a. s., Indicators

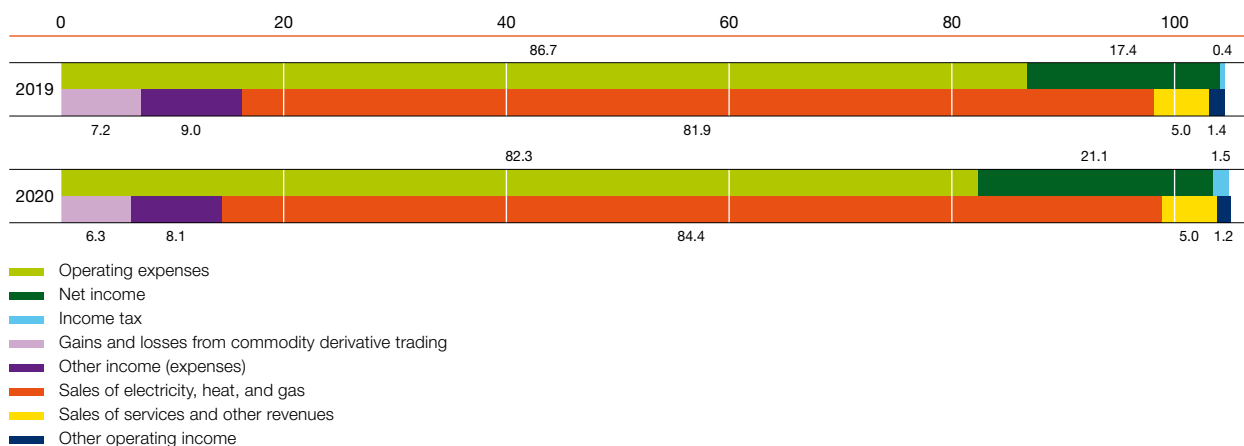
	Unit	2019	2020	2020/2019 Index (%)
Installed capacity	MW	10,876	9,716	89.3
Electricity generated (gross)	GWh	53,676	49,370	92.0
Heat sold (including sales within CEZ Group)	TJ	10,689	9,334	87.3
Workforce headcount as at December 31	Persons	5,381	5,490	102.0
Operating revenues	CZK millions	88,298	90,499	102.5
EBITDA	CZK millions	23,419	28,148	120.2
Net income	CZK millions	17,393	21,077	121.2
Dividend per share (gross) <sup>1)</sup>	CZK/share	24.0	34.0	141.7
Net cash provided by operating activities	CZK millions	24,623	45,467	184.7
Capital expenditures (CAPEX)	CZK millions	8,640	8,682	100.5
Total assets	CZK millions	622,086	632,392	101.7
Equity	CZK millions	203,479	201,445	99.0
Return on equity (ROE), net <sup>2)</sup>	%	9.0	10.4	x

<sup>1)</sup> Awarded in the given year.

<sup>2)</sup> ROE = Net Income / Average equity.

### Changes in Revenues, Expenses, and Income

#### Net Income Breakdown of ČEZ, a. s. (CZK Billions)



The net income (income after tax) of ČEZ, a. s., amounted to CZK 21.1 billion, a year-on-year increase of CZK 3.7 billion.

Operating revenues amounted to CZK 90.5 billion. They increased by CZK 2.2 billion year-on-year due to higher revenue from sales of electricity, heat, and gas (CZK +2.4 billion), while other operating income decreased by CZK 0.2 billion.

Gain from commodity derivative trading decreased by CZK 0.8 billion.

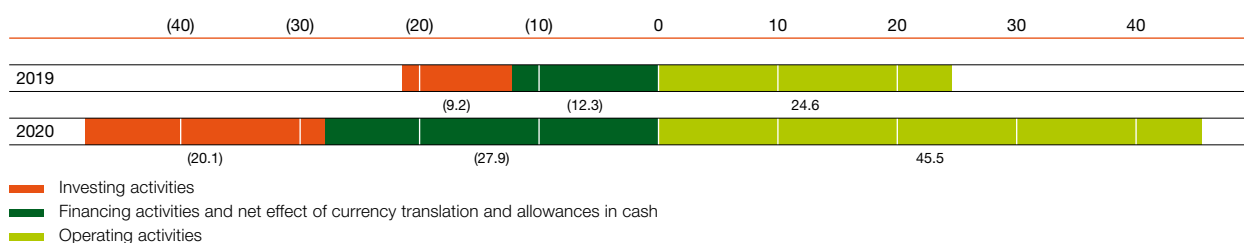
Operating expenses decreased by CZK 4.4 billion year-on-year to CZK 82.3 billion, mainly due to lower costs for the purchase of electricity, gas, and other energy (CZK +1.6 billion), lower fuel costs and emission allowances (CZK +1.2 billion), a decrease in depreciation (CZK +0.9 billion), and lower other operating expenses (CZK +0.8 billion). The increase in personnel costs (CZK -0.5 billion) was offset by lower costs of materials (CZK +0.2 billion), services (CZK +0.1 billion), and lower additions to impairments of fixed assets (CZK +0.1 billion).

Other income and expenses decreased net income by CZK 0.9 billion year-on-year. The decrease is mainly due to higher impairments of financial assets (CZK -7.6 billion) and lower dividend income (CZK -2.2 billion). In contrast, there was an increase in profit from the sale of ownership interests (CZK +5.8 billion), a decrease in debt interest expense (CZK +0.7 billion), and receipt of interest on arrears in connection with the refund of part of paid gift tax on allowances from 2011 and 2012 pursuant to a court decision (CZK +1.5 billion), and an increase in the balance of foreign exchange profit and loss, including the revaluation of financial derivatives and securities (CZK +1.2 billion).

Income tax increased by CZK 1.1 billion.

## Cash Flows

### ČEZ, a. s., Cash Flows (CZK Billions)



Cash flows from operating activities increased by CZK 20.8 billion year-on-year to CZK 45.5 billion. The high increase was caused by a change in working capital (CZK +39.2 billion). The profit before tax adjusted for non-cash transactions (CZK -15.3 billion), higher income tax paid (CZK -0.9 billion), and a decrease in dividends received (CZK -2.2 billion) had the opposite effect. In respect of working capital, positive year-on-year effects included change in the balance of payables and receivables from derivatives including options (CZK +28.3 billion) and change in emission allowances adjusted for changes in the fair value of allowances for trading (CZK +24.6 billion). In contrast, working capital was negatively affected by a change in the balance of trade receivables and payables (CZK -9.5 billion), a change in short-term time deposits and securities (CZK -3.3 billion), and a change in other liabilities and receivables (CZK -0.9 billion).

Cash used in investing activities increased by CZK 10.8 billion year-on-year to CZK 20.1 billion. The stock of provided loans increased (CZK -6.0 billion), mainly loans provided to companies in CEZ Group. Revenues from the sale of subsidiaries, joint ventures, and associates (CZK -2.8 billion) and revenues from the sale of fixed assets (CZK -0.4 billion) decreased. More funds were spent on the acquisition of subsidiaries, associates, and joint ventures (CZK -1.3 billion). Acquisition of fixed assets including capitalized interest increased year-on-year (CZK -0.4 billion) due to higher investments in property, plant, and equipment and intangible fixed assets. Cash used in financing activities (including net effect of currency translation and allowances in cash) increased by CZK 15.6 billion year-on-year to CZK 27.9 billion. The increase was mainly due to repayments and borrowings (CZK -27.5 billion) and higher dividends paid to the Company's shareholders (CZK -5.3 billion). Cash from financial activities was positively affected by a change in the stock of liabilities and receivables from Group cash pooling (CZK +16.6 billion) and a change in other long-term liabilities (CZK +0.5 billion). In contrast, the sale of treasury shares had a negative effect (CZK -0.2 billion). Currency translation differences and provisions affecting the amount of cash had a positive effect (CZK +0.3 billion).



**Structure of Assets, Equity, and Liabilities**

The value of assets, equity, and liabilities increased by CZK 10.3 billion year-on-year to CZK 632.4 billion.

Fixed assets decreased by CZK 24.7 billion to CZK 419.4 billion.

The net value of property, plant, and equipment increased (CZK +0.9 billion).

There was an increase in property, plant, and equipment in progress, including advance payments (CZK +1.8 billion) and a decrease in nuclear fuel (CZK -0.6 billion).

Other fixed assets decreased (CZK -26.8 billion). The most significant change was the decrease of shares in subsidiaries, net (CZK -27.1 billion), mainly due to the transfer of Romanian subsidiaries to assets classified as held for sale. Intangible fixed assets, net, decreased (CZK -5.6 billion) mainly due to a decrease in long-term emission allowances. Long-term receivables from derivative transactions decreased (CZK -2.6 billion) and long-term equity securities decreased (CZK -1.9 billion). In contrast, long-term financial receivables within CEZ Group increased (CZK +7.1 billion) and a long-term receivable from the sale of subsidiaries was recorded (CZK +2.4 billion). Financial assets with limited availability increased (CZK +0.9 billion).

Current assets increased by CZK 35.0 billion to CZK 213.0 billion. The most significant reason for the increase was the conclusion of the agreement on the sale of subsidiaries in Romania, which resulted in a transfer to assets classified as held for sale (CZK +24.7 billion). Short-term emission allowances increased (CZK +10.0 billion), mainly due to rising allowance market prices. The increase in current assets was also due to increase in short-term time deposits (CZK +2.8 billion), short-term receivables from the sale of subsidiaries (CZK +2.4 billion), and short-term loans within CEZ Group (CZK +1.7 billion), increase in inventories of materials and fossil fuels (CZK +0.7 billion), trade receivables (CZK +0.5 billion), and income tax receivables (CZK +0.3 billion). In contrast, short-term receivables from derivative transactions, including options, decreased (CZK -4.1 billion). The stock of cash and cash equivalents (CZK -2.5 billion), and receivables from Group cash pooling (CZK -1.5 billion) decreased.

Equity decreased by CZK 2.0 billion to CZK 201.4 billion. Net income generated in 2020 contributed to the increase in equity (CZK +21.1 billion); in contrast, other comprehensive income decreased equity (CZK -5.0 billion). Dividends awarded to shareholders led to a decrease in equity by CZK 18.2 billion.

Long-term liabilities decreased by CZK 3.4 billion, to CZK 222.0 billion. Liabilities from issued bonds decreased (CZK -21.0 billion), long-term leasing liabilities decreased (CZK -3.2 billion), and other long-term liabilities decreased (CZK -1.8 billion). In contrast, due to the increase of nuclear provisions, long-term provisions increased (CZK +15.8 billion). Long-term bank loans (CZK +4.3 billion), long-term derivative liabilities (CZK +2.3 billion), and deferred tax liability (CZK +0.2 billion) increased.

Short-term liabilities increased by CZK 15.7 billion to CZK 208.9 billion, mainly due to an increase in trade payables (CZK +9.3 billion), derivative liabilities (CZK +9.0 billion), short-term portion of long-term debts (CZK +2.8 billion), and liabilities from Group cash pooling (CZK +1.9 billion). Liabilities to group companies (CZK -3.4 billion), short-term loans (CZK -3.3 billion), and income tax liabilities decreased (CZK -0.5 billion).

**Treasury Shares**

As at January 1, 2020, 2,551,240 treasury shares, representing 0.474% of its stated capital, were held on the asset account of ČEZ, a. s., with the Central Securities Depository.

ČEZ used 35,000 shares to satisfy the claims of beneficiaries under the stock option plan in 2020. The average call price at which the shares were sold to beneficiaries amounted to CZK 421.50 per share. The total amount received for the transfer of the shares to the beneficiaries was CZK 14.76 million (including interest).

As at December 31, 2020, the above-mentioned asset account contained 2,516,240 treasury shares, that is, 0.468% of the stated capital.

**Comprehensive Income**

Net comprehensive income decreased by CZK 16.7 billion to CZK 16.1 billion year-on-year. Net income increased (CZK +3.7 billion), while other comprehensive income decreased (CZK -20.4 billion). Other comprehensive income was negatively affected mainly by the change in the fair value of cash flow hedging instruments (CZK -19.1 billion), which resulted from reduction in the fair value of sales contracts for electricity supplies in 2021–2025 in relation to increased market prices of electricity in 2020. It was further reduced by the derecognition of cash flow hedges to financial results (CZK -5.3 billion) and a change in the value of equity instruments (CZK -0.7 billion). In contrast, the associated deferred tax increased other comprehensive income year-on-year (CZK +4.8 billion).

**ČEZ, a. s., Electricity Generation**

In 2020, ČEZ generated 49.4 TWh, 4.3 TWh less year-on-year. 13.0 TWh of this was generated in coal-fired power plants, 4.1 TWh less year-on-year. This mainly concerned the Prunéřov I power plant, whose license was revoked on June 30, 2020, and the Mělník 2 and 3 power plants, which were transferred to the Energotrans subsidiary as at October 1, 2020. Less electricity was also generated at the Tušimice and Prunéřov II power plants, which was connected to the year-on-year decline in electricity prices on the spot market.

Nuclear power plants generated a total of 30.0 TWh of electricity in 2020, 0.2 TWh less year-on-year due to lower generation at the Dukovany Nuclear Power Plant (effect of extended outages caused by inspections and repairs of steam generators, and replacement of seals of reactor coolant pumps).

The Počerady CCGT plant generated 3.6 TWh, 0.1 TWh less year-on-year. Electricity generation at hydroelectric power plants reached the level of 2.2 TWh, 0.1 TWh more year-on-year due to better climatic conditions in 2020. 0.6 TWh was generated out of biomass, the same amount as in 2019.



## Fundamental Policy Documents

The foundations of the business environment in the energy sector are currently constituted, at Czechia's level, by a set of national policy documents, which include the following:

- State Energy Policy (SEP)
- National Energy and Climate Plan of the Czech Republic (NCEP)
- National Action Plan for Nuclear Energy (NAP NE)
- National Action Plan for Smart Grids (NAP SG)
- National Action Plan for Clean Mobility (NAP CM)

The SEP is a key national strategic document for the energy sector, providing strategic specifications for the development of the Czech energy sector until 2040. The SEP's mission is to ensure a reliable, safe, and environmentally-friendly supply of energy to meet the needs of the population and national economy and to make sure that Czechia has access to an uninterrupted supply of energy even in case of emergency. The SEP also reflects the previously approved targets of the European Union's climate and energy policy for 2020. The existence of the SEP is a prerequisite for creating a more stable and more predictable environment in the energy sector but only ensuing follow-up tasks will shape the direction taken by CEZ Group in the future. In view of the newly adopted EU policies, in particular with regard to the goal of achieving climate neutrality by 2050, the Ministry of Industry and Trade plans to update the SEP in the near future.

National Energy and Climate Plan (NCEP) includes all 5 dimensions of the so-called Energy Union:

- "Decarbonization", which will cover greenhouse gas emissions and renewable energy
- "Energy Efficiency"
- "Energy Supply Security"
- "Internal Energy Market", for the areas of electricity interconnectivity, energy transmission infrastructure, market integration, and energy poverty
- "Research, Innovation, and Competitiveness"

The government of the Czech Republic approved the final National Plan on January 13, 2020. Within its framework, it proposed a contribution to the European target for the share of renewable sources in gross final energy consumption of 22%; in energy efficiency, Czechia's goals are to achieve primary energy sources of 1,735 PJ, final consumption of 990 PJ, and GDP energy intensity of 0.157 MJ/CZK. Czechia has chosen its main goal expressed in the energy intensity of GDP. In reducing greenhouse gas emissions, Czechia's goal is to reduce total greenhouse gas emissions by 30% by 2030 compared to 2005 (by 44 million tons of CO<sub>2</sub> eq.). In reducing emissions, the plan also contains indicative targets for 2050. In the next three dimensions, the National Plan copies the valid State Energy Policy—it emphasizes the diversification of sources and meeting the top objectives of the SEP, completing the EU internal energy market, and meeting research priorities in accordance with the National Research and Innovation Strategy for Smart Specialization.

The NAP NE, as a follow-up document to the SEP, describes options for and risks to the future development of nuclear energy in Czechia.

The NAP SG envisages gradual introduction of smart distribution grids and other measures in several stages to allow including more small generators and renewables in the electricity system. On April 27, 2020, the government approved an update of the NAP CM. It contains new predictions regarding the number of filling and charging stations, as well as targets for the vehicle fleet. The individual cards of the measure also address the provision of the electricity network, the parking of vehicles in underground garages, the fulfillment of the requirement to achieve a 14% share of renewable energy sources in transport, and the support of education, research, and development in this area.

## Coal Commission

By government resolution No. 565 of July 30, 2019, the Coal Commission was established as an advisory body to the government of the Czech Republic. The Chairmen of the Commission are the Minister of Industry and Trade and the Minister of the Environment. The main goal of the Commission is to provide the government with objective and, to the maximum extent possible, consensual outputs with regard to the future use of brown coal in Czechia, including all related aspects.

In December 2020, the Coal Commission decided on a recommendation to end the use of coal in Czechia by 2038. It submitted this recommendation to the government. The successful decline in the use of coal by 2038 is conditioned by the timely replacement of the declined coal facilities by other generating facilities. Another condition is the successful transformation of the heating industry, which will enable a controlled departure from the use of coal in heat generation. In the resolution, the Coal Commission further recommends that the cabinet maintain the territorial designation of the Fair Transformation Fund for coal regions (Moravia-Silesia, Karlovy Vary, and Ústí nad Labem) and at the same time provide benefits for coal regions under the Modernisation Fund, where the total allocation is more than CZK 120 billion. The Coal Commission further proposed that investments in public infrastructure from the Integrated Regional Operational Program (IROP), the Recovery and Resilience Facility (RRF), and business support of the Operational Program Technology and Applications for Competitiveness (OP TAC) should be at least CZK 40 billion in the coal regions. The Coal Commission will continue to work, in particular with regard to the elaboration of a more detailed timetable for the decline, regulatory legislative instruments, and detailed assessment of the economic and social impacts of the decline.

## Construction of New Nuclear Units

### Dukovany New Nuclear Power Plant (NNPP)

Based on the conclusions from the meeting of the Standing Committee for the Construction of New Nuclear Power Plants in the Czech Republic and a resolution of the government of the Czech Republic, it is confirmed that the investor of the Dukovany NNPP project is Elektrárna Dukovany II. It is stipulated that the priority is to concentrate maximum personnel capacities and financial resources on the preparatory phase of the implementation of new nuclear facilities in Dukovany locality. Negotiations of the state with the European Commission have started within the prenotification process on the compatibility of the public support proposal with the rules of the European Union's internal market, a mechanism has been prepared to support the construction of low-carbon facilities in Czechia by the state, and a proposal to finance new nuclear facilities in Czechia has been discussed in order to avoid artificial increase of electricity prices.

Negotiations with potential contractors for a new nuclear unit at Dukovany took place in February 2020. The negotiations were attended by representatives of Elektrárna Dukovany II and ČEZ, as well as state officials.

ČEZ worked hard on the preparation of tender specifications for the selection of the contractor for a new nuclear unit at Dukovany locality.

On March 25, 2020, Elektrárna Dukovany II submitted its application for a nuclear facility siting permit, including all documents required by law, to the State Office for Nuclear Safety (SÚJB). Elektrárna Dukovany II provided the Office with the necessary cooperation in the ongoing administrative proceedings.

The documentation for the subject activity was modified or supplemented according to the requirements of the Office.

The Office issued the permit on March 8, 2021.

On July 27, 2020, the Czech government discussed an act on measures for Czechia's transition to low-carbon energy with the aim of enabling the state to order the construction of a nuclear power plant with a fixed commissioning date, generation volume, and electricity purchase price and also to provide some funding for the project.

Negotiations were concluded between the government, ČEZ, and Elektrárna Dukovany II concerning the Framework Agreement for cooperation in the construction of a new nuclear power plant in Czechia and the First Implementation Agreement for cooperation on the construction of a new nuclear power plant at Dukovany in Czechia. Both agreements were signed on July 28, 2020. The First Implementation Agreement addresses the preparatory period, including licensing, permit, and launching the tender for the supplier of the new nuclear power plant technology until the end of the tender.

On the basis of the First Implementation Agreement, the Tender Specifications were submitted on July 28, 2020 for comments by the state. All comments were settled and incorporated into the Tender Specifications as at the beginning of December 2020. From September 29 to October 8, 2020, pre-tender meetings with potential suppliers took place before the start of the tender (Pre-Tender Meetings). Subsequently, the suppliers continuously sent questions to the provided preliminary information, which were also answered on an ongoing basis. The tender has not been commenced yet.

Work on preparing and processing the documentation necessary for the initiation of land use proceedings continued. Support documents are being prepared for the incorporation of the Dukovany NNPP project in all levels of land use planning documents and efforts are made to obtain a defined scope of rights to land.

Part of the Dukovany NNPP preparation is also the preparation of related and induced investments, both in the locality of the construction area itself, including the area directly connected to the NNPP technology, such as the preparation of necessary engineering networks, and outside the locality. The agreement concluded with the distribution system operator is being performed, and a number of negotiations have taken place with the distribution system operator. In cooperation with the state and responsible entities, a route is being prepared for the transport of oversized and heavy components.

### **Temelín New Nuclear Power Plant (NNPP)**

Based on conclusions from a session of the Standing Committee on the Construction of New Nuclear Power Plants and a resolution of the Czech government, it has been determined that concentrating maximum personnel capacities and financial resources for the preparatory stage of the construction of new nuclear power plants at Dukovany area is a priority; however, it was also determined that activities at the Temelín site must be managed so that the project's value may be maintained, and the project may always be activated quickly if necessary.

The fulfillment of relevant conditions arising from the issued EIA opinion was underway. Based on the request of Elektrárna Temelín II, a. s., to extend the validity of the EIA opinion which was submitted to the Ministry of the Environment on December 11, 2019, the Ministry concluded on December 16, 2020, that there have been no changes in the conditions in the area concerned or in the knowledge and assessment methods, as a result of which the project is likely to have significant, not yet assessed, effects on the environment. The validity of the EIA opinion issued on January 18, 2013, was thereby extended until January 18, 2025.

On November 4, 2020, SÚJB issued a new decision regarding the permit to locate two nuclear facilities, Units 3 and 4, in the Temelín locality. The new SÚJB decision replaces the current permit for the location of the Temelín NNPP 3, 4, which was issued on October 22, 2014. The reason for submitting the application was a change in the legal situation caused, among other things, by the new Atomic Energy Act entering into force. SÚJB evaluated the reasons for issuing a new decision as sufficient, conducted a new procedure, and reworked the permit for the new situation.

Developments in the field of small modular reactors (SMRs) are monitored in connection with the Temelín NNPP project.

## **Situation in the Wholesale Energy Market in Czechia**

The Czech electricity market is fully liberalized. Access to the grid is implemented by means of regulated access to the transmission and distribution systems. The wholesale electricity market in Czechia is part of a larger Central European market, thanks primarily to extensive cross-border transmission capacities between Czechia and the transmission systems of other countries. Prices in the wholesale market are determined on the POWER EXCHANGE CENTRAL EUROPE (PXE), which is part of the EEX exchange in Leipzig, Germany, on the markets organized by OTE, a.s., and through bilateral contracts. However, the most prominent role in price determination is played by the German market and its EEX exchange in Leipzig. Trading in electricity on Czechia's power exchange ranges from year-ahead to day-ahead contracts. The organized markets of OTE, a.s., offer day-ahead as well as intraday trading.

Around 30 traders have been actively operating in the wholesale market for several years and there were four active electronic broker platforms with varying levels of liquidity in operation at the end of 2020.

The day-ahead electricity market in Czechia is coupled with markets in Hungary, Slovakia, and Romania. Capacity on individual cross-border transmission lines was offered in a coordinated manner in 2020 by the JAO (Joint Allocation Office), a joint auction house of transmission system operators, for all of Czechia's borders except the Czech-Slovak border. The capacity there is allocated on a daily basis along with traded electricity through spot power exchanges due to the market coupling arrangement. In 2020, work was underway to complete the interconnection of day-ahead electricity markets across Europe, through the Flow-Based Market Coupling project. Its completion, which will simplify the interconnection of the Czech market with the markets of Western Europe, is planned for mid-2021.

ČEZ, a. s., reaffirmed its role as an active trader in the European context, and especially within Central and Southeast Europe, in 2020. Besides electricity, in which it trades in twenty countries, it also trades in natural gas, hard coal, oil products, and emission allowances. It provided ancillary services for the transmission system operator in Czechia. CEZ Group is an advocate of market liberalization and endeavors to contribute to increased market transparency through its activities. It also strives to further its positions through membership in professional associations such as Eurelectric, EFET, and IETA.

The principal trading channels for the forward market are the PXE platform at the EEX and the OTC market (broker platforms and bilateral contracts); organized short-term trading (OKO) arranged by OTE, a.s., has remained the principal trading channel for the spot market; and there is the new XBID platform for the intraday market. Ancillary services are purchased by the transmission system operator at auctions as a wide range of products for various periods of time, and also on the day-ahead market organized by the transmission system operator; following the adoption of Regulation EU/2019/943, the share of services purchased on the day-ahead market is increasing (to around 30% of total demand). The Czech market is one of Europe's most competitive markets in this segment, with independent producers outside of CEZ Group offering more than half of the necessary capacity of ancillary services. In 2020, ČEZ, a. s., accounted for 23% of the supply of ancillary services in long-term tenders, and almost 32% for the entire CEZ Group. In addition, CEZ Group also provides ancillary services on the basis of daily tenders, through which approximately 30% of the total volume of ancillary services is purchased.

## Situation in the Retail Energy Market

There are approx. 120 traders (traders with more than 100 service points registered with OTE, a.s.) actively involved in the retail market in electricity supplies to end-use customers, and their number is growing every year. According to the data from OTE, a.s., there were a total of 446,081 supplier switches at all voltage levels in 2020 (7.3% of service points switched electricity suppliers), while the 2019 figure was 450,697 switches.

Thanks to the fully liberalized and transparent wholesale electricity market in Czechia (functioning PXE, XBID platforms), the capabilities of other producers outside CEZ Group and the transmission capacity of cross-border lines, more than half of electricity consumption in Czechia can be covered by producers other than ČEZ, a. s. In 2020, even while maintaining the total average cross-border export capacity, the average difference in price levels on the wholesale markets of Czechia and Germany was 3.15 EUR/MWh (difference between spot markets OKO and EPEX), which represents a 30% increase compared to the previous period (in absolute terms, however, there is an increase of approximately 1 EUR/MWh compared to 2019 and approx. 2 EUR/MWh compared to 2018). Electricity in Czechia was thus still more expensive than in Germany.

The natural gas market in Czechia is also fully liberalized and operates on the same fundamental principles as the electricity market. Although it was liberalized later than the electricity market, the development of a competitive environment was much faster thanks to all key players' experience. The two markets exhibited a comparable level of competition in 2020. Mutual convergence of both markets is evident in the behavior of most active traders, who offer their customers both commodities. More and more customers have both electricity and natural gas supplied by the same supplier. The wholesale price of gas in Czechia is almost identical to the price on the German spot market; the difference in 2020 was only 0.31 EUR/MWh.

CEZ Group further reinforced its position as a major supplier of natural gas in 2020 through its member companies ČEZ Prodej and ČEZ ESCO. At the end of 2020, it supplied gas to 442,106 connection points (as compared to 432,508 connection points at the end of 2019), and thus represented the largest alternative supplier of natural gas in Czechia with a 17.5% market share in terms of service points. There are approx. 91 traders (traders with more than 100 service points registered with OTE, a.s.) actively involved in the retail market in gas supplies to end-use customers. There were 201,325 gas supplier switches in Czechia in 2020 which represents 7.9% of service points. This is 0.4% more year-on-year and also 0.6% more than in the case of changes in electricity service points.

Overall, 2020 was strongly affected by the situation caused by the COVID-19 outbreak. In particular, the period from March 12, 2020, when the government declared a state of emergency for the entire country and adopted radical crisis measures pursuant to Act No. 240/2000 Sb., on crisis management, represented a major intervention in the business environment in Czechia, not excluding the energy market. The result was, among other things, a drop in domestic consumption, a temporary sharp fall in prices on wholesale markets and, as a result of the electricity generation facility outage, a lack of ancillary services to ensure safe and reliable operation of the electricity system. Similar effects (but to a lesser extent) marked the end of 2020 as a result of the redeclared state of emergency in Czechia.

## Situation in Distribution

In electricity distribution, all prices are regulated by the Energy Regulatory Office. The Office issued price decisions stipulating prices of related service in the electricity sector and other regulated prices, stipulating prices of related service in the electricity sector for low-voltage grid customers, and specifying support for supported energy sources. There were 3,726,896 service points connected to the distribution grid of ČEZ Distribuce as at December 31, 2020. As for renewable energy sources, photovoltaic power plants account for the largest number of facilities connected to ČEZ Distribuce's distribution network; there were 26,122 such plants with a total installed capacity of 1,075 MW as at December 31, 2020. The amount of electricity that flowed into the distribution network of ČEZ Distribuce, a. s., in 2020 was 42,959 GWh, that is, 1,565 GWh less year-on-year.

## Economic Policy

In 2020, Czechia's gross domestic product declined due to a decline in domestic and foreign demand. Household consumption and investment decreased, while government expenditure contributed to an increase. The largest year-on-year decrease was in the second quarter at a time of strict government anti-COVID-19 measures. It was the most profound in March and April, when most services were closed, and also a large part of stores and production was shut down in major industrial companies. The measures also reached considerable intensity in November. The fiscal policy has responded with a number of stabilization measures in the form of support programs for those affected by the government measures, with the government expenditure thus having the most significant impact on slowing the decline in gross domestic product in the first three quarters. The Czech National Bank decided to lower interest rates twice in March and then in early May; however, it no longer eased its monetary policy due to lingering proinflationary pressures. Towards the end of the year, inflation rate began to decline, driven by rising food and service prices over the course of the year despite a gradual decline in demand pressures, including those in the labor market. Considerable price increases in services continued in the sectors most affected by the closures, which sought to partially offset the decline in revenues by rising prices. Goods prices increased significantly due to the weakening of the Czech currency at the beginning of the first and second waves of COVID-19. However, demand for electricity, which is the main commodity sold by CEZ Group, is generally influenced by monetary and fiscal policy tools indirectly, through their effect on changes in gross domestic product, rather than directly.

## Generation

### Electricity Generation

In 2020, generation at CEZ Group's facilities in Czechia amounted to 56,777 GWh which was 3,874 GWh less than in 2019 when it amounted to 60,650 GWh.

Nuclear power plants generated 30,042 GWh of electricity in 2020, or 203 GWh less year-on-year. Out of this, the Dukovany Nuclear Power Plant generated 14,297 GWh, i.e., 185 GWh less compared to 2019 (due to the extension of outages caused by inspections and repairs of steam generators and the replacement of seals of the reactor coolant pumps). The Temelín Nuclear Power Plant generated 15,746 GWh, i.e., 18 GWh less year-on-year. Coal-fired power plants (biomass excluded) generated 19,672 GWh of electricity, i.e., 3,704 GWh less than in 2019. The decrease in the production of the Prunéřov I power plant, which was shut down as at June 30, 2020, was most visible.

The Počeradý II CCGT plant generated 3,576 GWh of electricity, that is, 122 GWh less year-on-year.

Production of electricity from biomass amounted to 625 GWh, which meant 6 GWh less year-on-year.

Generation by ČEZ's large hydroelectric power plants was 2,152 GWh, that is, 105 GWh more year-on-year due to better climatic conditions in the fall of 2020.

Electricity generation by hydroelectric, photovoltaic, wind, and biogas power operated by ČEZ OZ uzavřený investiční fond in Czechia totaled 369 GWh in 2020, i.e., 24 GW more than in 2019. The year-on-year increase in generation was primarily due to better hydrological conditions for generation at hydroelectric power plants than in 2019.



### Heat Generation and Sales

CEZ Group's facilities in Czechia supplied 18,578 TJ of heat to customers in 2020, which represented a decrease in volume by 286 TJ compared to 2019.

In 2020, ČEZ Teplárenská supplied heat outside CEZ Group in the amount of 6,676 TJ. It supplies heat to customers in 33 cities in the Ústí nad Labem, Karlovy Vary, Central Bohemia, Pardubice, Hradec Králové, Moravia-Silesia, and Southern Moravia Regions. Energotrans' supply volume decreased by 281 TJ year-on-year to 9,391 TJ due to the higher average outdoor temperature in the winter months. Its main customer is Pražská teplárenská supplying the capital city of Prague, and the town of Neratovice. ČEZ Energo increased its heat supply by 93 TJ year-on-year to 1,379 TJ. The increase was primarily due to the construction of new generating facilities in 2020.

### Capital Construction

#### Nuclear Energy—Existing Facilities

At the Dukovany and Temelín nuclear power plants, work continued on projects started in previous years, focusing on the enhancement of nuclear safety and necessary plant renovation. Preparatory, implementation, and completion work was also initiated or was underway under capital construction projects relating to upgrading, stabilizing, securing, and improving the efficiency of generation. Preparatory work, selection procedures, and implementation were also underway for projects aimed to fulfill legislative requirements arising from the Atomic Energy Act. The COVID-19-related situation had a significant effect on the implementation continuity of investment projects in 2020. Significant investment projects include the replacement of the reheater steam separator in Temelín with an impact on optimizing the operation of the secondary part of the unit. Environmental benefits are another important aspect, as the installation of new separators will save several tons of CO<sub>2</sub> per year.

#### Coal-Fired Power Plants and Heating Plants, CCGT Unit

Preparatory, designing, and implementing work continued on projects related to plant renovation and operational safety maximization in 2020. These were mainly projects that will enable further operation of the units even with the validity of the new BAT emission limits. In addition, preparations continued for specific projects related to scheduled overhauls of facilities that are planned to be operated in the long term (these are mainly projects at the Tušimice power plant, which will be implemented in 2021 and 2022).

At the end of 2020, the planned first complete overhaul of the CCGT power plant in Počeradý was successfully completed. It included the implementation of technical measures to increase the achievable capacity to 888 MW<sub>e</sub>.

In accordance with ČEZ's announced strategy and Czechia's energy policy, analyses of a possible accelerated transition to low-emission sources in the heating industry were initiated. The outputs of these analyses will represent a crucial input in the update of long-term concepts of heating source operation, which will take place in 2021.

#### Hydroelectric Power Plants (Impoundment, Run-of-River, and Pumped-Storage)

In 2020, various phases of preparing and implementing modernizations of selected hydropower plants took place. Their goal is, among other things, to increase the efficiency of individual units and reduce the ecological burden to localities, especially by reducing the amount of oil fillings. In the largest pumped-storage hydroelectric power plant, Dlouhé stráně, thanks to the technical measures taken on the upper and lower reservoirs, the working volume and the overall energy potential of the locality were increased. A side benefit is the increase in storage volume for water retention during floods. Preparatory work for a comprehensive modernization project continued at the Orlik power plant.

#### Installed Capacity

Installed capacity at generating facilities in Czechia amounted to 11,602 MW. The reason for the year-on-year decrease by 1,711 MW was the revocation of the license of a Dětmarovice coal-fired power plant unit as at January 1, 2020 (200 MW), the revocation of the Vítkovice heating plant license as at January 1, 2020 (79 MW), the revocation of the Pruněřov I license as at June 30, 2020 (440 MW), and sale of the Počeradý coal-fired power plant (1,000 MW). In 2020, ČEZ Energo connected new cogeneration units with an installed capacity of 7.9 MW.

## List of Generating Facilities in Czechia as at December 31, 2020

## Nuclear Power Plants

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2020	Year Commissioned
Dukovany	ČEZ	4× 510	1985–1987 renovated in 2009, 2010, 2011, 2012
Temelín	ČEZ	2× 1,125	2002–2003
<b>Nuclear power plants, total</b>		<b>4,290.0</b>	

## CCGT Power Plants, Gas-Fired and Cogeneration Units and Boiler Plants

Facility	Owner	Type of Fuel	Installed Capacity (MW) as at Dec 31, 2020	Year Commissioned
<b>1. CCGT power plant</b>				
Počerady II	ČEZ	Gas	2× 284.75 1× 275.4	2014
<b>CCGT power plant</b>			<b>844.9</b>	
<b>2. Cogeneration units and boiler plants</b>				
Husinec u Řeže cogeneration unit	ÚJV Řež	Gas	1× 0.190	1997
Husinec u Řeže cogeneration unit	ÚJV Řež	Gas	1× 0.175	2009
<b>Cogeneration units and boiler plants, total</b>	<b>ČEZ Energo</b>	<b>Gas</b>	<b>117.754</b>	<b>2000–2020</b>
<b>Cogeneration units and boiler plants</b>			<b>118.1</b>	
<b>CCGT power plants, gas-fired and cogeneration units and boiler plants, total</b>			<b>963.0</b>	

## Coal-Fired Power Plants and Heating Plants

Facility	Owner	Type of Fuel	Installed Capacity (MW) as at Dec 31, 2020	Year Commissioned	Desulfurized Since
<b>1. Coal-fired power plants</b>					
Dětmorovice	Elektrárna Dětmorovice	Hard coal, brown coal	3× 200	1975–1976	1998
Ledvice III	ČEZ	Brown coal	1× 110	1968	1998
Ledvice IV	ČEZ	Brown coal	1× 660	2017	<sup>1)</sup>
Energotrans II	Energotrans	Brown coal	2× 110	1971	1998
Energotrans III	Energotrans	Brown coal	1× 500	1981	1998
Pruněšov II	ČEZ	Brown coal	3× 250	1981–1982, comprehensive renovation 2012–2016 <sup>2)</sup>	1996
Tušimice II	ČEZ	Brown coal	4× 200	1974–1975, comprehensive renovation 2007–2012	1997
<b>Coal-fired power plants, total</b>			<b>3,640.0</b>		
<b>2. Heating plants</b>					
Dvůr Králové nad Labem	ČEZ	Brown coal	1× 3.5 1× 3.8	1955 2011	1997
Hodonín	ČEZ	Brown coal, biomass	1× 50 1× 57	1954–1958	1996–1997
Energotrans I	Energotrans	Brown coal	4× 60	1959–1961	1995
Otín u Jindřichova Hradce	Energetické centrum	Biomass	1× 5.6	2008	
Poříčí II	ČEZ	Hard coal, brown coal, biomass	3× 55	1957–1958	1996 1998
Trmice	ČEZ	Brown coal	2× 20 3× 16 1× 1	1970 2013	1997
<b>Heating plants, total</b>			<b>613.9</b>		
<b>Coal-fired power plants and heating plants, total</b>			<b>4,253.9</b>		

<sup>1)</sup> Ledvice IV has complied with SO<sub>x</sub> limits since commissioning.

<sup>2)</sup> Comprehensive renovation of B23–B25 units.

## Hydroelectric Power Plants

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2020	Year Commissioned
<b>1. Impoundment and run-of-river hydroelectric power plants</b>			
Kamýk	ČEZ	4× 10	1961
Lipno I	ČEZ	2× 60	1959
Orlík	ČEZ	4× 91	1961–1962
Slapy	ČEZ	3× 48	1954–1955
Střekov	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	3× 6.5	1936
Štěchovice I	ČEZ	2× 11.25	1943–1944
Vrané	ČEZ	2× 6.94	1936
<b>Impoundment and run-of-river hydroelectric power plants, total</b>		<b>723.9</b>	
<b>2. Small hydroelectric power plants</b>			
Brno-Kníničky	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	1× 3.528	1941
Brno-Komín	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	1× 0.106 1× 0.140	1923 renovated in 2008
Čeňkova Píla	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	1× 0.096	1912
Černé jezero	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	1× 1.5 1× 0.04 1× 0.37	1930 2004 2005
Dlouhé Stráně II	ČEZ	1× 0.163	2000
Hněvkovice	ČEZ	2× 4.8	1992
Hradec Králové	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	3× 0.25	1926
Hracholusky	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	1× 3.038	1964
Kořensko I	ČEZ	2× 1.9	1992
Kořensko II	ČEZ	1× 0.94	2000
Les Království	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	2× 1.105	1923 renovated in 2005
Lipno II	ČEZ	1× 1.5	1957
Mělník	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	1× 0.590	2010
Mohelno	ČEZ	1× 1.2 1× 0.56	1977 1999
Obříství	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	2× 1.679	1995
Pardubice	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	1× 1.998	1978 renovated in 2012
Pastviny	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	1× 3	1938 renovated in 2003
Plzeň-Bukovec	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	2× 0.315	2007
Práčov	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	1× 9.75	1953 renovated in 2001
Předměřice nad Labem	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	1× 2.6	1953 renovated in 2009
Přelouč	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	2× 0.68 2× 0.49	1927 renovated in 2005
Spálov	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	2× 1.2	1926 renovated in 1999
Spytihněv	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	2× 2	1951 renovated in 2009
Vydra	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	2× 3.2	1939
Želina	ČEZ	2× 0.315 2× 0.015	1994 2017
<b>Small hydroelectric power plants, total</b>		<b>67.3</b>	
<b>3. Pumped-storage hydroelectric power plants</b>			
Dalešice	ČEZ	3× 120 1× 115	1978
Dlouhé Stráně I	ČEZ	2× 325	1996
Štěchovice II	ČEZ	1× 45	1947–1949 renovated in 1996
<b>Pumped-storage hydroelectric power plants, total</b>		<b>1,170.0</b>	
<b>Hydroelectric power plants, total</b>		<b>1,961.1</b>	

<sup>1)</sup> Generation license holder is ČEZ Obnovitelné zdroje.

## Photovoltaic Power Plants

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2020	Year Commissioned
Bežerovice	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	3.013	2009
Buštěhrad	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	2.396	2010
Čekanice u Tábora	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	4.48	2009
Hrušovany nad Jevišovkou	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	3.802	2009
Chýnov u Tábora	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	2.009	2009
Pánov	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	2.134	2010
Přelouč	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	0.021	2009
Ralsko	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	55.762	2010
Ševětín	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	29.902	2010
Vranovská Ves	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	16.033	2010
Žabčice	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	5.6	2009
<b>Photovoltaic power plants, total</b>		<b>125.2</b>	

<sup>1)</sup> Generation license holder is ČEZ Obnovitelné zdroje.

## Wind Power Plants

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2020	Year Commissioned
Janov	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	2× 2	2009
Věžnice	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	2× 2.08	2009
<b>Wind power plants, total</b>		<b>8.2</b>	

<sup>1)</sup> Generation license holder is ČEZ Obnovitelné zdroje.

## Biogas Plants

Facility	Owner	Type of Fuel	Installed Capacity (MW) as at Dec 31, 2020	Year Commissioned
Čičov Biogas Plant	ČEZ OZ uzavřený investiční fond <sup>1)</sup>	Biogas	1× 0.526	2011
<b>Biogas plants, total</b>			<b>0.5</b>	

<sup>1)</sup> Generation license holder is ČEZ Obnovitelné zdroje.

<b>Generating facilities, total</b>	<b>11,601.9</b>
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## Fuel

## Nuclear Fuel

Fuel for the Dukovany Nuclear Power Plant is sourced under a long-term contract with Russian company TVEL, which not only fabricates the fuel but also provides conversion and enrichment services as well as some of the base raw material (uranium). At present, the fuel is used at an increased 105% output in a full five-year fuel cycle thanks to the latest fuel innovation (Gd-2M+) supplied. In 2020, this fuel was supplied for the first time with a higher enrichment (4.76%), which will be gradually loaded from 2021. This fuel allows introducing more economical 16-month refueling cycles. A new type of fuel (PK3+) is being developed to further increase the utilization of uranium. Concurrently with the above activities, a project is undertaken for further utilization of design margins and possible increase of thermal power to a level of 107%.

The Temelín Nuclear Power Plant also continued to operate with TVEL fuel in both units based on a new long-term fuel contract. The TVSA-T fuel facilitated switching to operation with an increased output of 104% in a four-year fuel cycle and has the potential to enable safe operation of the units in a partial work cycle of five years. A third loading of an advanced type of fuel with increased uranium content and enhanced structural rigidity (TVSA-T mod.2) was loaded into Unit 2 in 2020, allowing further increase in the efficiency of fuel utilization. A selection procedure was started for fuel procurement in the period following the termination of delivery under the existing contract with TVEL.

In order to create conditions for the diversification of nuclear fuel deliveries and ensure a competitive environment, 6 fuel assemblies made by an alternative contractor, Westinghouse Electric Sweden, were delivered and introduced to Unit 1 in 2019, following the completion of development and licensing. In 2020, after the first year of its operation, this fuel was inspected and subsequently introduced into its second cycle.

For the production of nuclear fuel, both raw uranium and its processing (conversion and enrichment services) were procured under long-term contracts, either by purchases from foreign suppliers or by direct fuel deliveries from a fuel producer. As a result of DIAMO terminating commercial uranium mining in Czechia, domestic uranium is no longer purchased, however, the covering of part of the Dukovany Nuclear Power Plant's uranium needs continued in 2020 thanks to holding part of the fuel reserves with processed Czech uranium. A smooth transition, under a contract with a foreign uranium producer, will provide approximately 50% of the uranium needed by the Dukovany Nuclear Power Plant until 2025. Overall uranium, conversion, and enrichment needs for nuclear power plants operated by ČEZ have been contractually covered until 2022; some contractual obligations extend until 2025.

Desirable diversification of the supply base is maintained as recommended by the supply management policy of the EURATOM Supply Agency. In order to mitigate the risk of an interruption or other threats to timely supplies of nuclear fuel, ČEZ previously decided to increase the share of fuel fabricated at its power plant sites while decreasing the strategic inventory of uranium in various stages of processing kept by its suppliers.

#### **Solid Fossil Fuels and Sorbents**

The highest share of solid fuels supplied to CEZ Group's coal-fired power plants in Czechia in 2020 consisted of brown coal, in the total amount of 16,812 thousand tons (99.59% of coal supplied). The top suppliers of brown thermal coal to ČEZ included Severočeské doly, Vršanská uhelná, and Sokolovská uhelná. The principal amount of 10,880 thousand tons (64.72%) was supplied by Severočeské doly, a member of CEZ Group.

Long-term coal supply contracts have been made with Severočeské doly (in effect until 2052—sales precontract) and Sokolovská uhelná until 2025. In 2013, a long-term contract was concluded with Vršanská uhelná until 2062, or until the full utilization of the Vršany mine. This contract was terminated as at December 31, 2020 in connection with the sale of the Počeradý power plant.

The amount of supplies of hard coal for the CEZ Group power plants in the territory of Czechia amounted to 69.6 thousand tons, of which 14.8 thousand tons were supplied by OKD; the remaining volume of deliveries was secured by imports. One-year sales contracts are made for hard coal deliveries.

Sorbents for flue gas desulfurization at CEZ Group's coal-fired power plants in Czechia are delivered under long-term purchase contracts. Sorbent deliveries amounted to 773 thousand tons in 2020.

#### **Biomass**

Biomass deliveries procured within CEZ Group in Czechia totaled 751.4 thousand tons in 2020. Biomass was burnt at the Hodonín power plant, where 373.7 thousand tons were delivered, and the Poříčí power plant where 328.9 thousand tons were delivered. Energetické centrum used phytomass for its heating plant in Otín near Jindřichův Hradec (48.8 thousand tons).

#### **Natural Gas**

Natural gas deliveries to ČEZ were made under an annual contract with ČEZ ESCO and amounted to 0.4 TWh in 2020. This natural gas is used as fuel for the operation of gas-fired boiler plants and also for the startup and stabilization of CEZ Group's generating facilities. It is used in the Prunéřov, Dětmarovice, Počeradý, Tušimice, Temelín, and Ledvice power plants and in the Dvůr Králové nad Labem and Trmice heating plants.

Natural gas for the Počeradý II CCGT plant is purchased on the wholesale market and its 2020 consumption was 6.3 TWh.



## Outlook for 2021

### Nuclear Power Plants

Generation by nuclear power plants should amount to at least 30 TWh in 2021. The availability of nuclear power plants is affected by the timing of scheduled outages related not only to refueling and the performance of scheduled maintenance, inspections, and revisions of key equipment, but also activities aimed at continual upgrades and enhancement of the operational efficiency of the two plants.

### Coal-Fired and Gas-Fired Power Plants, CCGT Unit

Conventional coal-fired power plants are estimated to generate 16.4 TWh of electricity in 2021. The significant year-on-year decrease is mainly due to the sale of the Počerady coal-fired power plant at the end of 2020. A priority task is to make preparations, commercial arrangements, and implementing environmental upgrades, which will allow operating the facilities after new emission limits enter into force. Maximum attention will be paid to implementing greening measures at the Tušimice power plant and preparing a new production technology based on natural gas in Mělník, which will ensure the fulfillment of a long-term heat supply contract for the capital city of Prague, and towns of Mělník and Neratovice.

In gas-fired power plants, cogeneration units, and boiler plants in Czechia, it is expected to produce 4.4 TWh, of which the Počerady CCGT unit is expecting generation in the volume of 3.8 TWh. At the same time, analyzes and preparatory work will continue, which will confirm or exclude possible further future installations of similar gas-fired plants.

### Renewables

Hydroelectric power plants are estimated to generate approximately 2.5 TWh. Their actual generation will depend on hydrological conditions in Czechia, especially in the Vltava River Cascade. Generation from photovoltaic power plants is expected to amount to 0.1 TWh; generation from wind power plants should reach 0.008 TWh. All expected values are the same as achieved in 2020.

### Heat Generation

Heat supplies to customers in Czechia are estimated at 19,823 TJ in 2021. The actual amount will primarily depend on climatic conditions.

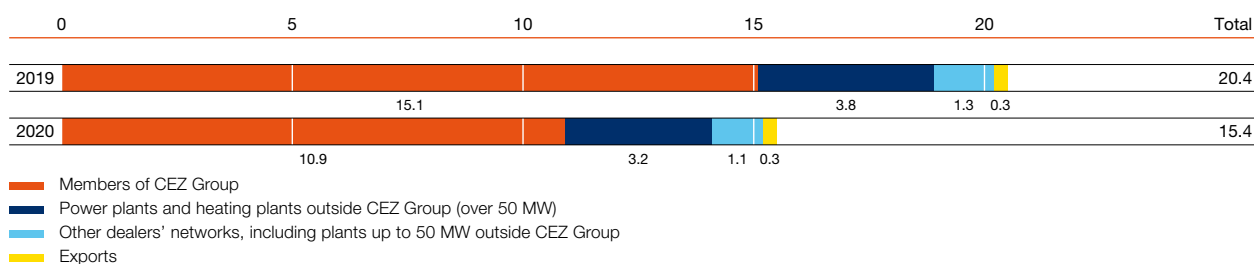
## Mining

### Severočeské doly

#### Coal Mining and Sales

Extraction, treatment, and sales of brown coal are the core business of Severočeské doly, which maintained its position as the largest Czech brown coal mining company in terms of coal production volume in 2020. Since a majority of its production is intended for consumption within CEZ Group, Severočeské doly is one of the smaller players in the free coal market.

Coal Sales, by Customer (Millions of Tons)



Severočeské doly sold a total of 15.4 million tons of fuel in 2020 registering a year-on-year decrease of 5.0 million tons. The decrease was due to lower requirements of CEZ Group and also lower sales to customers outside CEZ Group, when generation was stopped or reduced due to COVID-19, but also operations of some major customers were shut down.

### Capital Construction

The corporate capital program focuses primarily on projects making provisions for extraction in the Bilina Mine. The structure of capital projects consists primarily of deliveries, renovations, and upgrades of mining equipment, and other necessary operations and measures.

### Outlook for 2021

Severočeské doly plans to produce 15.9 million tons of coal in 2021. Delivering the planned amount is made possible primarily by higher planned demand from CEZ Group as compared to 2020, which offsets the decline in external customers. Fuel deliveries will be determined primarily by the needs of coal-fired power plants, which are in turn based on demand for electricity and also related to winter temperatures.

### Lomy Mořina

The company's core business consists of the quarrying and processing of construction aggregate and high-percentage limestones utilized in flue-gas desulfurization (FGD) systems. The company is a major supplier for FGD systems at ČEZ coal-fired power plants, to which it supplies 500–600 thousand tons of limestone per year, covering approximately 70% of their consumption. In 2020, limestone supplies for ČEZ's power plants amounted to approx. 540 thousand tons.

The estimate for 2021 is approximately 490 thousand tons. Verified limestone reserves allow sustained, long-term extraction operations. Customers purchasing the company's other important commodity, construction aggregate, whose deliveries are estimated at approximately 260 thousand tons in 2021, are entities outside CEZ Group.

### Zinnwaldite Exploration

In March 2020, ČEZ decided to join a lithium ore extraction project at Cínovec. The original developer of the project, European Metals Holdings Limited (EMH), held a 100% stake in Geomet, the holder of an exclusive license for exploration for zinnwaldite, a lithium-containing mineral. CEZ Group's Severočeské doly acquired a 51% stake in Geomet through an increase of its stated capital in the first half of 2020. The starting second stage of the extraction project consists in technical verification of the production process under pilot conditions and on pilot testing lines; it does not include actual extraction yet. In particular, specific methods for lithium extraction from zinnwaldite will be verified. A geological survey will continue at the location in order to verify some parts of the deposit. The pilot tests are planned to be carried out for two years.

## Distribution

### Electricity Distribution

Electricity in approximately 5% of Czechia is distributed by ČEZ Distribuce, which arranged for 34,676 GWh of electricity to be supplied to customers in 2020. The year-on-year decrease of 1,186 GWh was due to a 1,592 GWh decrease in demand for electricity at the medium- and high- voltage levels mainly due to COVID-19.

In contrast, consumption at the low-voltage level increased by 405 GWh year-on-year due to an increase in the number of service points and customers' switches to higher-consumption tariffs. In electricity distribution, all prices are regulated by the Energy Regulatory Office. As at December 31, 2020, there were more than 3.7 million service points connected to the distribution grid of ČEZ Distribuce.

### Customer Service

ČEZ Distribuce launched a new form of cooperation with inspection technicians and companies that deal with electrical installation work, repairs, and inspections of unmeasured parts of customer electrical installations. The benefit for the end-use customer is, in particular, the acceleration of administration, the reduction of errors and need for repeated visits to the service points, especially when registering new service points and changing tariffs.

A new user-friendly website [www.cezdistribuce.cz](http://www.cezdistribuce.cz) was also launched, which will adapt its content to end devices such as laptops, tablets, and mobile phones. The number of visitors to the ČEZ Distribuce website reaches more than 3.2 million views per year. People most often look for planned outages, RC switching times, new developments when emergencies are declared, they download forms, and use online services to submit connection requests or report meter readings.

Since January 1, 2021, the current method of notifying planned power outages by printed notifications has been replaced by notifications sent via e-mail and via SMS. The information is still published on the website and sent to the municipalities concerned.

### Capital Construction

The principal objective of capital expenditure on power system renovation and development is improving the quality, reliability, and safety of electricity supply. Investments in 2020 amounted to CZK 12.4 billion and went mostly into the renovation of distribution at all voltage levels, transformer substation reconstructions, and transformer and electricity meter renovations. A significant part of the investment was spent on developing the distribution system, mainly to cover the increasing number of customer requirements for connection to the distribution system. In 2020, the Company continued to make capital expenditures on digitization, smart technologies, and optic infrastructure development in the period in question.

### Outlook for 2021

ČEZ Distribuce estimates its 2021 electricity supplies to customers at 36.0 TWh. The volume of supply is based on the expected development of consumption, taking into account the COVID-19-related economic downturn of 2020. Priority areas in distribution include, in particular, safe, reliable, and efficient operation of the distribution system and implementation of key investment measures related to the integration of decentral facilities, and implementation of new technologies and smart grid elements, including elements supporting the reliability increase of the distribution system. ČEZ Distribuce continues implementing its strategy for fiber-optic infrastructure development in order to ensure long-term development of advanced technologies in distribution grid management, in synergy with preparations for a higher level of grid automation. In respect of processes, the company concentrates primarily on increasing the level of process digitization and automation, both towards customers and inside the company, with the aim of improving the speed and efficiency of such processes.

## Sales of Commodities and Energy Services

### Sales of Electricity and Natural Gas

In 2020, CEZ Group's offer for end-use customers in Czechia included

- Electricity (ČEZ Prodej, ČEZ ESCO, ČEZ, Elektrárna Počeradý, Elektrárna Dětmarovice, Energotrans, Energetické centrum, and ČEZ Energo)
- Natural gas (ČEZ Prodej, ČEZ ESCO, ČEZ, and ČEZ Energo)

Total sales to end-use customers in 2020 amounted to 17,035 GWh of electricity and 6,150 GWh of natural gas.

Customers in Czechia can order electricity and natural gas as the commodity alone (Electricity/Natural Gas Supply Contract) and purchase distribution services directly from a competent distributor under a separate Distribution Service Contract. However, the much more frequent form is "integrated supply" under an Integrated Supply Contract for a given commodity, under which ČEZ Prodej or ČEZ ESCO not only supplies the commodity to the customer but also arranges for the provision of distribution services by a distributor according to rules specified by law.

In Czechia, sales of commodities to end-use residential customers and smaller companies are mainly provided by ČEZ Prodej. Sales of electricity and natural gas in 2020 were significantly affected by the COVID-19-related situation. At the time of the extraordinary measures, all direct sales and service channels of ČEZ Prodej were shut down for a necessary period of time by a government decree, both in the first and in the second wave of the pandemic. During this period, ČEZ Prodej focused on strengthening efficient customer service through distance channels, especially through its own call center.

Like other suppliers, ČEZ Prodej reacted to the decline in wholesale commodity market prices during 2020, and first adjusted the pricing strategy for selected acquisition products for new customers in the second quarter of 2020, and subsequently from October 1, 2020, adjusted the pricing strategy for other products. The changes affected both new and existing customers for both commodities.

Corporate, municipal, and public authority customers are supplied with electricity and gas by ČEZ ESCO so that all of their energy needs, from commodity supply to energy services, are handled in a comprehensive manner by a single partner within CEZ Group. In 2020, ČEZ ESCO supplied commodities to 21,800 customers at more than 110,000 service points. The volume of electricity supply, especially for corporate customers, was negatively affected by COVID-19, when the decline in total annual supply in this segment reached approx. 10%.

Even in these economically and socially challenging times, ČEZ ESCO introduced to its customers a completely new ESCO Energy Market platform, which allows them to flexibly purchase electricity or natural gas, or arrange the purchase of electricity generated by them, all online and based on energy price development on the energy exchange.

### **Sales of Services and Energy Solutions for Decentralized Energy**

The energy sector is currently undergoing the most profound change in the last few years. Customers place far more emphasis on environmental protection, technological progress, and the move towards decentralized and cost-effective solutions. CEZ Group responds to these trends and offers attractive and sustainable solutions to the public and private sectors through ČEZ ESCO group of companies. In 2020, ČEZ ESCO completed over 6,500 orders despite the COVID-19 pandemic, which significantly reduced the planned business development in the area of ESCO services, and essentially halted acquisition growth. In 2020, a new product called Photovoltaics for CZK 1 was introduced in the field of innovation, which introduces the installation of photovoltaics without the customer's initial investment. A Green Energy campaign focused on products related to "green" energy was also implemented, with the aim of presenting a comprehensive solution.

In the area of EPC projects, work was carried out for the Czech Technical University (ČVUT) on the largest energy saving project in Czechia. ČEZ ESCO installations and solutions received several industry awards, e.g., the Czech Technical University project won the Smart Cities 2020 competition.

### **Sales of Other Products and Services**

ČEZ Prodej mediated the implementation of 660 photovoltaic power plants, 485 battery solutions, and 514 heat pumps. The number of photovoltaic power plant and heat pump combinations also developed dynamically, with a total of 119 customers purchasing this solution. ČEZ Prodej also offers modern energy technologies to customers in its network of customer centers, where they can consult their questions with a technology specialist. The largest technological showroom was established within the customer center in Plzeň.

In 2020, another expansion of the TENAUR subsidiary took place, which sponsors not only the development but also the installation of modern household technologies. TENAUR has expanded its operations to Czechia with a new branch in Svitavy, and currently has 5 branches.

In addition to the usual fields, ČEZ Prodej also provides supplementary services. With more than 129,000 SIM cards, it ranks among the most popular virtual operators in Czechia. Other supplementary services include regular inspections of gas boilers and flue gas routes, assistance services, and managing heat source emergencies, as well as financing for costly investments associated with the installation of modern technologies. The increasing number of customers using these services is a positive factor.

### **Outlook for 2021**

CEZ Group expects an increase in the electricity supply to end-use customers in 2021 compared to 2020, despite the possible continuance of the COVID-19 outbreak. The increase is to be achieved mainly thanks to reduction of customer losses in both commodities across portfolios, and effective implementation of the acquisition strategy plan.

In technology implementation, ČEZ Prodej expects to continue its rapid growth in more than 1,000 installations of photovoltaic sources and further growth in the area of heat pumps. Its plan to expand the service and sales capacity will continue by opening additional branches and approaching the coverage of the entire country with its own capacities.

The public and private sectors will continue to face new challenges related to energy transformation. The year 2021 brings huge opportunities in terms of climate commitments and large financial resources that will be invested in achieving them by the European Union. For ČEZ ESCO, this represents a huge potential for products related to energy optimization and environmental impact. The Company will also have to deal with the consequences of COVID-19 measures, which have postponed a number of customer projects and investments until 2021, and some are unlikely to be implemented even in 2021, especially with customers who are cities or municipalities. At the same time, the energy saving projects offered by ČEZ ESCO represent a suitable way to effectively kick-start the economy with investments, while saving public and private funds.

**We make arrangements online  
and without unnecessary paperwork**

**real**

**Monika Votrubicová**, Process Support Specialist, ČEZ Prodej, Plzeň

“Digitization of processes is a significant priority for ČEZ Prodej. In 2020, we developed a new application that saves service time, but especially all our customers’ time. When a customer wants to purchase electricity or gas from us, we negotiate the contract with them in a short time and without printing a single paper, everything is carried out electronically. We take from the customer only the data that we really need. I am happy that I was able to personally contribute to this innovation.”





# People

## Business Environment

Renewable energy sources (RES), especially onshore and offshore wind farms, are among the most important energy sources in Germany, and their continuous construction forms a central pillar of energy transformation, the so-called Energiewende, whose declared goal is to achieve an environmentally friendly and economically successful future. It assumes a shift away from nuclear energy and coal combustion. The total capacity of RES has reached more than 100 GW and the share of RES in electricity consumption in Germany is growing steadily—from 7% in 2000 to about 46%<sup>1)</sup> in 2020, which represents a year-on-year increase of almost 4 percentage points compared to 2019.

Wind farms play a key role in the development of renewable energy, despite a more modest expansion in 2019 and 2020 compared to the dynamic development between 2014–2018. In 2020, 420 wind power plants with an installed capacity of 1,431 MW were connected to the grid. The reasons for the slower expansion lie in the worsening public acceptance of wind farms, and the protection of bird fauna. Appeals against issued building and operating permits then lead to ever-increasing litigations.

A large part of renewable sources, in the case of wind power plants with an installed capacity of 4,150 MW, will cease to be eligible for support after 20 years of operation. Many of them have already stopped drawing support in December 2020 and others, whose overall output is relatively large, will do so in the coming years. There is a risk that a significant part of these projects will not be competitive on the market and will close down.

At the end of 2020, the German government approved an amendment to the Renewable Energy Sources Act (Erneuerbare Energien Gesetz, EEG), which entered into force on January 1, 2021. The amendment aims to accelerate the expansion of renewable energy sources and increase their acceptance by the public. The amendment set a target of achieving a 65% share of RES in electricity generation by 2030 in line with the parameters of the European Green Deal, whereas the onshore wind power plants should continue to play a leading role. The major elements introduced by the amendment are the setting of higher expansion targets, namely an increase in installed solar capacity to 100 GW from 52 GW at the end of 2020, an increase in installed onshore wind capacity to 71 GW from 55 GW at the end of 2020, and an increase in installed offshore wind capacity to 20 GW by 2030. The amendment is further intended to simplify the approval process for projects with repowering potential for which state aid has expired or will expire in 2020 and the following years. This type of repowering will not require the occupation of new areas and has good wind. The amendment is also expected to increase support for below-average wind projects so as to increase the number of projects in the southern part of Germany.

In 2020, 7 auctions were held to determine support for electricity generation from wind power plants. The Federal Network Agency (Bundesnetzagentur—BNetzA) offered a total of 3,861 MW of power to compete, but the auction capacity was not filled due to insufficient number of projects. Support was granted to projects with a total capacity of 2,673 MW.

There were also 7 auctions for the construction of solar power plants, for the construction of which BNetzA offered a total capacity of 1,299 MW to compete. Support was granted to projects with a total capacity of 1,320 MW.

In 2020, two technology-neutral auctions were held for the construction of renewable sources, in which all types of renewable sources competed, regardless of the technology used. Both technology-neutral auctions were dominated by solar projects. 69 future solar power plants with a total output of 413 MW received support. Successful bids ranged from 49.7 to 56.1 EUR/MWh.

For the first time ever, an innovative auction was held with the possibility of combining RES and storage with a capacity of 650 MW. The new auction model introduced a fixed premium, which is added to the electricity market price for a period of 20 years. Most projects won with a combination of photovoltaics and batteries. The average premium amount was at 45 EUR/MWh. In the following years, innovative auctions will be announced in the volume of 500 MW per year.

<sup>1)</sup> Source of the figure: Agora Energiewende.

## CEZ Group Operations

Regarding renewables, CEZ Group in Germany concentrates on the operation of its wind farms and the co-development of its existing wind portfolio consisting of 12 projects with an output of up to 193.5 MW. The most advanced projects in the co-development portfolio are the Datteln and Nortorf projects (GP Joule portfolio) with an installed capacity of up to 22.8 MW. At the same time, the process of selecting wind turbine suppliers has been ongoing on part of the portfolio since mid-2020. The next step is the preparation and negotiation of supply agreements.

### Electricity Generation

CEZ Group's wind farms in Germany generated 292 GWh of electricity in 2020, as compared to 285 GWh in the same period of 2019.

### Installed Capacity

As at December 31, 2020, CEZ Group companies owned ten wind farms located in the Federal Republic of Germany, consisting of 53 wind turbines with installed capacity of 133.5 MW.

List of Generating Facilities in Germany as at December 31, 2020

#### Wind Power Plants

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2020	Year Commissioned
Fohren-Linden	CEZ Erneuerbare Energien Beteiligungs	12.8	2016
Mengeringhausen	CEZ Windparks Luv	12.0	2016
Naundorf	CEZ Windparks Luv	6.0	2015
Baben Erweiterung	CEZ Windparks Luv	9.2	2015
Gremersdorf	CEZ Windparks Luv	6.9	2016
Cheinitz-Zethlingen	CEZ Windparks Lee	13.8	2016
Frauenmark III	CEZ Windparks Lee	2.3	2016
Zagelsdorf	CEZ Windparks Lee	7.5	2016
Badow	CEZ Windparks Nordwind	27.6	2015
Lettweiler Höhe	BANDRA Mobiliengesellschaft	17.7	2014
Lettweiler Höhe	CASANO Mobiliengesellschaft	17.7	2014
<b>Wind power plants, total</b>		<b>133.5</b>	

### Sales of Commodities and Energy Services

In Germany, CEZ Group is developing ESCO services through Elevion GmbH. It focuses primarily on the provision of multitechnology services (technologies in buildings) for electrical and mechanical building systems.

Among German companies, CEZ Group focused on optimizing organizational settings and management centralizing, whereas the Kofler group now falls within the management of Elevion.

The spread of COVID-19 significantly affected the development of ESCO activities in Germany and had a negative impact on the financial results of ESCO companies, especially those with a significant exposure to customers in the automotive and aerospace industries.

Acquisition development was also significantly slowed down.

### Outlook for 2021

CEZ Group power plants in Germany are projected to generate 0.3 TWh of electricity in 2021.

In ESCO, CEZ Group will focus on changing the customer portfolio in response to the consequences of the COVID-19 outbreak.

Consolidation of existing companies will continue. It will keep monitoring the German market for further acquisitions aimed at expanding the value chain.

## Slovakia

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### Business Environment

Slovakia puts great emphasis on air quality, reduction of greenhouse gas emissions, and security and affordability of energy supplies. It made a commitment in 2019 to become carbon-neutral by 2050. Development of the energy sector is focused on optimizing the energy mix so as to cut down emissions of greenhouse gases and pollutants as much as possible while maintaining or increasing energy security and the affordability of the different kinds of energy. Another priority is increasing energy efficiency, especially in key industrial sectors and of buildings. These targets are currently reflected in the forthcoming Slovakian Renewal and Resilience Plan, where the areas of energy efficiency of buildings, decarbonization of industry, and renewable sources have a significant share in the total volume of available funds.

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### CEZ Group Operations

#### Sales of Commodities and Energy Services

Sales of electricity and natural gas to large customers and small and midsize businesses continued in 2020. In 2020, the total supply for all customer segments reached 449 GWh for electricity and 1,456 GWh for natural gas.

In November 2020, a framework agreement was signed for the sale of a dedicated part of CEZ Slovensko, which sells electricity and gas. Currently, the whole process is in the stage of approval by the Slovak Antimonopoly Office.

In the course of 2020, despite the difficult COVID-19 situation, projects in the area of energy savings, EPC, decentralized sources, heating, local distribution systems, and other energy products were successfully implemented in the Slovak subsidiaries.

In December 2020, a shareholder agreement was signed on the creation of a joint venture with the joint-stock company Slovenský plynárenský priemysel (SPP), which represents a strong strategic partner on the Slovak market. SPP acquired a 50% stake in the joint venture ESCO Slovensko, a. s., as at February 18, 2021. The goal of the joint venture is to become a leader in providing ESCO services in Slovakia.

#### Outlook for 2021

The strategic priorities for 2021 in Slovakia are the successful launch of the joint venture with SPP and the implementation of the strategy for the development of ESCO services, especially the addition of competencies in the field of technical building equipment. At the same time, organic growth is expected at the level of Slovak subsidiaries and suitable acquisition opportunities are being sought.

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### Prepared New Nuclear Power Plant at Jaslovské Bohunice

ČEZ Bohunice owns a 49% stake in Jadrová energetická spoločnosť Slovenska, a company established for the purpose of constructing a new nuclear power plant at Bohunice. Work on the project is underway in accordance with the approved business plan. Selected reference chapters of the documentation were created according to the Atomic Act by the envelope approach, and subsequently submitted to the supervisory body for assessment. Local seismicity-related aspects—slope stability—are being addressed. In addition, there were necessary design activities undertaken to maintain the value of the project, as well as the Final EIA Opinion in effect and activities necessary to renew Certification by the ministry of economy.

## Poland

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### Business Environment

The Polish energy market is almost fully liberalized. Wholesale market pricing is based on market factors. Electricity tariffs for residential customers and distribution charges are regulated. Prices in the heat market are based on a tariff system and require annual approval by the Energy Regulatory Office.

#### Capacity Market

CEZ Skawina and CEZ Chorzów underwent mandatory certification for joining the capacity market system in early 2020. At the moment, CEZ Skawina has supply contracts for 2021–2026 and CEZ Chorzów has a one-year contract for 2024. Relevant agreements have been signed in connection with the planned participation in the secondary market.

#### Cogeneration Support

The aim of the new system of support for electricity generation from cogeneration, which was introduced in 2019, is to create an incentive for the construction of new cogeneration units or at least the modernization of existing ones. The generating units of Chorzów and Skawina are not prepared to take part in the high-efficiency cogeneration support system.

#### Renewables

The Renewable Energy Sources Act has been fully implemented in Poland.

The Energy Regulatory Office evaluated all auctions of renewable energy sources that took place in 2020. Most of the support, corresponding to 99% of the production volume, will be directed to new installations.

#### Energy Policy

In September 2020, the ministry of climate and environment completed the consultation process on Polish energy policy until 2040, and presented the assumptions of an updated version of the document.

The new energy policy proposal envisages a much faster shift away from coal. It is assumed that in 2030 the share of coal in the structure of energy consumption will not reach more than 56%. Renewables will play an increasingly important role. In 2030, their share in gross final energy consumption will be at least 23%.

Offshore wind farms will be in operation from 2025. In 2033, it is planned to launch the first nuclear power plant unit with an output of approximately 1–1.6 GW. Additional nuclear units are to be launched every 2–3 years, and the entire nuclear program envisages the construction of 6 units with a total output of 6–9 GW.

Significant development of heating and combined heat and power production is expected. By 2040, the heat demand of all households should be covered by system heat and individual sources with zero or low emissivity.



## CEZ Group Operations

### Electricity and Heat Generation

CEZ Group's power plants in Poland generated 2,537 GWh of electricity in 2020, which was a year-on-year increase of 94 GWh. Coal-fired power plants generated 2,528 GWh, Borek Szlachecki small hydroelectric power plant generated 7 GWh, and the Skawina small hydroelectric power plant generated 2 GWh.

The Chorzów and Skawina power plants in Poland generated 5,539 TJ of heat in 2020, which was 173 TJ more than in 2019, primarily due to temperature conditions and new connections.

### Capital Construction

Most of capital expenditure was made in order to make generating facilities compliant with environmental requirements. Significant expenses were also spent on boilers in Skawina. The Skawina small hydropower plant with an output of 0.920 MW was put into operation.

### Installed Capacity

As at December 31, 2020, CEZ Group companies in Poland owned power plants with a total installed capacity of 570.2 MW, of which 568.4 MW in coal-fired power plants and 1.8 MW in hydroelectric power plants. Year-on-year installed capacity increased due to the commissioning of the new Skawina small hydro power plant with an output of 0.920 MW.

#### List of Generating Facilities in Poland as at December 31, 2020

##### Coal-Fired Power Plants

Facility	Owner	Type of Fuel	Installed Capacity (MW) as at Dec 31, 2020	Year Commissioned	Desulfurized Since
Chorzów	CEZ Chorzów	Hard coal, biomass	2 × 119.2	2003	<sup>1)</sup>
Skawina	CEZ Skawina	Hard coal, biomass	3 × 110	1957	2008
Coal-fired power plants, total			568.4		

<sup>1)</sup> Chorzów has complied with SO<sub>x</sub> limits since commissioning.

##### Small Hydroelectric Power Plants

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2020	Year Commissioned
Skawina/Borek Szlachecki	CEZ Skawina	1 × 0.885	2013
Skawina/Skawina	CEZ Skawina	1 × 0.920	2020
Small hydroelectric power plants, total		1.8	

### Solid Fossil Fuels and Sorbents

The Skawina and Chorzów power plants consumed a total of 1,286 thousand tons of hard coal in 2020. The Chorzów power plant purchases coal under a multiyear contract with Polska Grupa Górnicza S.A. In 2020, the Skawina power plant purchased coal from PG Silesia Sp. z o.o. and Polska Grupa Górnicza S.A. on the basis of multiyear contracts.

Polish power plants also burnt biomass in 2020; the Chorzów power plant consumed 379 thousand tons, the Skawina power plant burnt 62 thousand tons of biomass.

## Sales of Commodities and Energy Services

### Sales of Electricity and Natural Gas

Large and commercial retail customers were supplied with 332 GWh of electricity in 2020 as planned, the volume supplied in 2019 was 1,804 GWh. Customers were also supplied with 412 GWh of natural gas, the volume supplied in 2019 was 913 GWh. The year-on-year declines reflect the intention to reduce sales activities to end-use customers in the country, but the impact of COVID-19 has further deepened the decline.

### Sales of ESCO Services

In Poland, CEZ Group operates within the ESCO business through Euroklimat (technical security of buildings), Metrolog (heat management and cogeneration), and OEM Energy (photovoltaic installations).

All three companies were strongly affected by the spread of COVID-19. Metrolog and OEM Energy were the most affected, due to their dependence on state and local tenders which were postponed.

## Outlook for 2021

### Electricity and Heat Generation

The Chorzów and Skawina power plants in Poland are planned to generate 2.2 TWh of electricity in 2021. The total amount of electricity supplied in 2021 is estimated at 1.9 TWh; the planned amount of heat is 5,724 TJ.

### Sales of Electricity and Natural Gas

In 2021, the supply of electricity to end-use customers is expected to amount to 0.2 TWh. Gas supply to end-use customers is not planned.

### Sales of ESCO Services

In response to the consequences of COVID-19, CEZ Group has been focusing on changing its customer portfolio. It will continue to implement energy-saving projects, especially in the areas of photovoltaics, lighting, and HVAC (heating, ventilation, and air conditioning), and will continue to monitor for further acquisitions.

## Divestment of Assets

The sale of Polish wind turbine projects in their development stage continues. The sale of the Krasin and Sakówko projects was completed in the second quarter of 2020, negotiations on the sale of the remaining 4 projects continue in 2021.

A divestment process was started for Polish coal-fired assets in the second half of 2020 in line with the updated strategy. In December, ČEZ received nonbinding offers. The next phase of the sales process will be completed by submitting the binding bids, which is expected in the second quarter of 2021.

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## Business Environment

The Multiyear Energy Program (PPE 2) entered into force at the end of April 2020, setting short- and medium-term energy and climate targets. The second Multiyear Energy Program, covering the five-year periods of 2019–2023 and 2024–2028, emphasizes the diversification of the energy mix through the promotion of renewable energy sources (RES) with the aim of doubling their installed capacity by 2028 compared to 2017, while achieving a 36% share of RES in electricity generation. With a view to targets set for RES, the installed capacity of photovoltaic power plants should increase to 35.1–44.0 GW by the end of 2028 and the capacity of onshore wind farms should increase to 33.2–34.7 GW. Offshore wind farms had the targets for 2023 slightly decreased (2.4 GW), while achieving capacities to 5.2–6.2 GW is expected in 2028.

In November 2020, the Act on Acceleration and Simplification of the Public Act (Loi ASAP) was adopted. A key provision affecting the onshore wind sector is the obligation to meet two requirements that were previously only voluntary. Firstly, the project owner must submit a summary of the environmental impact assessment (EIA) report to the municipalities concerned, and secondly, the French Association of Architects must obtain approval for projects near UNESCO sites in the event of a change in the permit (e.g., technology change). From mid-December 2020, based on the newly adopted decree, the project owner has the opportunity to choose a completely digital solution for the approval process, which should have a positive impact on the continuation of administrative processes even during the COVID-19 outbreak.

At the end of 2020, the share of RES in electricity consumption reached 26.9%, which meant meeting the partial national target of 27%. France reached 55.9 GW of installed RES capacity at the end of 2020, of which onshore wind power plants reached the installed capacity of 17.6 GW, photovoltaic power plants 10.4 GW, biomass 2.2 GW, and hydropower plants 25.7 GW. By 2028, France plans to increase the installed capacity of renewable energy sources to 100 GW.<sup>1)</sup>

In the offshore wind segment, France emphasizes floating wind farms mainly due to the great depth of the Atlantic Ocean in the planned locations. Four pilot projects were already approved in 2016, and although this technology is not yet fully developed, it can be expected to be used more widely in the coming years.

In 2020, three auctions for wind power plants took place in a total volume of 1,380 MW. However, due to favorable bid prices, the ministry granted support to projects with a total output of around 1,415 MW. The average price was at 60.46 EUR/MWh. An annual auction capacity of 1,850 MW is planned for the coming years.

<sup>1)</sup> Data source: Syndicat des énergies renouvelables.

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## CEZ Group Operations

### Capital Construction

CEZ Group made progress in the development of its portfolio of 17 onshore wind power plant projects with an estimated capacity of up to 225.6 MW in the course of 2020. As at December 31, 2020, a total of 8 projects with a planned installed capacity of up to 81.8 MW obtained construction and operation approval. The administrative processes have been significantly affected by the current COVID-19-related situation and the planned activities show delays of several months to a year.

At the beginning of October 2020, a public tender was launched to determine an alternative turbine supply technology according to French legislation for the Aschères-le-Marché project, originally planned with the Servion turbines. The tender evaluation is expected in the second quarter of 2021.

### Other Activities

There are two companies operating in the country that have been acquired by CEZ Group's investment fund Inven Capital for its portfolio. Cosmo Tech, based in Lyon, specializes in the development of a software platform for the optimization of decision-making processes in the management of critical infrastructures and processes. Its solution based on "Digital Twins" allows companies to simulate and virtually test their strategies, identify possible changes, and propose optimal paths toward greater efficiency and profitability. VU LOG, based in Nice, is a global leader in the provision of technology for mobility sharing in cities, involving green cars, motor scooters, and scooters. In May 2020, VU LOG began offering a ready-made solution for micromobility providers (for example, focusing on mopeds, motor scooters, or electric bikes) that will allow them to launch their services in under 30 days. VU LOG currently offers its customers a universal platform that provides a comprehensive solution to mobility needs in the form of renting various types of vehicles on a minute, daily, or long-term basis.

### Outlook for 2021

As part of the Aschères-le-Marché project, the construction preparation phase is expected to resume in 2021.

## Bulgaria

### Business Environment

Corporate and residential low-voltage customers have been able to choose a supplier of electricity at unregulated prices since April 2016. However, these customers largely keep their protected customer status and are generally supplied with energy at regulated prices set by the regulatory authority—the Energy and Water Regulatory Commission (EWRC).

On June 17, 2020, the parliament passed a bill presented by the EWRC concerning the switchover of low-voltage business, government, and municipal customers to the free market. The bill allows that all such customers who have been in the regulated market until now should switch over to the free market starting from October 1, 2020. There is no reference price set for the purposes of the switchover and a customer who will not choose a supplier by July 1, 2021, will automatically keep their current supplier, but now as a supplier of last resort. Only households will be allowed to purchase electricity at regulated prices.

New rules for trading on the IBEX energy exchange, which electricity generators must use to sell generated electricity, entered into force on June 19, 2020. The exchange is now entitled to define the types of products that may be traded. Soon after the new rules were announced, IBEX excluded flexible and unstandardized products, which had been common until then, from trading. According to IBEX, these changes should help improve transparency in trading on the energy exchange.

At the end of 2020, a memorandum of understanding was signed between the Bulgarian and North Macedonian transmission system operators and market operators on interconnecting the day-ahead markets in 2022. The signing follows the selection of a market operator in Northern Macedonia in September 2020.

### CEZ Group Operations

#### Electricity Generation

Oreshets photovoltaic power plant generated 6.1 GWh of electricity in 2020, which is a year-on-year decrease of 4%.

No capital expenditure was made in the Bulgarian production assets during 2020.

#### Installed Capacity

As of December 31, 2020, CEZ Group's installed capacity in Bulgaria amounted to 5.0 MW and did not change year-on-year.

List of Generating Facilities in Bulgaria as at December 31, 2020

#### Photovoltaic Power Plant

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2020	Year Commissioned
Oreshets	Free Energy Project Oreshets	5.0	2012
Photovoltaic power plants, total		5.0	



**Electricity Distribution**

On July 1, 2020, the Bulgarian regulatory authority EWRC issued a price decision effective from July 1, 2020, to June 30, 2021. In the case of distribution, the price decision results in a decrease in distribution tariffs, which has a negative impact on the total volume of the distributor's approved revenues. In the case of sales to end-use customers, the pricing decision has an estimated positive impact on the higher average regulated sales price and on the total volume of regulated revenues.

In Bulgaria, electricity is distributed by CEZ Razpredelenie Bulgaria, which distributed a total of 9,396 GWh of electricity to end-use customers in 2020, or 30 GWh less year-on-year.

**Capital Construction**

Distribution capital expenditures went primarily to distribution grid quality improvements, electricity meters replacements, critical infrastructure in Sofia, and new connections to the distribution grid. Furthermore, capital expenditure was used for mandatory buyouts of distribution assets.

**Sales of Commodities and Energy Services**

CEZ Elektro Bulgaria sold 6,343 GWh of electricity to end-use customers in 2020, which is a year-on-year increase of 73 GWh.

CEZ Trade Bulgaria sold 4,080 GWh of electricity to end-use customers on the free market in 2020, i.e., 127 GWh less year-on-year.

The reason for the decline was mainly the reduction in customer consumption in connection with the COVID-19 outbreak.

CEZ ESCO Bulgaria was established in Bulgaria in 2017. The company implements energy projects for end-use customers in the Bulgarian market. During 2020, the business activities focused mainly on energy saving projects, including a major project to build a 10 MW photovoltaic system for a customer's own consumption.

**Outlook for 2021**

CEZ Group estimated annual electricity generated at 6 GWh; the amount of electricity supplied to CEZ Elektro Bulgaria's customers is estimated at 5.5 TWh. Active operations will continue in the market.

The total amount supplied by CEZ Trade Bulgaria EAD in 2021 is estimated at a level similar to that of 2020. Proactive market activities will continue in order to increase the market share.

The volume of distributed electricity in 2021 is estimated to be 9.4 TWh.

The stated values are expectations for the whole year 2021, whereas the sale of production, distribution, and sales assets is expected to be settled in June 2021.

In the ESCO area, the implementation of energy saving projects will continue.

**Divestment of Assets**

On June 20, 2019, an agreement was concluded with Eurohold on the sale of CEZ Group's Bulgarian assets. The transaction settlement was also subject to the approval of the Commission for the Protection of Competition (CPC) and the EWRC regulator.

CPC rejected the Eurohold's original application for merger clearance, submitted on August 2, 2019. However, following the annulment of the CPC's negative decision by the Sofia administrative court, the commission altered its stance and authorized the sale of Bulgarian assets on October 29, 2020. The sale of assets was subsequently approved by EWRC on January 19, 2021. The transaction settlement is expected at the end of the second quarter of 2021.

The arbitration claim was not sold off and the arbitration is still carried on by ČEZ, a. s. (see the section on Legal and Other Proceedings of CEZ Group Companies).

## Romania

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### Business Environment

The liberalization of the energy market in Romania was completed in the past. For business-sector customers, it took place in 2013; for residential customers, it occurred on January 1, 2018. All consumers of electricity are now entitled to choose their supplier in the free market. Regulation No. 251/2019 concerning another change to the fee paid to ANRE regulator was published in the Official Journal on December 30, 2019. The new regulation reinstated the levels applicable prior to government Regulation No. 114/2018, namely 0.2% for distribution companies and 0.1% for other companies in 2020. The regulation entered into force with the issue of government Decree No. 1/2020, which was published on January 9, 2020.

Since January 1, 2021, ANRE does not regulate the price of electricity supplied to residential customers, with the exception of prices for transmission and distribution. Transmission and distribution fees have been increased.

The National Energy Strategy issued in September 2020 no longer envisages the construction of the last coal-fired facility under consideration, the new 600 MW Rovinari 7 unit. It envisages reducing the capacity to generate electricity from coal to a maximum of 2,000 MW by 2030, and replacing several coal-fired power plants with combined heat and electricity using natural gas or renewables. It is also planned to increase the installed capacity of the whole country in order to reduce dependence on electricity imports. In October 2020, an agreement was signed with the American side on the modernization of Unit 1 of the Cernavoda nuclear power plant and the construction of Units 3 and 4.

On December 16, 2019, the Romanian regulatory authority approved new distribution tariffs effective from January 1, 2020. The Romanian distribution company's tariffs increased by more than 7% at all voltage levels. Another minor adjustment was made to the tariffs by the regulatory authority in January 2020. This change reflected the decrease in distribution costs due to another change of the licensed activity turnover fee paid to ANRE, which was decreased from 2% to 0.2% by the government Regulation No. 1/2020. Even after this adjustment, the 2020 tariffs are higher year-on-year by more than 5% on average.

On May 6, 2020, the Romanian regulator (ANRE) approved a new value of WACC, which entered into force upon its publication in the Official Journal on May 13, 2020. According to the regulation, the value of WACC is 6.39% and an additional 1% applies to new investments. The new value is expected to be taken into account through a correction to tariffs for the next years of the regulatory period, that is in 2021–2023.

The Romanian parliament approved amendments to the Energy Act 155/2012, which includes in particular the obligation for distributors to connect clients (outside residential customers) to the grid at their own expense within a distance of 2.5 km—the changes are effective from November 3, 2020.

On November 24, 2020, the parliament approved an amendment to the Energy Act, which stipulates the obligation of distributors to connect residential customers at their own expense within 90 days. For these investments, distributors can then use accelerated depreciation for 5 years and the costs incurred will be recognized to distributors in the tariffs.

On December 9, 2020, the Romanian regulatory authority approved new distribution tariffs effective from January 1, 2021. The Romanian distribution company's tariffs increased on average by 9.44% year-on-year at all voltage levels.

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### CEZ Group Operations

#### Electricity Generation

Support for generation at the Fântânele and Cogeaalac wind parks continued in compliance with applicable law in 2020. The wind parks were entitled to participate in the renewable generation support program and get green certificates for the electricity they generate. The allocation was one green certificate for 1 MWh in 2020 and will remain the same for generation in 2021.

The Fântânele and Cogeaalac wind power plants generated 1,259 GWh of electricity in 2020 mainly due to better weather conditions, which was a year-on-year increase of 75 GWh. Small hydroelectric power plants operated by TMK Hydroenergy Power S.R.L. at Reșița locality generated 75 GWh of electricity, a year-on-year increase of 10 GWh.

#### Capital Construction

Capital expenditures in 2020 went primarily into the renovation of individual turbine components at the Fântânele and Cogeaalac wind parks. Minor capital expenditures at the hydroelectric power plant of TMK Hydroenergy Power S.R.L. were primarily made on repairs of water channels.

## Installed Capacity

As of December 31, 2020, CEZ Group had an unchanged year-on-year installed capacity of 622 MW (600 MW in wind power plants, 22 MW in hydroelectric power plants).

### List of Generating Facilities in Romania as at December 31, 2020

#### Hydroelectric Power Plants—Reșița Site

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2020	Year Commissioned
Breazova	TMK Hydroenergy Power	0.656	1977, renovated in 2013
Crainicel 1	TMK Hydroenergy Power	4.160	1950, renovated in 2013
Crainicel 2	TMK Hydroenergy Power	9.200	1997, renovated in 2013
Grebla	TMK Hydroenergy Power	7.968	1970, renovated in 2013
Small Hydroelectric power plants, total		21.984	

#### Wind Power Plants

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2020	Year Commissioned
Cogealac	Ovidiu Development	252.5	2012
Fântânele	Tomis Team, M.W. Team Invest	347.5	2010
Wind power plants, total		600.0	

## Electricity Distribution

Distributie Energie Oltenia S.A. distributed a total of 6,487 GWh of electricity to end-use customers in 2020, which was a year-on-year decrease of 322 GWh.

### Capital Construction

Capital expenditures on distribution in 2020 were primarily aimed at improving the parameters of the distribution grid at all voltage levels and at exchanges of electricity meters.

## Sales of Commodities and Energy Services

CEZ Vanzare sold 3,696 GWh of electricity to end-use customers in 2020, which is supply in the same amount as in 2019. The slightly lower supply to commercial customers at the low voltage level was offset by a slightly higher supply to residential customers.

In 2020, CEZ Vanzare supplied 1,300 GWh of natural gas to its end-use customers. Compared to 1,170 GWh in the previous year, the supply volume increased by 11%.

CEZ Group provides ESCO services in Romania through its subsidiary High-Tech Clima specializing in air conditioning, ventilation, and heating.

### Outlook for 2021

CEZ Group estimates annual electricity generation at the Fântânele and Cogealac wind parks at 1.3 TWh. The Reșița hydroelectric power plant system should generate 0.1 TWh of electricity.

The amount of electricity distributed to end-use customers in 2021 is estimated at 6.5 TWh. Electricity sales to end-use customers are estimated at 3.7 TWh.

The stated values are expectations for the whole year 2021, where as of March 31, 2021, the sale of production, distribution, and sales assets is expected to be settled.

Active activity in the ESCO services market will continue. However, CEZ Group does not plan any significant expansion of ESCO activities in Romania.

## Divestment of Assets

On January 27, 2020, the second phase of the sales process was launched and on June 25, 2020, binding offers were received.

The offer of Macquarie Infrastructure and Real Assets (MIRA) was assessed as the best, with which a purchase agreement was subsequently concluded.

On December 23, 2020, MIRA received an antitrust approval of the transaction by the European Commission, more precisely, by the European Directorate-General for Competition in Brussels (Direction générale de la concurrence), and on January 5, 2021, the transaction was also approved by the Security Council of the Romanian State, CSAT (Consiliul Suprem de Apărare a Țării). This fulfilled the conditions precedent for the transaction settlement, which is expected at the end of the first quarter of 2021.

## Turkey

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### Business Environment

The economic downturn as a result of measures taken against the COVID-19 outbreak in mid-2020 also had an impact on the decline in electricity consumption, with a year-on-year overall slight increase. The decline in the growth rate of the Turkish economy (a year-on-year increase of 1.8% was reported in 2020) was further due to a decline in investment, declining exports caused by a decline in foreign demand, and decline in tourism.

As a result of COVID-19, there was an outflow of speculative capital, which resulted in further loss of value of the Turkish lira to the US dollar, its exchange rate fell by 25% during 2020. The depreciating lira negatively affected the results of Turkish companies that are funded with loans denominated in US dollars. The Turkish central bank maintained a relatively low interest rate during the first three quarters so as to encourage economic activity. In November, the governor of the central bank and the minister of finance were replaced, and at the November and December meetings of the bank board, it was decided to increase interest rates by 4.75 percentage points and then by a further 2 percentage points to a total of 17%. These steps are perceived positively by the financial markets as a confirmation of the central bank's independence in the fight against inflation, which amounted to 14.6% in 2020, and so the Turkish currency strengthened slightly by the end of the year.

Turkey has begun an active exploration of possible gas fields in the Black Sea region, as well as in the disputed areas of the international Mediterranean waters, which has provoked a wave of criticism from EU countries. In order to show a constructive approach to resolving the conflict, reconnaissance ships were withdrawn from the Mediterranean at the end of the year, but despite this step, the EU imposed sanctions on Turkey.

Turkey continued its military operations in Syria, Libya, and has recently taken part in the Nagorno-Karabakh conflict. This is one of the reasons why tensions in USA and Russia relations regarding the weapons program continue. These activities contribute to the volatility of the Turkish currency and the negative perception of the environment by foreign investors. As concerns the energy sector, full liberalization has not been completed yet, electricity and gas prices continue to be tampered with, and there is continued politicization of the distribution and retail business.

Credit rating agencies unanimously give Turkey speculative-grade ratings (Moody's: B2 with a negative outlook (2020), Standard & Poor's: B+ with a stable outlook).

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### CEZ Group Operations

#### Electricity Generation

Generation by the Erzin CCGT power plant amounted to 3,738 GWh, as compared to 2,822 GWh in 2019. The year-on-year increase was influenced by higher local market demand. Akenerji hydroelectric power plants generated 767 GWh of electricity in 2020, which was an decrease of 201 GWh year-on-year. The Ayyıldız RES wind farm's generation increased by 3 GWh year-on-year, totaling 89 GWh for the entire year.

#### Capital Construction

Capital expenditure in 2020 was directed, in particular, to overhauls at the Erzin power plant and hydroelectric power plants.

## Installed Capacity

List of Generating Facilities Co-Owned by CEZ Group in Turkey as at December 31, 2020

### Gas-Fired Power Plant

Facility	Owner	Type of Fuel	Installed Capacity (MW) as at Dec 31, 2020	Year Commissioned
Erzin	Akenerji Elektrik Üretim	Natural gas	2× 292.09, 1× 319.82	2014
Gas-fired power plants, total			904.0	

### Hydroelectric Power Plants

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2020	Year Commissioned
Bulam	Akenerji Elektrik Üretim	2× 3.515	2010
Burç Bendi	Akenerji Elektrik Üretim	3× 9.11	2010
Feke I	Akenerji Elektrik Üretim	2× 14.7	2012
Feke II	Akenerji Elektrik Üretim	2× 34.79	2010
Gökkaya	Akenerji Elektrik Üretim	2× 14.27	2012
Himmetli	Akenerji Elektrik Üretim	2× 13.49	2012
Uluabat	Akenerji Elektrik Üretim	2× 50	2010
Hydroelectric power plants, total		288.9	

### Wind Power Plant

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2020	Year Commissioned
Ayyıldız RES	Akenerji Elektrik Üretim	5× 3, 4× 3.3	2009, 2016
Wind power plants, total		28.2	

Note: The Turkish companies are consolidated using the equity method; consequently, neither their generation nor their installed capacity are included in CEZ Group's aggregate figures.

## Electricity Distribution

Electricity is distributed in Turkey by regulated regional distribution companies. One of them is Sakarya Elektrik Dağıtım A.Ş. (SEDAŞ), controlled by ČEZ and its Turkish partner AKKÖK. The amount of electricity distributed to end-use customers in 2020 was 9,611 GWh, which is year-on-year increase by 87 GWh.

## Capital Construction

In distribution, investments were mainly directed at increasing the capacity and efficiency of the grid in 2020.

## Electricity Sales

Sakarya Elektrik Perakende Satış A.Ş. (SEPAŞ), a sales company selling electricity to end-use customers mostly in the SEDAŞ distribution area, sold 9,766 GWh of electricity in 2020. Market opening and greater competition were the reasons for the decrease of 1,032 GWh compared to 2019.

## Outlook for 2021

The total amount of generated electricity is expected to be 4.6 TWh, which means practically the same level as reached in 2020. The amounts of electricity distributed and sold are estimated at 9.7 TWh and 11.5 TWh, respectively.



## Other Countries

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### Hungary

#### Sales of Commodities and Energy Services

CEZ Magyarország Kft. (CEZ Hungary Ltd.) sold 1,330 GWh of electricity to end-use customers in Hungary in 2020, which was a year-on-year decrease of 190 GWh. The reason for the decline was mainly the reduction in customer consumption in connection with the COVID-19 outbreak.

In the area of ESCO services, CEZ Group provides support for the planning and implementation of energy saving projects through ETS Engineering.

#### Outlook for 2021

The total amount of electricity supplied by CEZ Magyarország Kft. in 2021 is estimated at a level similar to that of 2020.

Proactive market activities will continue in order to increase the market share.

Active operations on the ESCO service market will continue. However, CEZ Group does not plan any significant expansion of ESCO activities in Hungary.

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### Austria

In 2020, CEZ Group acquired Moser & Partner Ingenieurbüro GmbH, a company designing and installing comprehensive electrical equipment.

#### Outlook for 2021

CEZ Group keeps monitoring the Austrian market in order to identify potential investment opportunities in the segment of ESCO services.

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### Italy

Inewa Group (formerly SYNECO) is based in South Tyrol, focusing on a broad range of energy services for its customers—from planning, consultancy to subsequent operation and maintenance. CEZ Group acquired the AXE biogas plant in Medicina (Bologna) through the Inewa Group in 2020. The acquisition included the subsequent reconstruction of the biomethane production station.

#### Outlook for 2021

CEZ Group keeps monitoring the northern Italian market in order to identify potential investment opportunities in the segment of ESCO services.

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## Netherlands

CEZ Group operates in the wholesale market in electricity and natural gas (with both physical and financial settlement) in the Netherlands. Its local subsidiaries pursue holding, financial, or management activities.

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## Serbia

CEZ Group operates on the wholesale electricity market in Serbia, as well as one of its project companies in the field of air conditioning.

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## China

ETS Efficient Technical Solutions Shanghai Co. Ltd., a company operating in the country, is a member of the German Elevion GmbH group (focusing on developing CEZ Group's ESCO services abroad).

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## Malaysia

HERMOS SDN. BHD, a company operating in the country, is part of the German group Elevion GmbH. HERMOS SDN. BHD is engaged in building automation and facility management.

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## Ukraine

CEZ Group operations in Ukraine have been discontinued; the existing subsidiary CEZ Ukraine LLC is in liquidation.



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**We provide green electricity  
for our municipalities and businesses  
without initial investments**

# Products

**Martin Vondrášek**, Head of Development Department, ČEZ ESCO, Prague

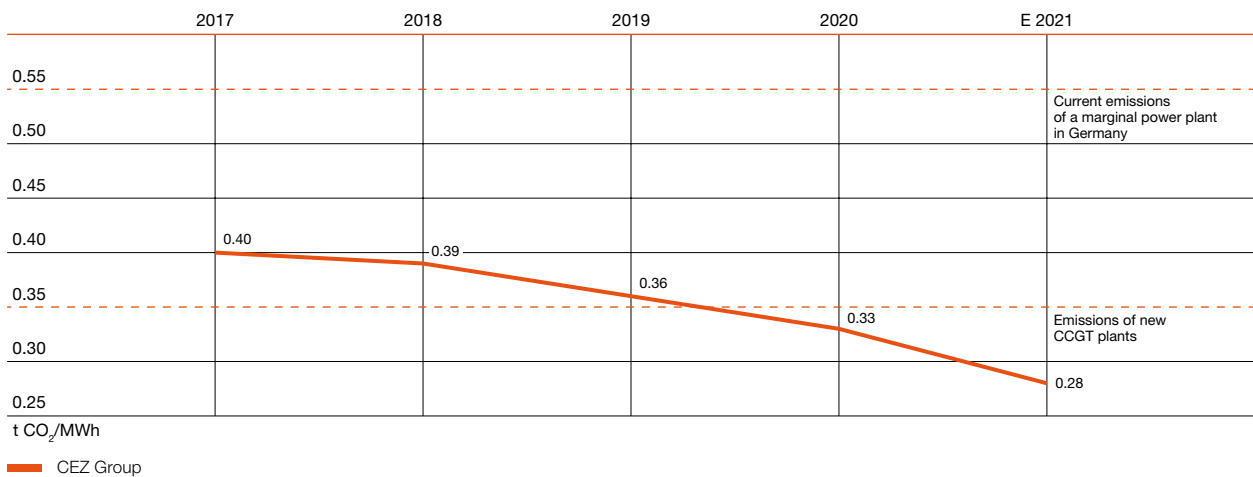
“I am convinced that rooftop photovoltaic power plants are the future of municipal energy, because they use built-up space, do not produce CO<sub>2</sub> emissions and save on electricity costs. Our team came up with a solution to remove the main obstacle to their faster expansion in municipalities and companies. And that is the initial investment costs. Our product “Photovoltaics for CZK 1” means that the customer does not have to invest any funds in the beginning. ČEZ ESCO makes the investment instead of the customer, who pays for the solar power plant in the prices for the electricity consumed. I am very happy to see a clever idea becoming a reality.”

## Environment

Reducing the impact of energy on the environment and contributing to the fulfillment of global climate goals are long-term strategic goals of CEZ Group. CEZ Group has spent tens of billions of crowns on desulfurisation, denitrification, reduction of CO<sub>2</sub> emissions, and other environmental measures, and constantly takes steps ahead to meet all emission and environmental requirements set by legislation and regulatory bodies.

CEZ Group has long been committed to reducing CO<sub>2</sub> emissions, and as early as in 2015, it made a commitment to generate electricity without CO<sub>2</sub> emissions no later than by 2050 in accordance with the conclusions of the Paris climate conference. The share of electricity generation from emission-free sources in 2020 was 56%, and CEZ Group's emission intensity, i.e., the volume of CO<sub>2</sub> emissions per electricity generated, is gradually declining. In 2020, CEZ Group's emission intensity reached 0.33 tons of CO<sub>2</sub> per MWh of electricity generated. In 2021, CEZ Group expects the average CO<sub>2</sub> emissions per generated electricity of the entire CEZ Group to be 22% lower than in 2019 and at the same time almost 20% lower than the specific emissions of the new CCGT facility.

CEZ Group's Emission Intensity (t CO<sub>2</sub>/MWh of Generated Electricity)



In line with its sustainable development strategy, CEZ Group also focuses its activities on reducing energy consumption and offers its customers comprehensive solutions for achieving savings in the operation of their buildings.

At the same time, CEZ Group is aware of its commitment to communities and regions adversely affected by the shutdown of coal-fired power plants or mining. It already supports the regions through the ČEZ Foundation activities and prepares plans for retraining and transition of employees so that even in the event of a plant shutdown or mine closure, negative social impacts are minimized.

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## Air Protection

### Czechia

The generation of electricity and heat from fossil sources, and the extraction of sources, are associated with emissions of pollutants to the air. Dust particles are emitted during brown coal extraction. The combustion of fossil fuels results, in particular, in emissions of sulfur dioxide, nitrogen oxides, carbon monoxide, and particulate matter. Emission reduction equipment is installed at combustion facilities operated by CEZ Group and its efficiency is continually improved as best available techniques developed.

To reduce emissions of sulfur dioxide, most facilities use a highly efficient flue-gas desulfurization method based on wet limestone scrubbing; smaller facilities use a semi-dry method in which pollutants from flue gases are absorbed on lime suspension particles which are then dried by the heat in the flue gases.

Sulfur oxides from fluidized bed boilers are captured directly in the combustion chamber by dosing limestone to the furnace. Sulfur dioxide emissions are also reduced by replacing fossil fuels with biomass combustion in some combustion units, especially fluidized bed boilers. Dust particles are captured by high-efficiency electrostatic precipitators or fabric filters.

Nitrogen oxides emissions are reduced either directly by primary measures in the combustion process, or by means of reduction techniques using ammonia water or urea.

In connection with the termination of Czechia's Interim National Plan, the stricter emission limits of the Industrial Emissions Directive (Directive 2010/75/EU of the European Parliament and of the Council) have been met for all sources burning fossil fuels since July 1, 2020. In order to meet the obligations set out in this directive, a number of greening and optimization measures have been implemented in advance to safely reach the limit concentrations.

Mercury is a newly monitored pollutant emitted into the air, for which very strict emission limits are set, and therefore investment projects have been launched to implement techniques to reduce emissions, preferably in fluidized bed units.

Emissions from coal-fired power plants are monitored continually, evaluating the quality of air near the coal-fired power plants.

Pollution measurement data is included in the Air Quality Information Systems database (ISKO) run at national level by the Czech Hydrometeorological Institute.

CEZ Group monitors the impact of coal-fired power plant and heating plant operations on a long-term and systematic basis using its own measurement network. Monitoring was carried out in 2020 at nine pollution monitoring stations located near coal-fired power plants and heating plants, which measure gaseous pollutants ( $\text{SO}_2$ ,  $\text{NO}_x$ ) and, most importantly, particulate matter of different sizes ( $\text{PM}_{10}$  and  $\text{PM}_{2.5}$ ). The public is kept informed about the results of pollution monitoring by means of a website. Monitoring stations are located in municipalities affected by mine operations, providing continuous measurement of dust pollution, in particular suspended  $\text{PM}_{10}$  particles, with remote data transmission, operated by an independent accredited laboratory. The results of the measurement are provided to the affected municipalities and governmental agencies in the form of data reports at regular monthly intervals. Coal storage sites are closely monitored to prevent and eliminate spontaneous heating (mixing of coal dust with water vapor can lead to self-combustion).

### Poland

In 2020, the Skawina and Chorzow power plants did not exceed the pollutant emission limits set out in the permit, with the exception of exceeding the dust limit for bed ash silos at the Chorzow power plant.



## Emissions of Selected Substances Into the Air

### CEZ Group Emissions

Emissions and specific emissions of air pollutants	Unit	2019	2020	2020/2019 Index (%)
Particulate matter	Tons	1,575	1,311	83.2
Sulfur dioxide	Tons	21,008	14,253	67.8
Nitrogen oxides	Tons	23,040	19,365	84.0
Carbon dioxide from fossil fuel combustion	Tons	26,070,966	22,458,780	86.1
Carbon dioxide from biomass combustion	Tons	1,343,775	1,534,381	114.2

There was a year-on-year decrease in both the absolute amount of released CO<sub>2</sub> and the emission intensity of electricity generation, which dropped from 0.36 to 0.33 tons of CO<sub>2</sub>/MWh, that is, by 10%.

### CEZ Group Emission Intensity—Carbon Dioxide

	Unit	2019	2020	2020/2019 Index (%)
CO <sub>2</sub> emission intensity of electricity generation	t CO <sub>2</sub> /MWh	0.36	0.33	89.9
CO <sub>2</sub> emission intensity of electricity and heat generation	t CO <sub>2</sub> /MWh	0.36	0.33	91.5

Note: The indicator "Emission intensity" corresponds to generation producing CO<sub>2</sub> emissions, creating the obligation to acquire emission allowances.

## Water Protection

### Czechia

Surface water is used for various purposes at CEZ Group's power plants and heating plants, mostly to cool steam after its passage through a turbine in order to increase electricity generation efficiency. Used water is recycled at generating facilities depending on its quality so as to minimize the amount of surface water withdrawn. Groundwater is only used to a minimum extent at CEZ Group. It is mostly for the production of drinking water; a negligible amount is used for other purposes.

Water protection is ensured by compliance with operating regulations and regular monitoring of the quality of discharged wastewater and groundwater in the affected localities, which will enable the timely detection of any undesirable condition. Water protection is also carried out by means of preventive measures aimed at preventing the leakage of harmful substances into surface water and groundwater, sewers and soil, and regular control of the functionality of these measures. Verification of emergency preparedness is ensured by emergency exercises.

In 2020, the conditions of the approval for the abstraction of surface water and groundwater as well as the conditions related to the discharge of wastewater and mine water were complied with. Reports on compliance with the conditions of integrated permits are regularly published through water authorities.

In October 2020, due to long-lasting rains, the Hodonín power plant experienced the third flood stage, when the discharges of flow cooling into the Stará Morava River had to be closed, and after an agreement with Lesy ČR, all warmed water from the flow cooling was temporarily discharged into Teplý járek to flood the floodplain forests. The flood did not cause any damage to the generating equipment.

In 2020, activities aimed at reducing water consumption continued. At the Dětmarovice power plant, water leaks and at the same time the costs of their operation were reduced by repairing and optimizing fire distribution systems. At the Ledvice power plant, reduction of water consumption was achieved by rationalizing the dosing of water treatment agents at the cooling tower of the 660 MW unit, while at the same time modifying the algorithms and technical instrumentation for controlling the concentration of cooling water. In response to the accidental leakage of turbine oil into the Elbe in 2019, further preventive measures were taken at the outlets of the Mělník power plant in 2020 to reduce the risk of leakage of harmful substances into the Elbe, consisting of adjusting the dampers at the wastewater outlet from the relief tank. At the Slapy hydroelectric power plant, the overhaul of the TG1 unit was completed, in which the capacity was increased by replacing the new impeller and at the same time the oil content of the control oil was reduced.

#### CEZ Group Water Consumption

	Unit	2019	2020	2020/2019 Index (%)
Total water consumption	thousands of cubic meters	640,670	592,478	92.5
Of which: Surface water	thousands of cubic meters	634,948	586,628	92.4
Groundwater	thousands of cubic meters	388	432	111.2
Drinking water from public water utilities	thousands of cubic meters	5,241	5,407	103.2
Cooling water from industrial water works	thousands of cubic meters	92	10	10.9

## Fauna Protection and Support

### Czechia

CEZ Group has been addressing avian electrocution protection since the 1990s. Its objective is to prevent birds from being injured or killed by perching on power lines. Protection devices are usually installed on the support structures of medium-voltage power lines. Most often, they are plastic sheaths that are pulled over insulators. Another method for protecting birds on power lines is using crossarm constructions that prevent birds from perching on the line and subsequently connect the conductor through the bird's body to a grounded mast structure. CEZ Group makes a significant contribution to avian electrocution protection.

Another 24 thousand support structures (towers) for medium-voltage power lines became safe for birds in 2020, increasing the share of safe support structures owned by ČEZ Distribuce to 64%.

ČEZ Distribuce also continues to actively participate in the working group for solving requirements for avian protection against accidents on power lines, which consists of representatives of the Ministry of the Environment of the Czech Republic, the Ministry of Industry and Trade of the Czech Republic, the Czech Agency for Nature and Landscape Protection (AOPK), the Czech Ornithological Society, and distribution and transmission system operators. Within this group, draft methodological guidelines "Ensuring the Avian Protection Against Impacts on Power Lines" and "Nesting Storks on Low-Voltage Power Line Poles" were prepared and are being commented on. At the same time, the preparation of the project "Securing Conductors of Extra High Voltage (EHV), High Voltage (HV), and Medium Voltage (MV) against Bird Strikes" was agreed using Norwegian Funds, which will be prepared by the Czech Ornithological Society with the involvement of individual distribution companies, including ČEZ Distribuce.

Storks' nests are removed from support structures for distribution system lines and transferred to safer places in collaboration with the Czech Ornithological Society. The support structure is then fitted with a protection device preventing storks from perching on it again. The condition of stork nests located on the distribution system equipment is actively monitored.

At the AOPK initiative, risky concrete poles were covered permanently due to owls dying in their internal cavities.

A forest park was built on areas filled with black landfills near the Temelín Nuclear Power Plant. For its activities in the "Green Core" program, ČEZ earned second place in the Corporate Publications and Magazines category in the Lemur—Czech Prize for Public Relations 2020 competition organized by the Association of PR Agencies.

There were continued activities to support the nesting of the peregrine falcon at the sites of most coal-fired power plants and heating plants as well as at nuclear power plants. Since the first falcon nest box in Czechia was installed at a cooling tower walkway at the Tušimice power plant in 2011, at least 95 migratory young falcons were taken out.

Nesting conditions also continued to be created for sand martins, which are found at the disposal sites of some coal-fired power plants. A population of the critically endangered grayling butterfly was found at a reclaimed waste pond of the Tušimice power plant in previous years. To maintain suitable conditions for preserving the species population, sheep and goat grazing continued at the site, arranged in cooperation with the regional authority and a private farmer and started as an experiment in 2016, which, according to an entomologist, positively contributes to the protection of the butterfly population.

**Germany**

Wind parks comply with stringent requirements for the protection of birds and bats, as documented by environmental impact assessment (EIA).

In the first years of operation, monitoring of the actual impact on birds and bats is carried out, and any negative impact will be eliminated by adjusting the operating modes.

**Romania**

Distribution line poles were fitted with 189 stork nests. Insulators were installed on low- and medium-voltage lines.

**Bulgaria**

CEZ Group continued to participate in the European Life Birds program, which aims to strengthen a culture of safety and environmental protection. The “Transnational Bird Conservation on the Danube” project has been launched to protect birds living near this majestic river. It takes place in Austria, Bulgaria, Croatia, Hungary, Romania, Slovakia, and Serbia.

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**Noise Protection**
**Czechia**

Noise sources are not only power plants and heating plants but also open-pit mines, especially the operation of turbine-generator units, cooling systems, long-distance belt conveyors, and large-scale mining machinery. CEZ Group facilities meet health limits for noise in compliance with the law and the conditions in relevant licenses. An exemption from noise limits was granted for the operation of the Poříčí power plant based on an assessment concluding that noise had been reduced to an acceptable level and did not pose a risk to human health.

**Germany**

Monitoring at wind parks confirmed compliance with noise limits.

**Poland**

The Skawina and Chorzów power plants met the required noise limits.

**Romania**

Noise generated by wind farms is monitored regularly. No violation of noise limits was found.

**Bulgaria**

CEZ Razpredelenie Bulgaria performed three noise measurements in collaboration with the local sanitation authority in Sofia. Once noise reduction measures were taken, subsequent measurements confirmed compliance with the standards.

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**Land Restoration**

CEZ Group expends considerable effort and financial resources in an effort to minimize and eliminate the effects of mining on the environment and to provide land restoration after mining activities. In 2020, the land restoration was completed on an area of 110 ha, of which 65 ha were agricultural restoration, 40 ha forestry, and 5 ha water restoration. New restorations were started on an area of 31 ha. In the immediate vicinity of Severočeské doly in the Bílina and Chomutov regions, other new forests, fields, meadows, and smaller bodies of water have been added to make the local landscape more attractive. In 2020, almost CZK 410 million was spent on the preparation and smoothing of previous mining activities, of which over CZK 230 million was spent on actual remediation and restoration. At the same time, the mining company Severočeské doly, where the decisive part of restoration takes place, continuously makes a reserve every year to cover the consequences of mining activities during and after mining. Local restored areas should fulfill ecological, landscape aesthetic, sports, recreational, and socio-economic functions.

As in previous years, technical and biological restoration of the areas affected by CEZ Group's operation of coal-fired facilities continued in 2020. A substantial part of the locality is represented by areas intended for the combination of forestry and landscape restoration. The Tušimice tailings pond restoration was completed, where the land was transferred back to the agricultural land fund. By constantly reducing the adverse effects of opencast mining and systematically planting new greenery in the Krušné hory the landscape of northern Bohemia looks much better today and becomes a better place to live—the Region With a Better View. As part of restoration, Severočeské doly planted almost 232,000 trees in 2020. The ČEZ Foundation contributed to planting another 7,000 trees within the grant procedures.

## Research, Development, and Innovation

### Research and Development

CEZ Group companies' operating expenses on research and development were CZK 1,031 million in 2020. The companies (especially Centrum výzkumu Řež) also received research and development subsidies amounting to CZK 524.0 million. ČEZ expenses also include a reactor vessel material surveillance program (CZK 226.3 million), which is aimed at obtaining information on the current state of reactor pressure vessels and providing an objective basis for predicting their useful life.

**CEZ Group Companies' Research and Development Expenses and Subsidies Received in 2020 (CZK Millions)**

	R&D Expenses	Of Which Subsidized
ČEZ	320.9	1.0
Centrum výzkumu Řež	483.3	417.0
CEZ Razpredelenie Bulgaria	2.3	2.0
ČEZ Distribuce	3.6	2.0
ČEZ Energetické produkty	16.3	7.8
Hermos	50.2	–
Hermos Systems	4.8	2.4
Hermos Schaltanlagen	0.3	–
OSC	0.6	0.2
PRODECO	7.6	–
TENAUJ	0.6	–
ÚJV Řež	375.3	90.8
Ústav aplikované mechaniky Brno	3.4	0.8
Elimination of intragroup expenses	(238.2)	–
<b>Total</b>	<b>1,031.0</b>	<b>524.0</b>

### ČEZ

The central coordination of research and development and promoting innovations in CEZ Group enables the implementation of projects in an optimal form with the use of group synergies. Emphasis is put on topics with high application potential as well as on activities lessening the environmental impacts of CEZ Group's operations. The areas in question reflect current and expected trends in energy. ČEZ is significantly involved in the Sustainable Energy for the Czech Republic Technology Platform (TPUE), a community of industrial companies and research organizations. ČEZ is also a member of the Czech Membrane Platform. ČEZ is a member of the Electric Power Research Institute (EPRI) in the nuclear energy segment and selected conventional energy programs (e.g., Boiler Life and Availability Improvement, Materials and Repair, Gas Turbine Life Cycle Management). Membership in VGB PowerTech focuses on conventional energy and partly on renewables. ČEZ participates in selected research activities within the framework of international cooperation under the auspices of the OECD NEA (e.g., SCIP or ROSAU programs). ČEZ is a member and is represented in the Management Committee of the Sustainable Nuclear Energy Technology Platform (SNETP). ČEZ is also a member of the International Electric Research Exchange (IERE) focused on the evaluation and support of innovative technologies in the energy sector. It is also represented in the Research Fund for Coal and Steel at the European Commission. During 2020, ČEZ participated in several projects supported by European sources, either from the Horizon 2020 framework program (e.g., the McSAFE project), or from the Research Fund for Coal and Steel (e.g., the RECPP project).

In the nuclear energy segment, research and development is significantly focused on safety and operational aspects, such as the behavior of nuclear fuel coverage. In the non-nuclear energy sector, the solution is to reduce emissions from conventional sources (especially mercury), and material research. An important area is the development and testing of energy storage technologies—battery, heat storage, or hydrogen storage. The two-year period of participation in the National Center for Energy (NCE), supported by the Technology Agency of the Czech Republic, was completed. The NCE has 24 participants, 15 of which are companies.

### **Centrum výzkumu Řež (Řež Research Center)**

Centrum výzkumu Řež (CVŘ) is a research organization focusing on research, development, and innovation in the energy sector, in particular nuclear energy. The backbone of the company's research infrastructure consists of two research nuclear reactors (LVR-15 and LR-0) and a set of laboratories and experimental facilities (nondestructive testing laboratories; material, chemical, and microstructural laboratories; nuclear fusion research facilities; nuclear fuel cycle laboratories; and experimental technology loops). Ongoing projects supported by the Technology and Grant Agencies of the Czech Republic in 2020 included research and development projects for deep geological storage of radioactive waste and spent nuclear fuel and research into materials for Generation IV reactors.

CVŘ is a member of a number of international organizations such as the European Energy Research Alliance (EERA), European Nuclear Education Network Association (ENEN), European Technical Safety Organisation Network (ETSON), or SNETP. It successfully participates in projects of many international teams and consortia supported under the EU's Horizon 2020 framework program. In 2020, 12 projects were dealt with under the program. They primarily focused on the properties and degradation of materials for Generation IV reactors, modern thermodynamic circuits, research into severe accidents, and research on the behavior of construction and building materials to ensure a long-term useful life of power plants (aging of concrete, etc.). Cooperation implemented on the basis of intergovernmental agreements between Czechia and the USA continued in the form of research and development work in the field of small modular reactors. CVŘ continued with the preparation of its own concept design for a small modular reactor (Energy Well) based on high-temperature fluoride salts, supported primarily by funds from Technology Agency of the Czech Republic programs. Collaboration with Japanese industrial partners involved commercial research projects studying radiation aging of concretes and aggregates. Research work also continued in the field of nuclear fusion, either in the framework of the transnational EUROfusion project or in cooperation with Fusion for Energy.

### **CEZ Razpredelenie Bulgaria**

The company has successfully participated in several projects under the European Horizon 2020 framework program. These are the FLEXITRANSTORE and INTERFACE projects, and SDN-microSENSE, EnergyShield, and FORESIGHT projects in network resilience and cybersecurity.

### **ČEZ Distribuce**

ČEZ Distribuce continued to participate in several projects supported by the Technology Agency of the Czech Republic. It continued to participate in the NCE in the topics of new elements and technologies of energy networks, and research into secure communication technologies for smart communication networks in the energy sector. Extensive measurements continue in selected locations in 2020 in order to verify the usability of LPWAN (low-power wide-area network) technologies. ČEZ Distribuce also participates in projects under the European framework programs. In 2020, the solution of the InterFlex project was completed, within which successful testing of the power management of charging stands, voltage control of plants with an output of over 100 kW, and implementation of advanced functions of photovoltaic inverters took place. This project was followed by a new OneNet project, in which the ČEZ Distribuce has been solving, for example, the concept of using the flexibility of non-public charging stations for electric vehicles through a platform for the involvement of new market entities (aggregators).

### **ČEZ Energetické produkty**

The company participates in and keeps implementing projects supported by national public funds (Technology Agency of the Czech Republic, Ministry of Industry and Trade of the Czech Republic). These are mainly projects aimed at finding other possibilities for the use of energy by-products (EBP), such as admixtures in special concrete or sorbents for flue gases. All research is conducted with a view to making the whole energy industry more environmentally friendly and economical. In 2020, a project focused on advanced production technologies for the strategic use and storage of EBP was also launched, where, among other things, worldwide EBP management systems were analyzed.

**Hermos, Hermos Systems, Hermos Schaltanlagen**

The Hermos group develops automation and IT solutions for industry, energy, environment, buildings, and healthcare. In 2020, the development work mainly concerned the development of radio frequency identification or an advanced data processing system to improve the energy efficiency of companies and institutions and to reduce CO<sub>2</sub> emissions.

**OSC**

OSC successfully completed a joint research and development project with ÚJV Řež and the University of West Bohemia in Plzeň in 2020 (with support by the Technology Agency of the Czech Republic) aimed at supporting training of nuclear power plant block control room operators at a simulator using automatic data collection from abnormal and emergency scenario training.

**PRODECO**

The company's research and development activities consist in the preparation of more efficient, safer, and more environmentally friendly solutions in mining, transportation, and dressing technology for open-pit coal extraction. In 2020, the development of technology for the use and processing of coal dust was completed. A project for the development and testing of a new method of coal crushing using a barbed roller crusher was also concluded in 2020.

**TENAUR**

A development center was established within the company. Its activities are mainly focused on the development of a control system enabling the integration of a photovoltaic power plant and a heat pump, with gradual expansion with other items (electric car charging, control of appliances, etc.).

**ÚJV Řež**

ÚJV Řež focuses on services and research for operators and manufacturers of power installations, especially nuclear power plants, on the processing, storage, and disposal of radioactive waste, and on diagnostic radiopharmaceuticals for positron emission tomography. In 2020, it participated in several dozen projects supported from public sources, of which it was newly involved in 15 international and 10 national projects (with the support of the Technology Agency of the Czech Republic, the Ministry of Industry and Trade of the Czech Republic, or the Ministry of Interior of the Czech Republic).

ÚJV Řež also addresses system-oriented research and development projects. A typical representative is a project analyzing the applicability of small and medium-sized nuclear reactors for the production of electricity and heat in Czechia from technical, economic, and legislative points of view. An important area of research is the safety and reliability of nuclear facilities. These projects include, for example, the development of nuclear fuel materials that are more resistant to emergency conditions, the safety aspects of small modular reactors, and the development of passive reactor safety elements. In the area of research and development activities focused on operational aspects, projects focused on cable life, improvement of methods for evaluating the integrity of reactor pressure vessels, or approaches for predictive maintenance and innovative methods of monitoring the condition of equipment were solved in 2020.

ÚJV Řež is also active in the field of radioactive waste management. For the second year in a row, the company is significantly involved in the European EURAD project (European Joint Program on Radioactive Waste Management) and started activity on another European project in 2020, PREDIS, which deals with the development of approaches to processing low and intermediate level radioactive waste before disposal.

**Ústav aplikované mechaniky Brno  
(Institute of Applied Mechanics Brno)**

The institute has long focused its research activities on solving operational problems of energy equipment. In 2020, for example, the areas of optimization of chemical regimes of secondary steam generator water or development of models of material damage in cooling water circuits were addressed. A several-year project was also launched in 2020 at the Brno-based institute in the field of development of repair methods for cooling water pipes with non-metallic materials.



## Investments in New Technologies

### Inven Capital

Inven Capital, SICAV, a.s., is a joint-stock company with variable capital that manages two subfunds: Inven Capital—Subfund A and Inven Capital—Subfund B. The holder of founder's shares in Inven Capital, SICAV, a.s., is ČEZ, a. s., investment shares of Subfund A are held by CEZ Group, and investment shares of Subfund B are held by the European Investment Bank. Inven Capital focuses on investments in cleantech startups in later stages of growth with a business model proven by sales and with considerable growth potential. Since its establishment, Inven Capital has invested in thirteen companies (six German, two French, two Israeli, two Czech, and one Swedish) and in Environmental Technologies Fund 2 in the United Kingdom. In February 2019, Inven Capital sold off the first company from its portfolio—sonnen, a market leader in providing smart battery systems for domestic electricity storage. Inven Capital, together with other shareholders, sold its share in the company to the Royal Dutch Shell group. In June 2020, Inven Capital sold off its share in CyberX, a company providing a software platform for comprehensive industrial cybersecurity solutions. The company multiplied the number of orders for its solutions year-on-year and won a number of new customers. The stakes of all shareholders were bought by multinational company Microsoft. The gains in both cases considerably exceeded expected returns on the original investment.

Inven Capital's current portfolio consists of the following companies:

- **SunFire**—manufacturer of fuel cell electrolyzers that can convert electricity from renewable sources to hydrogen and other synthetic gases (power-to-gas)
- **tado**—the European leader offering smart heat control for households based on the user's location and habits
- **Cloud&Heat Technologies**—the designer, vendor, and operator of the most energy- and cost-efficient distributed data centers deploying water-cooled servers whose waste heat is used to heat buildings and hot water
- **VU LOG**—a global leader in the provision of technology for mobility sharing in cities, involving green cars, motor scooters, and scooters
- **Cosmo Tech**—the vendor of a software platform for complex system modeling, providing key information for decision-making optimization in the management of critical infrastructures and processes
- **Drivz**—the vendor of a software platform for electric vehicle charging station management, including energy management (charging optimization)
- **NeuronSW**—a technology company that developed a comprehensive solution for sound analysis enabling prediction of machinery failures
- **Zolar**—its online configurator allows purchasing a photovoltaic system with batteries over the internet based on requirements specified by the customer; in addition, it provides the installation of these systems through external suppliers consolidated in its digital platform
- **Eliq**—the company's applications collect data on customer consumption and possibly generation from smart meters, they also collect data on indoor temperature and humidity or on the operation of appliances from smart household sensors; customers are subsequently offered the most advantageous tariff, which is reflected in a reduction in customer turnover and service costs with the possibility of selling additional products
- **Forto**—a European digital freight forwarder that has developed a platform that works with real-time data, thus achieving a high degree of punctuality and offering customers the opportunity to choose the mode of transport with regard to emissions; it focuses mainly on relations between Asia and Europe
- **Topite.cz**—its digital platform serves customers to select and order heating equipment installations

## Innovation Projects

### Electric Mobility in Czechia

#### Charging Stations

In 2020, CEZ Group succeeded in strengthening its position as the leading provider of public charging infrastructure in Czechia, when 2020 was a record year in terms of the number of newly installed charging stations. As at December 31, 2020, CEZ Group operated a total of 270 charging stations in Czechia, comprising 209 fast charging (DC) stations and 61 standard charging (AC) stations, which represented a total of 540 independent charging points. Another five charging stations were temporarily out of operation due to shutdown of the charging site, and another six DC charging stations were installed as at December 31, but have not yet been put into operation.

The construction took place despite the complications caused by COVID-19. These probably also affected utilization rate of the public network, which, however, thanks to the increase in the number of charging points and the number of vehicles on the streets, reached a significantly higher level than in 2019.

Customer service is already fully underway within the new IT system of the Israeli company Driivz using the FUTUR/E/GO application. As at December 31, 2020, FUTUR/E/GO had almost 3,700 registered customers; other drivers use the network in unregistered mode.

The construction of charging stations continues with the contribution of subsidy support, both from the European program CEF (Connecting Europe Facility) and from the Transport operational program. In the case of CEF, the first project, thanks to which 45 fast charging stations were installed, was closed, and the final report was sent to INEA for approval. The second CEF grant project, thanks to which 83 fast charging stations will be installed, will be underway until the end of 2021. The charging stations installed under the CEF projects are located close to the main corridors of the Trans-European Transport Network (TEN-T) and aim to enable long-distance transport in particular.

CEZ Group continued to draw public support in Czechia, succeeding in the fourth call of the Transport for the Charging Station Backbone Network operational program. In total, it was successful in two calls for the backbone network, in which 250 fast charging stations will be installed, and one call for the supplementary network, in which up to 127 standard charging stations will be installed. All three projects are being implemented. ČEZ continues to support the operation of two electric buses on a line between the BB Center (where ČEZ headquarters are located) and the Budějovická subway station in Prague, and the operation of another two electric public buses in Vrchlabí.

#### Offerings for Households and Sole Proprietors

CEZ Group's ČEZ Prodej provides its customers with comprehensive services in this segment. Due to newly emerging partnerships with car manufacturers or individual local dealerships, it offers a comprehensive range of electric cars for households, but also for sole proprietors according to their needs. Besides purchases of new electric vehicles, it offers preparing a home for an EV by checking the electrical system for sufficient robustness for home charging, installing a turnkey home charger (wall box), or assisting with a distribution tariff change or circuit breaker upgrade, and last but not least, professional advice on entering the world of electric mobility. It can also offer, for example, a home photovoltaic power plant with a battery storage that can supply the car with electricity, even in the event of a distribution network failure.


#### Offerings for Large Customers

ČEZ ESCO continued to offer a comprehensive range of electric mobility products in 2020. Customers are offered solutions linked to other ESCO products for maximum efficiency in EV operation, usually in connection with a private photovoltaic system and battery storage. In addition to designing tailor-made solutions, providing all design documents, delivering and installing charging stations of all categories, and delivering other related components, the offerings also include creating electric mobility concepts for individual cities and regions.

In the course of 2020, for example, the vehicle fleet of several cities (Mělník and Havířov, among others) and several contributory organizations (e.g., the Center for Investment, Development, and Innovation of the Hradec Králové Region) was expanded. New charging stations or wall boxes were also installed at public administration and self-government entities as well as private entities. Negotiations were started with developers concerning possible collaboration on the implementation of electric mobility solutions at sites with administrative parks and residential houses. Preparations of large-scale projects for potential customers are also underway, where projects in the range of many tens to hundreds of electric cars and charging stations are being prepared.

#### Electric Mobility in Romania

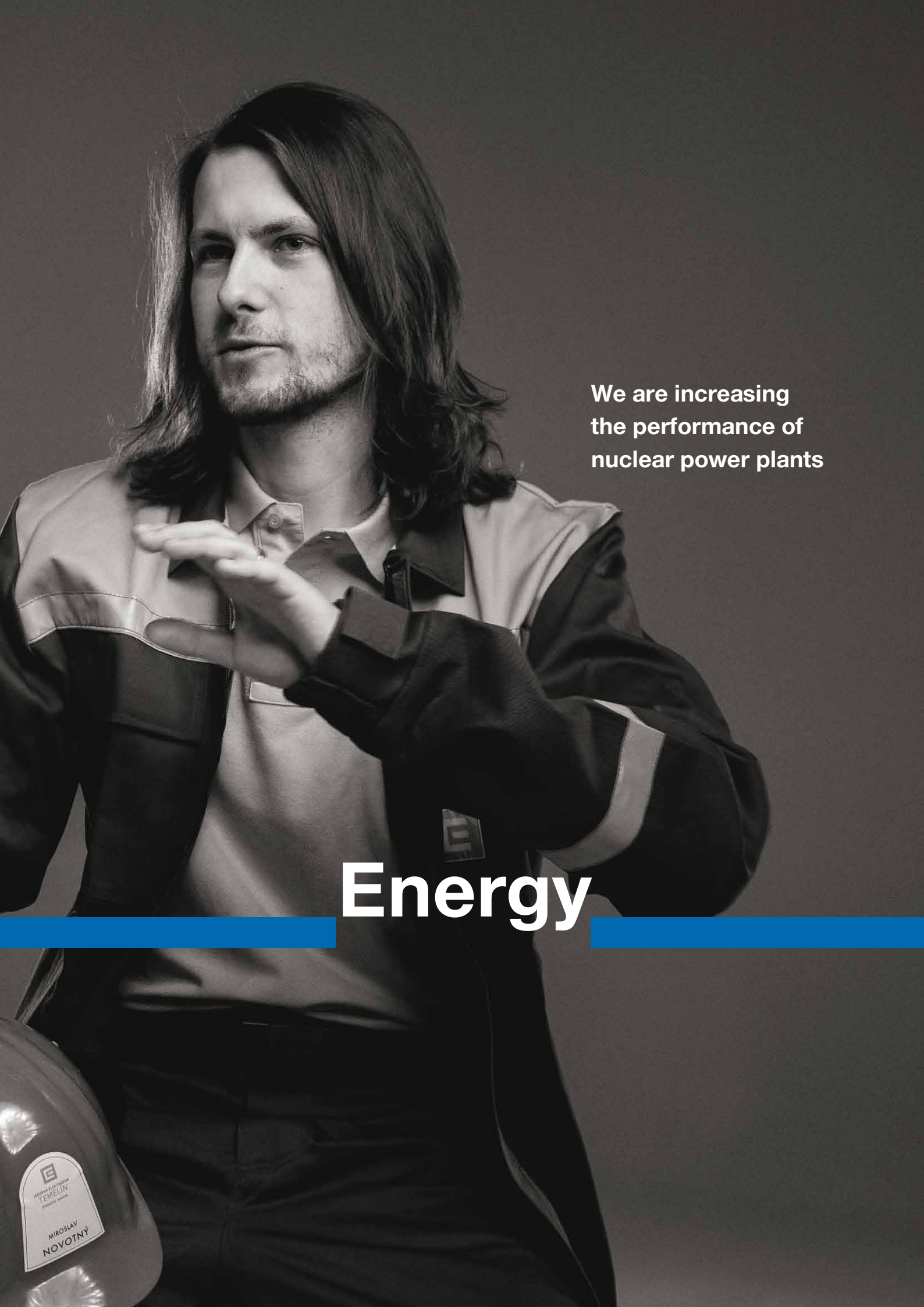
CEZ Romania owned two electric vehicles and operated two charging stations—one in Pitești and one in Craiova—in 2020. CEZ Group customers can use them to recharge their electric vehicles for free. Contrary to the original intention, for legislative reasons, a new prototype of the charging station with the possibility of payments via SMS, developed in 2017, was not installed outside the distribution area of ČEZ. A new charging station with free usage was put into operation on a ČEZ site at the Fântânele and Cogeaalac wind farms.



**Miroslav Novotný**, Separator Replacement Project Coordinator, ČEZ, Temelín Nuclear Power Plant

“The goals in the replacement of Temelín’s second unit separators were clear. Not only modernizing the equipment, but also higher performance, and thus additional emission-free generation. Among other things, we had to bring the largest equipment to the complex since the power plant started, which weighed 120 tons. And securing all activities during the anti-COVID-19 measures was a lot to handle. I am glad we made it. But the same project is still ahead of us at the first unit and I believe we will do a great job again.”

**real**



We are increasing  
the performance of  
nuclear power plants

# Energy

  
KORPORACE TĚŽKÁ  
TEPELNÁ  
ENERGIE  
MIROSLAV  
NOVOTNÝ



## CEZ Group Donorship

The donorship area forms a part of CEZ Group's Sustainable Development Strategy—Energy for the Future and forms an integral part of CEZ Group activities. Through corporate donorship and sponsorship, it has been long supporting projects in its area, for example in the field of education, culture, sports, environmental protection, and community life. CEZ Group together with the ČEZ Foundation belong among the largest corporate donors in Czechia. Their comprehensive approach to donorship activities is regularly highly valued by independent experts. Employees are involved in corporate donorship, too. They participated in an annual charitable collection named Granting Wishes, Thinking about Others for the fourteenth time in 2020. The ČEZ Foundation doubled the collected amount. Financial support totaling CZK 5.9 million was provided to 99 people who faced a difficult situation in their lives due to severe illness or injury. CEZ Group involves also the general public in making decisions on project support using the EPP—Move to Help mobile app. Thanks to the app, the Foundation supported 301 projects with CZK 23.9 million in 2020 alone. The app has been used by 488,000 users since its launch in May 2015.

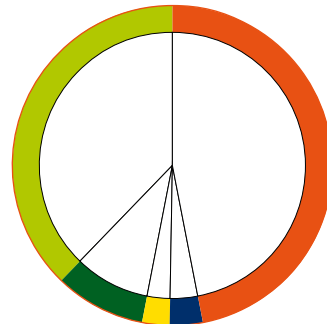
### Financial Donorship

#### Financial Donations by CEZ Group Companies (CZK Millions)

	To ČEZ Foundation	Direct Donations	Total
ČEZ, a. s.	67.0	71.9	138.9
Other fully consolidated CEZ Group companies	158.4	100.1	258.5
<b>CEZ Group, total</b>	<b>225.4</b>	<b>172.0</b>	<b>397.4</b>

#### Direct Financial Donations by ČEZ, a. s., by Area

Area	CZK Millions	%
Municipal infrastructure and regional development	33.8	47.0
Culture and environment	2.5	3.5
Education, science, and youth care	2.0	2.8
Sports	6.5	9.0
People in need and people with disabilities	27.1	37.7
<b>Total</b>	<b>71.9</b>	<b>100.0</b>



#### List of Entities Supported by ČEZ

For a file with a list of entities supported by ČEZ in 2020 and the form of support, refer to [www.cez.cz/dary](http://www.cez.cz/dary).

## ČEZ Foundation

### Financial Contributions by CEZ Group Companies to ČEZ Foundation (CZK Millions)

Company	Contribution
ČEZ	67.0
ČEZ Distribuce	115.0
ČEZ ESCO	3.0
ČEZ ICT Services	0.6
ČEZ Prodej	24.8
Severočeské doly	15.0
<b>Total</b>	<b>225.4</b>

### ČEZ Foundation Activities

Donorship is an integral part of corporate responsibility activities of CEZ Group. The ČEZ Foundation has been helping in all areas across Czechia since 2002. Over its eighteen-year history, it has provided more than 12,583 foundation contributions exceeding CZK 2.9 billion in total. In 2020, it supported 1,851 public benefit projects with CZK 195.2 million under programs responding to society's current needs.

Supported projects included new and regular grant programs, a special program established during the first wave of the COVID-19 pandemic, and other activities of the foundation:

- **Orange Playground**—support for building and renewing children's playgrounds and sports fields
- **Support for Regions**—support for activities that help improve the life of local people in municipalities throughout Czechia, particularly those concerning health care, children and youth, social work, science and education, protection of human health and human rights, culture, and the environment
- **Trees**—support for planting rows of trees, primarily new and renewed avenues of trees and roadside trees
- **Orange Crosswalk**—support for lighting at crosswalks
- **Employee Grants**—support for nonprofit organizations that employees from CEZ Group companies in Czechia volunteer at
- **Granting Wishes**—joint charity project of CEZ Group employees and the ČEZ Foundation. Financial support was provided to people who faced difficult situations in their lives
- **Orange Classroom**—schools received teaching aids and equipment that help improve the quality and attractiveness of technical subjects for their participation in mathematics and physics Olympiads and other competitions
- **COVID-19 Crisis Assistance**—special grant program to alleviate impacts of the first wave of the COVID-19 pandemic in spring 2020. The financial assistance was provided in a very short time to organizations helping the affected individuals and ensuring preventive measures
- **Non-Profit Organizations**—new grant program focusing on the support of development and professionalization of non-profit organizations providing direct care in the field of social services

Significant support for the engagement of the general public in the Foundation's activities was achieved by:

- **EPP—Move to Help mobile app**—by being physically active, its users generated points for offered nonprofit projects, which then received financial support from the ČEZ Foundation
- **Orange Bike**—one-minute charity rides on specially outfitted stationary bicycles to support local nonprofit organizations offered to visitors of cultural, social, and sports events

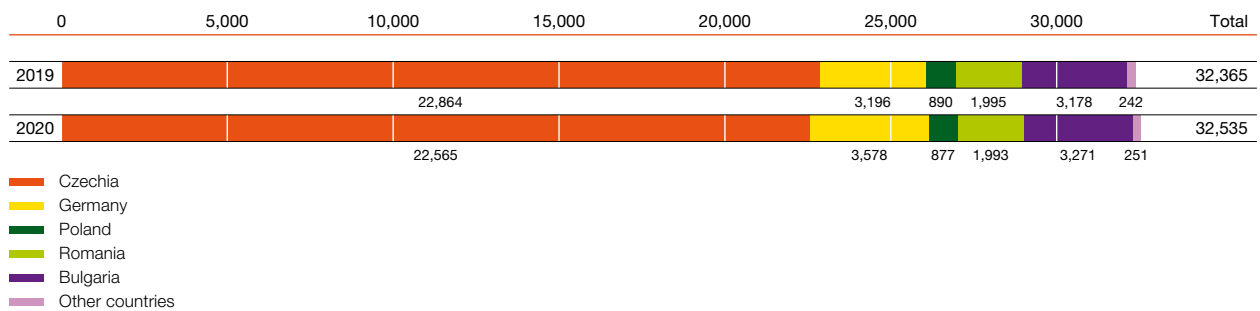


## Human Resources

### Headcount Changes

As at December 31, 2020, CEZ Group employed 32,535 people, which was a year-on-year increase of 170 employees. Headcount increased in foreign companies included in the consolidated CEZ Group (mostly in Germany). In Czechia, on the other hand, headcount decreased, primarily due to the sale of the Počerady power plant.

Workforce Headcount as at December 31, by Country

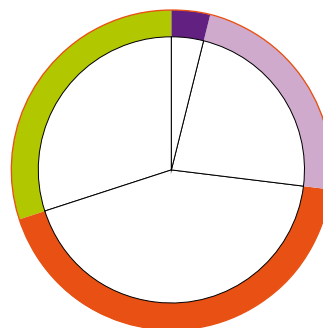
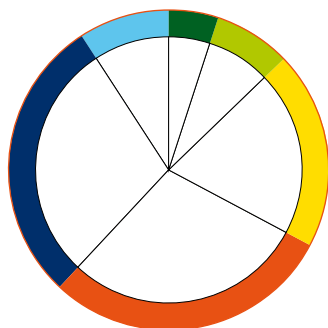


Employee Structure as at December 31, 2020, by Age

Age Group	%
24 years and under	5
25–29 years	8
30–39 years	20
40–49 years	29
50–59 years	29
60 years or more	9
<b>Total</b>	<b>100</b>

Employee Structure as at December 31, 2020, by Highest Level of Education Achieved

Education Level	%
Primary	4
Apprenticeship	23
Secondary	43
Tertiary	30
<b>Total</b>	<b>100</b>



## Training Program

The line of business and strategic objectives, including ensuring safe and reliable operation of nuclear power plants of CEZ Group, place high demands on the expertise, skills, and experience of its employees. For their ongoing development, the training program focuses on:

- Training to meet qualification requirements in accordance with legislative requirements, e.g., fire protection training or occupational safety training
- Training to acquire necessary knowledge and skills beyond the required qualifications, e.g., cybersecurity training, code of ethics, training and environmental protection training
- Continually developing a portfolio of in-class, e-learning, and combined training courses
- Knowledge management—systematic approach aiming at sharing of expertise and experience
- Tailor-made programs, such as the Management Growth Program—People Development Forum (a joint platform of CEZ Group top management for discussing development and career opportunities of individual program participants)
- Working with talents and successors
- Implementing graduate and trainee programs: ČEZ Potentials trainee program for talented university graduates has been taking place for 17 years already
- Leadership development—development for managers
- Other forms of development: internal and external mentoring, internal coaching, professional expert groups, conferences, and systemic work with internal lecturers

## Welfare Policy

Welfare policy at CEZ Group consists of a wide range of activities and benefits, both monetary and nonmonetary, provided to employees. Employees earn wages in accordance with CEZ Group's long-term financial performance and its position in the labor market. CEZ Group companies in Czechia provide employees with a defined range of benefits such as a shortened 37.5-hour workweek, paid vacation extended to five weeks, eligibility to paid leave beyond the statutory scope, or an opportunity to use various types of flexible working hours, including telecommuting. CEZ Group companies also provide an extra wide range of perquisites such as personal accounts intended primarily to cover costs of recreation and leisure-time activities, contributions to supplemental pension plans, life insurance, employee meal plans, and special bonuses for jubilees and on retirement. One-off social assistance may be provided in extraordinary cases. Since 2020, employees can take two sick days with salary compensation at 65% of their average pay. An above-standard healthcare program and preventive medical checks are available to employees working on shifts. Vaccination of employees on site is another healthcare related benefit. In 2020, vaccination campaigns against measles and flu took place. Care for preschool children is provided in kindergartens in selected localities. Last but not least, CEZ Group companies take care of their retired employees (CEZ GROUP SENIORS Endowment Fund, Pensioners' Clubs). The fundamental principles of CEZ Group's remuneration and social policy in Czechia apply to acquisitions abroad as well.

## Relations with Labor Unions

The union membership rate in larger companies in Czechia is approximately 35%. There were a total of 28 local labor organizations operating at ČEZ in 2020, organizing more than 1,400 employees. Selected major subsidiaries of CEZ Group in Czechia had 41 local labor organizations, organizing more than 3,000 of their employees. Of those 41 labor organizations, 31 collaborated under four regional associations. The above-mentioned labor organizations are members of the ECHO Labor Union, the Czech Union of Power Industry Employees (CUPIE), the KOVO Trade Union, and the Energy and Mining Industry Labor Union (EMILU). ČEZ is a member of the Czech Association of Energy Sector Employers, which negotiates a higher-level collective agreement with CUPIE and ECHO. Amendment No. 4 to this collective agreement, in force for the period of 2017–2023, was concluded in 2020.

Regular meetings were held between the employer and labor union representatives in 2020 in order to provide information to labor unions and to discuss organizational changes and other topics specified by the Labor Code and the collective agreement. In 2020, the form of regular meetings was affected by the COVID-19 pandemic. Instead of usual personal meetings, they were mostly organized using teleconferencing equipment. Collective agreements at ČEZ and selected significant subsidiaries are made for until the end of 2022. Collective bargaining in 2020 concerned amendments to all collective agreements in force, dealing primarily with wages, salaries, and benefits. The collective bargaining culminated in the signing of Amendment No. 20 to the collective agreement at ČEZ, a. s., and the signing of amendments to collective agreements at selected major subsidiaries.

13 labor unions operated within the Severočeské doly group. Severočeské doly and its subsidiaries PRODECO, Revitrans, and SD - Kolejová doprava have collective agreements effective until December 31, 2020, with the option to extend their validity until March 31, 2021.

The union membership rate in Poland is greater than 50%. The collective agreement for CEZ Chorzów is in force until the end of 2022 and the collective agreement for employees at CEZ Skawina is in force until 2021.

The union membership rate in Bulgaria exceeds 60%. CEZ Razpredelenie Bulgaria, CEZ Bulgaria, and CEZ Elektro Bulgaria have collective agreements effective until December 31, 2021.

The union membership rate in Romania is greater than 80%. Collective agreements are in effect as follows: at CEZ Vanzare, until December 31, 2022; at CEZ Romania, until December 31, 2021; at Distribuție Energie Oltenia, until April 5, 2021; and at TMK Hydroenergy Power, until December 31, 2021.

In Germany, collective agreements in effect at Elevion group companies are derived from a collective agreement made with members of the German Trade Union Confederation (DGB). Collective agreements are made for a fixed term or for an indefinite period of time with a two-month cancellation period. No collective agreement has been concluded in Austria, Italy, or France.

A European Works Council has been operating within CEZ Group since 2007. The number of the Council's members increased in 2020 by one member representing employees in Germany. As of the end 2020, the European Works Council consisted of 28 representatives, of which 14 were from Czechia, 2 from Poland, 4 from Bulgaria, 3 from Romania, 4 from Germany, and 1 from Slovakia. Two meetings took place in 2020, both of which were convened in correspondence form due to the prevailing epidemiological situation. The agenda of both meetings included topics related mainly to the CEZ Group's strategy, financial results, activities of CEZ Group in foreign markets, and the effect of COVID-19 on the activities of CEZ Group in the countries where it is present.

## COVID-19

### Operation of Generation Facilities

The COVID-19 pandemic that hit the European continent in 2020 tested CEZ Group's preparedness for risks arising from such a situation. As an entity that is part of Czechia's critical infrastructure, ČEZ has crisis preparedness and emergency preparedness plans, which also cover risks associated with the spread of diseases. As such, ČEZ has been in contact with the Czech emergency management authorities since the very beginning. A "Coronavirus" expert task force of ČEZ's crisis management board was established as early as on February 27, 2020, in order to minimize risks associated with the pandemic. A whole range of preventive measures were taken, which were expanded and tightened as necessary using a tiered approach. Personal contact among employees was limited, including business trips, working from home was introduced to the maximum extent possible, and contact between employees and customers was kept to a minimum, which included closing information centers and customer care centers for the public. Body temperature of all entering persons was screened at selected facilities. Adopted measures were geared towards protecting employee health, restricting economic impacts, and most importantly securing electricity generation and distribution in Czechia in case the situation worsened. Shift schedules were adjusted at all power plants so that shifts did not meet one another. Nuclear power plant operators were separated from other employees. The personnel of the ČEZ technical dispatching center in Prague were divided between two separate workplaces and a completely isolated workplace was prepared at the Tušimice data center if needed. Starting from May, adopted measures were relaxed step by step, customer care and information centers reopened, and employees returned to their offices. Numerous preventive measures were introduced in summer and remained in effect in the subsequent period as well. Shifts were rearranged so that suitable substitutes are always available for all key employees. Working groups in operation were separated to limit their contact, e.g., by utilizing separate workplaces and contactless shift transfers. Testing with antigen tests was introduced as a preventive screening of selected persons. In power plants and call centers, body temperature is measured upon arriving to the site. Areas for employee catering were rearranged in order to prevent higher concentration of people. Individual places at tables were separated using acrylic glass barriers. Customer care centers were closed for the public from the end of October to the beginning of December. Information centers have been closed since October. Presence of external visitors and excursions in operation sites is forbidden.

### Operation of Distribution Facilities

ČEZ Distribuce adopted a number of measures to ensure safe and reliable electricity supplies. For instance, it limited planned outages to facilitate telecommuting and remote learning. Following the government regulations aiming at minimization of personal contacts, technical consulting centers were closed, call center shift operation was adjusted, and services offered online were expanded. During the pandemic in the first half year, distribution system control center operator shifts were isolated from one another so as to stay on the premises when not working and change at weekly intervals. In the second half year, control center operators were divided in five other detached sites.

### Measures in Relation to Customers

The pandemic slowed down the Czech economy at the level of individual companies and municipalities and hit many customers, both tradesmen and residential customers. ČEZ Prodej and ČEZ ESCO of CEZ Group therefore provided the affected customers with significant loosening of payment conditions. At the same time, both companies accelerated steps towards digitization, enabling safe and fast communication between customers and CEZ Group with minimum environmental impact.

In mid-March 2020, ČEZ Prodej offered its customers the following benefits:

- Possibility to postpone advance payments by up to three months
- Suspension of disconnections for nonpayment
- Interest-free repayment calendars
- Suspension of out-of-court and court recovery activities

These options were utilized by several tens of thousands of customers in total and the response was very positive. Apart from the above measures, all MOBILE FROM ČEZ customers temporarily got unlimited calls to other customers using the same service. Clients with recently installed photovoltaic systems had their final invoice payment dates postponed in view of delays caused by inability to have their electricity meters replaced and receive subsidies.

#### **Assistance of the Call Center to the Ministry of Health of the Czech Republic (COVID-19)**

ČEZ Prodej started to provide assistance to the Ministry of Health of the Czech Republic on September 29, 2020, helping with tracing of contacts of COVID-19 positively tested persons and notifying tested persons of the positive results and the related measures. As of the end of 2020, more than 100 operators participated in the project. By December 31, 2020, this team performed nearly 63 thousand calls and issued more than 16 thousand e-prescriptions for COVID-19 tests. According to the ministry statistics, the call center of ČEZ Prodej ranked first among 25 call centers that assisted hygienic authorities with tracing.

#### **Impact on Financial Performance**

Negative impact of COVID-19 on financial results of the Group in 2020 is estimated to be relatively limited, at the level of several percent of EBITDA. The Sales segment was hit most by COVID-19, as it was affected by a decrease in supplies of energy services, margins from the sales of commodities to business customers, and by a deterioration of customers' solvency. Furthermore, COVID-19 significantly reduced development and especially acquisition activities in the ESCO area. In the Distribution segment, the total impact of COVID-19 was relatively limited, taking into account the regulation, but it caused a decrease in the volume of distributed electricity in 2020. As regards the Generation—Traditional Energy and the Mining segments, negative impact of COVID-19 was mostly related to the decrease in consumption of electricity, consequently decreasing the electricity market price.

Due to increased ambitions plans to limit CO<sub>2</sub> emissions within the EU, however, the market price of emission allowances significantly increased, resulting in a growth in market prices of electricity as well. COVID-19 combined with the increase in price of emission allowances thus negatively impacted the utilization of coal-fired generation facilities and consequently the demand for coal and decrease in margins of mining companies. A middle-term outlook of financial results of the Generation—Traditional Energy segment shows a limited negative impact of COVID-19, taking into account a gradual ensuring of the future production margin. As of December 31, 2020, approximately 89% of expected revenues from 2021 production has already been sold, as well as approx. 56% of 2022 production and approx. 26% of 2023 production. Together with these pre-sales of electricity, emission allowances are acquired for the emission sources.

Impact of COVID-19 in the coming years will depend basically on the measures adopted in individual countries and their effects on the overall economic developments in Europe.

#### **Use of State Aid**

CEZ Group companies in Czechia took advantage of the Antivirus program approved by the government with a view to job protection on March 31, 2020. The companies used the program's Mode A, compensating employers for expenses on employees in compulsory quarantine. ČEZ received a total of CZK 1.1 million for the period of March to December.

## Changes in CEZ Group Ownership Interests

### Czechia

- January 1—Energocentrum Vítkovice, a. s., ceased to exist through a merger by acquisition with ČEZ Energetické služby, s.r.o.
- January 16—AZ KLIMA a.s. sold off its stake in AZ VENT s.r.o.
- April 27—Severočeské doly a.s. acquired a 51% stake in GEOMET s.r.o.
- May 30—EGP INVEST, spol. s r.o., v likvidaci (in liquidation), ceased to exist
- June 15—ČEZ Energetické produkty, s.r.o., acquired a 100% stake in VÍTKOVICE - IOS s.r.o. (current name: 1. Opravárenská společnost, s.r.o.)
- June 22—Based on a contribution to equity, ČEZ ESCO, a.s., became a sole member of ČEZ Asset Holding, a.s.
- June 30—ČEZ ESCO, a.s., acquired a 49.9% stake in ČEZ Energo, s.r.o., becoming its sole member
- July 1—A 100% stake in Ústav aplikované mechaniky Brno, s.r.o., was transferred from ÚJV Řež, a. s., to ČEZ, a. s.
- July 1—A 100% stake in ŠKODA PRAHA a.s. was transferred from ČEZ, a. s., to ÚJV Řež, a. s.
- July 13—The name of VÍTKOVICE - IOS s.r.o. was changed to 1. Opravárenská společnost, s.r.o.
- November 5—Inven Capital, SICAV, a.s., acquired a minority stake in Topíte.cz s.r.o.

- November 16—The name of ČEZ Solární, s.r.o., was changed to Solární servis, s.r.o.
- December 31—ČEZ, a. s., disposed of its 100% stake in Elektrárna Počerady, a.s.
- December 31—Telco Pro Services, a. s., acquired a 100% stake in FDLnet.CZ, s.r.o., and KTN Servis s.r.o.
- December 31—Telco Pro Services, a. s., acquired a 77.8% stake in TaNET West s.r.o. and ISP West s.r.o., and a 40% stake in TaNET Borsko s.r.o. (TaNET West s.r.o. owns a 60% stake in TaNET Borsko s.r.o.)
- January 1, 2021—ČEZ Korporátní služby, s.r.o., ceased to exist as a result of a merger by acquisition by ČEZ, a. s.
- January 1, 2021—Stake of ČEZ, a. s., in ČEZ OZ uzavřený investiční fond a.s. increased as a result of a merger with ČEZ Korporátní služby, s.r.o., which ceased to exist (ČEZ, a. s., owns a 99.575% stake in total)
- January 1, 2021—KART TZB, spol. s r.o., ceased to exist as a result of a merger by acquisition by KART, spol. s r.o.

### France

- December 21—100% stake in CEZ France SAS was transferred from CEZ Erneuerbare Energien Beteiligungs GmbH to CEZ Erneuerbare Energien Beteiligungs II GmbH



## Italy

- April 24—A 100% stake in KOFLER ENERGIES ITALIA SRL was transferred from Kofler Energies Energieeffizienz GmbH to Dutch company CEZ ESCO International B.V. (current name: Elevion Group B.V.)
- July 22—The name of KOFLER ENERGIES ITALIA SRL was changed to Elevion Holding Italia Srl
- July 22—The name of SYNECO Group S.R.L. was changed to Inewa S.r.l.
- July 22—The name of SYNECO Energy Service S.r.l. was changed to Inewa consulting S.r.l.
- July 28—The stake of Inewa S.r.l. in SYNECO PROJECT S.R.L. increased by 20%, and Inewa S.r.l. thus became the sole member of SYNECO PROJECT S.R.L.
- October 29—Inewa S.r.l. acquired a 100% stake in AXE AGRICOLTURA PER L'ENERGIA SOCIETA' AGRICOLA A R.L.

## Hungary

- December 22—A 100% stake in Hungarian company ETS Engineering Kft. was transferred from ETS Efficient Technical Solutions GmbH (a 100% subsidiary of German company Elevion GmbH) to Elevion Group B.V.

## Poland

- May 4—100% stakes in Baltic Green I sp. z o.o. and Baltic Green V sp. z o.o. were sold off
- May 11—Baltic Green VIII sp. z o.o., ESCO City III sp. z o.o., ESCO City IV sp. z o.o., ESCO City V sp. z o.o., and ESCO City VI sp. z o.o. went into liquidation
- June 4—The stake of Elevion Group B.V. in OEM Energy sp. z o.o. increased from 51% to 77.68%
- July 3—The stake of Elevion Group B.V. in Euroklimat sp. z o.o. increased from 76% to 84%
- July 28—ESCO City I sp. z o.o. and ESCO City II sp. z o.o. went into liquidation
- January 15, 2021—ČEZ, a. s., sold off its 100% stake in CEZ Towarowy Dom Maklerski sp. z o.o.

## Germany

- January 1—Division of Dutch company CEZ New Energy Investments B.V. resulted in transfer of 100% stakes in CEZ Erneuerbare Energien Beteiligungs GmbH, CEZ Erneuerbare Energien Beteiligungs II GmbH, and CEZ Erneuerbare Energien Verwaltungs GmbH to newly established company CEZ RES International B.V.
- February 14—H & R Elektromontagen GmbH ceased to exist through a merger with Elektro-Decker GmbH
- February 20—Jäger & Co. Gesellschaft mit beschränkter Haftung ceased to exist through a merger with EAB Elektroanlagenbau GmbH Rhein/Main
- February 24—FEA Automation GmbH ceased to exist through a merger with D-I-E ELEKTRO AG
- March 3—Detlef Walther GmbH ceased to exist through a merger with ETS Efficient Technical Solutions GmbH
- March 12—Kälteanlagenbau Schröder GmbH ceased to exist through a merger with En.plus GmbH
- August 17—Windpark Nortorf GmbH & Co. KG was founded, GP JOULE PP SPV Verwaltungs-GmbH being its sole general partner and GP JOULE PP1 GmbH & Co. KG its limited partner
- September 16—Inven Capital, SICAV, a.s., acquired a minority stake in German company Forto GmbH
- In October 2020, CEZ Erneuerbare Energien Beteiligungs II GmbH contested the validity of purchase agreements dated April 11, 2019, by which it acquired 50% stakes in Socrates JVCo Verwaltungs GmbH and Socrates Windprojekt GmbH & Co. KG, on the basis of a fraud committed by the sellers; the above-mentioned contesting resulted in invalidity of purchase agreements and extinction of the stakes held by CEZ Erneuerbare Energien Beteiligungs II GmbH in the two above-mentioned companies, from the outset (ex tunc); the same is applicable to all stakes owned indirectly through Socrates Windprojekt GmbH & Co. KG, i.e., stakes in Socrates SPV General Partner GmbH, Windpark Palmphohl GmbH & Co. KG, Windpark Soeste GmbH & Co. KG, and Windpark Harrenstetter Heide GmbH & Co. KG

## Netherlands

- January 1—CEZ New Energy Investments B.V. was split into CEZ ESCO International B.V. and CEZ RES International B.V.; each company also established its branch in Czechia
- May 21—The name of CEZ ESCO International B.V. was changed to Elevion Group B.V.

## Austria

- March 27—Elevion Österreich Holding GmbH was founded; its sole member is Elevion Group B.V. (formerly CEZ ESCO International B.V.)
- April 9—Elevion Österreich Holding GmbH acquired a 100% stake in Moser & Partner Ingenieurbüro GmbH
- April 9—Elevion Österreich Holding GmbH acquired a 100% stake in SYNECO tec GmbH; the 100% stake remained held within CEZ Group
- April 9—Austrian company M&P Real GmbH was acquired; its sole member is Moser & Partner Ingenieurbüro GmbH

## Romania

- October 1—The legal form of Ovidiu Development S.R.L. was changed to a joint-stock company and its name therefore changed to Ovidiu Development S.A.
- January 1, 2021—Due to a merger of ČEZ Korporátní služby, s.r.o., by acquisition by ČEZ, a. s., ČEZ, a. s., became a sole member of CEZ Trade Romania S.R.L.

## Slovakia

- February 25—CEZ ESCO Slovensko, a.s., was founded; its sole member is ČEZ ESCO, a.s.
- June 22—ÚJV Řež, a. s., sold off its stake in ENERGOPROJEKT SLOVAKIA a.s., which means that no CEZ Group company holds any stake in the company anymore
- October 20—ČEZ LDS, s.r.o., sold off its 100% stake in CEZ Distribučné sústavy, a.s., to ČEZ ESCO, a.s.
- November 10—AZ KLIMA, a.s., sold off its 100% stake in AZ KLIMA SK, s.r.o., to ČEZ ESCO, a.s.
- November 30—Based on a contribution to equity, CEZ ESCO Slovensko, a.s., became a new sole member of CEZ Distribučné sústavy a.s., and the holder of a 51% stake in e-Dome a. s.
- December 4—Based on a contribution to equity, a 50% stake in KLF-Distribúcia, s.r.o., was transferred from ČEZ ESCO, a.s., to CEZ ESCO Slovensko, a.s.
- December 5—Based on a contribution to equity, CEZ ESCO Slovensko, a.s., became a sole member of AZ KLIMA SK, s.r.o.
- December 11—Based on a contribution to equity, CEZ ESCO Slovensko, a.s., became a sole member of CEZ SERVIS, s.r.o.
- December 17—Based on a contribution to equity, a 55% stake in SPRAVBYTKOMFORT, a.s., Prešov was transferred from ČEZ ESCO, a.s., to CEZ ESCO Slovensko, a.s.
- February 10, 2021—The name of CEZ SERVIS, s. r. o., was changed to ESCO Servis, s. r. o.
- February 10, 2021—The name of CEZ Distribučné sústavy a.s. was changed to ESCO Distribučné sústavy a.s.
- February 16, 2021—The name of CEZ ESCO Slovensko, a.s., was changed to ESCO Slovensko, a. s.
- February 18, 2021—Slovenský plynárenský priemysel acquired a 50% stake in ESCO Slovensko, a. s.

## We are developing renewable sources in Czechia

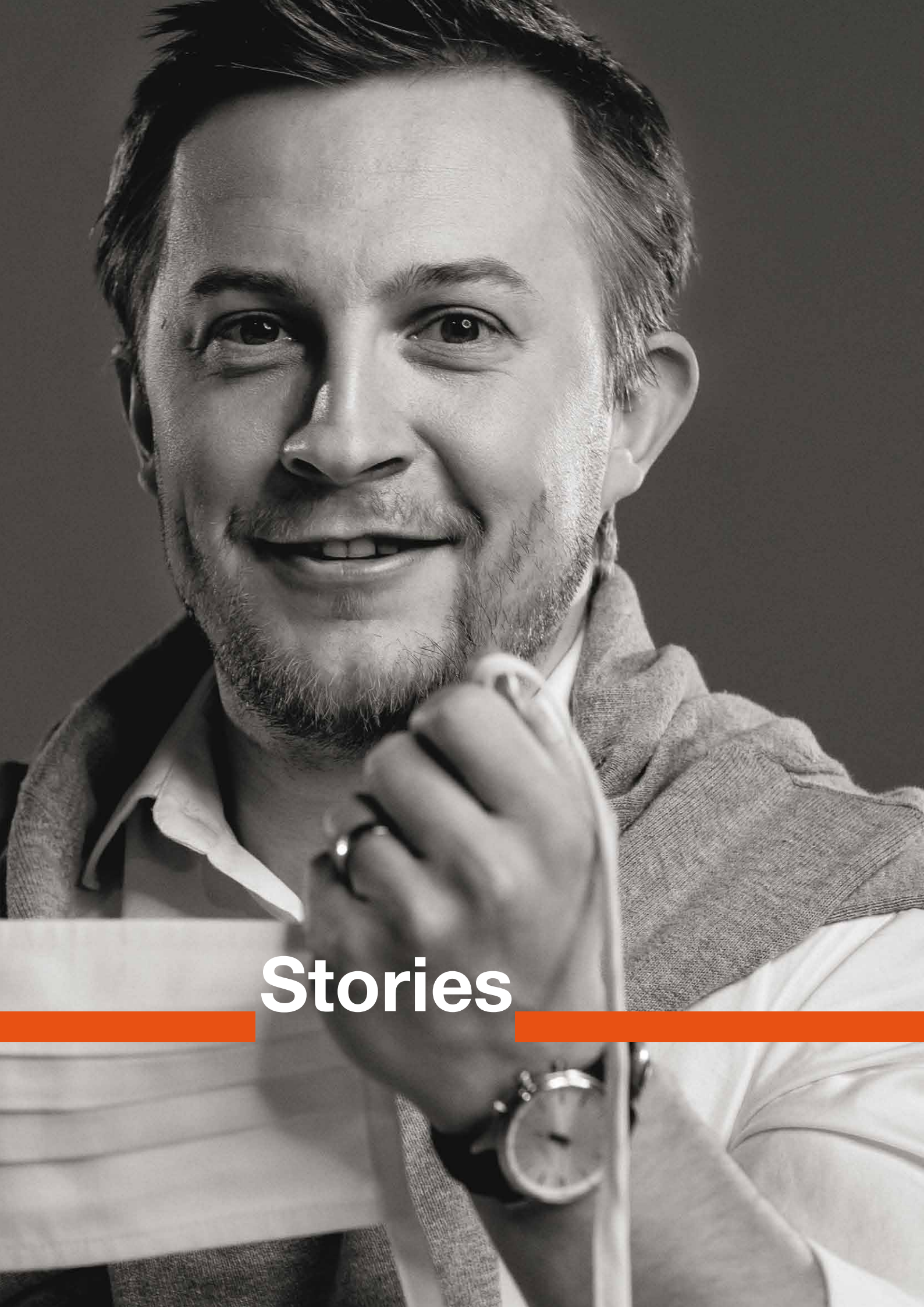
**Filip Saturka**, RES Development and Implementation Expert, ČEZ Obnovitelné zdroje, Prague

“It was challenging to build the first large Czech solar power plant on the site of a nuclear power plant, moreover under strict safety and hygiene measures. In Dukovany, in cooperation with colleagues from the power plant, we deployed double-sided panels that can produce up to 25% more electricity than standard ones. The new photovoltaics are located above the car park, so, with slight exaggeration, we asked employees to drive bright cars to work—they reflect the light better and our photovoltaics will produce more clean energy. 😊”

real







# Stories

## Legal and Other Proceedings Involving CEZ Group Companies

### Legal Proceedings

#### Czechia

##### ČEZ, a. s.

1. Minority shareholders carry on a lawsuit against ČEZ, a. s., and Severočeské doly a.s. based on an action filed in 2006, seeking declaratory judgment on the adequacy of consideration in compulsory sale of corporate securities. Should the plaintiffs win, the total additional payment could be in the order of hundreds of millions of CZK. The case is heard at first instance. The outcome of the proceeding is impossible to predict.
2. ČEZ, a. s., carries on a lawsuit against the Appellate Financial Directorate based on an administrative action brought against the decision of the Specialized Tax Office imposing a fine of CZK 150 million for violating the Prices Act in the payment of the price of brown thermal coal supplied by Sokolovská uhelná, právní nástupce, a.s., in 2010, 2012, and 2013. The administrative court admitted the action. The case is heard by the Supreme Administrative Court based on a cassation appeal filed by the Appellate Financial Directorate (however, the Appellate Financial Directorate rescinded the fine imposing decision based on the legal opinion of the court of first instance). The outcome of the proceeding is impossible to predict.
3. Lesy České republiky, s.p., carried on 34 lawsuits against ČEZ, a. s., and some of its subsidiaries based on actions filed since 1997. The issue in dispute was a claim for compensation for loss caused by the operations of ČEZ, a. s., and its subsidiaries in forest stands in 1997 and 1999–2015. The total amount of damages claimed was CZK 282 million plus interest and costs. In November 2020, ČEZ, a. s., the affected subsidiaries and Lesy České republiky, s.p., concluded a framework agreement on settlement of mutual claims and consequently the lawsuits were withdrawn. By the beginning of 2021, all the disputes had been definitively terminated.
4. In an insolvency proceeding against PLP a.s., Teplárna Trmice, a.s., the legal predecessor of ČEZ Teplárenská, a. s., submitted claims totaling CZK 220 million. The enterprise of the debtor, PLP a.s., was realized for USD 10 million and the proceeds were rendered to a secured creditor in July 2013. The amount of settlement for ČEZ Teplárenská, a.s., in the insolvency proceeding in question is still nil. According to the latest receiver's management report issued at the end of 2020, the termination of the insolvency proceedings is expected to take place in 2021. It is not possible to expect any satisfaction of claims of ČEZ Teplárenská, a.s., or of other non-secured creditors. The outcome of the proceeding is, however, impossible to predict.
5. ČEZ, a. s., carries on a lawsuit against ŠKODA JS a.s. based on an action filed in 2016. The issue in dispute is damages for lost profits due to wrongly performed radiographic inspections of welded joints at the Dukovany Nuclear Power Plant and the Temelín Nuclear Power Plant. The amount originally claimed was CZK 611 million plus interest and costs back in 2016 but, after negotiations over an out-of-court settlement of the dispute failed, a motion was filed to extend the action to a total of CZK 2,759 million in February 2020. The amount currently claimed includes full damages for lost profits. The case is heard at first instance. The outcome of the proceeding is impossible to predict.

6. ČEZ, a. s., carried on two lawsuits against the Appellate Financial Directorate based on administrative actions filed against the Appellate Financial Directorate's decisions by which the Appellate Financial Directorate awarded ČEZ, a. s., interest on tax authority misconduct in 2011 and 2012 but only for the periods after additional payment assessments. ČEZ, a. s., believed that there was an error in law in the assessment of the period for which ČEZ, a. s., is entitled to interest on tax authority misconduct. The Municipal Court in Prague delivered a judgment in July 2020 in which it agreed with ČEZ, a. s., about the period for which the company should be entitled to interest on tax authority misconduct and returned the matter to the Appellate Financial Directorate for further proceedings. New decisions were subsequently issued by the Appellate Financial Directorate and the related payment of the rest of the interest (approximately CZK 1.5 billion) was made. The Appellate Financial Directorate filed a cassation appeal with the Supreme Administrative Court. The Supreme Administrative Court decided in December 2020 to reject the cassation appeals filed by the Appellate Financial Directorate and the disputes were therefore definitively terminated.
- ČEZ Distribuce**
7. SPR a.s. carries on a lawsuit against ČEZ Distribuce, a. s., based on an action filed in May 2013, seeking payment of CZK 213 million plus interest and costs. The matter in dispute is the existence of loss alleged by the plaintiff, which was allegedly incurred due to a breach of obligations by ČEZ Distribuce, a. s., in relation to the connection of the Dubí photovoltaic power plant to the distribution grid. The case is heard at first instance, currently resumed after a stay based on the court's May 2020 decision. The outcome of the proceeding is impossible to predict.
  8. Four electricity generators/local distribution system operators carry on significant lawsuits against ČEZ Distribuce, a. s., based on actions filed in 2015, 2016, and 2017. The matter in dispute is a claim for recovery of unjust enrichment consisting in the electricity distribution price component to cover costs associated with renewable electricity support that was allegedly incorrectly billed but duly paid by the plaintiffs in relation to their internal electricity consumption from January 1, 2013, to October 1, 2013. The total payment claimed from ČEZ Distribuce, a. s., exceeds CZK 1 billion plus interest and costs. Following a special panel's decision on conflict of jurisdiction, court proceedings in all of the lawsuits were discontinued in 2019 and the matter was referred to the Energy Regulatory Office. So far, the Energy Regulatory Office decided on rejection of the motion for a recovery of unjust enrichment in three of the four cases. Remonstrances against all the decisions were filed. The outcomes of the proceedings are impossible to predict.
  9. ČEZ Distribuce, a. s., carries on three lawsuits against OTE, a.s., based on actions brought in 2016 and 2017, seeking recovery of unjust enrichment from OTE amounting to approximately CZK 7.6 billion plus interest and costs, consisting in the electricity distribution price component to cover costs associated with renewable electricity support being incorrectly billed but duly paid by ČEZ Distribuce, a. s., from January 1, 2013, to December 31, 2013. Following a special panel's decision on conflict of jurisdiction, court proceedings in the case of two of the lawsuits were discontinued in 2019 and the matter was referred to the Energy Regulatory Office. The third dispute was referred to the Energy Regulatory Office for the same reasons in 2020. The Energy Regulatory Office dismissed the claim of ČEZ Distribuce, a. s., in the first dispute concerning CZK 1.86 billion. A remonstrance against the decision has been filed. The other disputes are still pending. The outcomes of the proceedings are impossible to predict.



- CEZ Group / Legal and Other Proceedings Involving CEZ Group Companies
10. ČEZ Distribuce, a. s., carries on a lawsuit against ŠKO-ENERGO, s.r.o., based on an action brought in 2016, seeking payment in excess of CZK 113 million plus interest and costs from ŠKO-ENERGO. The matter in dispute is additional payment of the electricity distribution price component to cover costs associated with electricity support for the period from April 1, 2013, to October 1, 2013. The Energy Regulatory Office dismissed the claim of ČEZ Distribuce, a. s., in the first instance. Based on a remonstrance filed by ČEZ Distribuce, a. s., the first-instance decision was reversed by the ERO Board in January 2020 and the matter was remanded to the first instance. The Energy Regulatory Office decided to dismiss the claim of ČEZ Distribuce, a. s., in May 2020. A remonstrance against the decision has been filed. The outcome of the proceeding is impossible to predict.
  11. ČEZ Distribuce, a. s., carries on a lawsuit against Liberty Ostrava a.s. (formerly ArcelorMittal Ostrava a.s.), based on an action brought in 2019, seeking payment of approximately CZK 225 million plus interest and costs. The matter in dispute is unreceived payments for system services for the period from February 2016 to November 2018 for which ČEZ Distribuce, a. s., invoiced ArcelorMittal Ostrava a.s. The case is heard at first instance and has been stayed. The result of the dispute depends on a decision in another proceedings for January 2016, which has not yet been completed. The outcome of the proceeding is impossible to predict.
  12. In an insolvency proceeding against Česká energie, a.s., ČEZ Distribuce, a. s., submitted an unsecured claim for approximately CZK 138 million plus interest and costs arising from failure to pay for distribution system services under a contract. The insolvency proceeding commenced in December 2016 and is still pending. The outcome of the proceeding is impossible to predict.
  13. ČEZ Distribuce, a. s., filed an insolvency petition combined with a bankruptcy petition against SCP first payment of receivables s.r.o. (formerly ENWOX ENERGY s.r.o.) in December 2017, submitting its matured unsecured claim for approximately CZK 115 million plus interest and costs in the proceeding. The claim arose from failure to pay for distribution system services under a contract. The insolvency proceeding is pending. The outcome of the proceeding is impossible to predict.
  14. In an insolvency proceeding against One Energy & One Mobile a.s., ČEZ Distribuce, a. s., submitted an unsecured claim for approximately CZK 154 million plus interest and costs arising from failure to pay for distribution system services under a contract. The insolvency proceeding commenced in 2018 and is still pending. A decision to permit a partial schedule to distribute the recovered fulfillment in the amount of approx. CZK 97 million was issued in October 2020 and the creditor, ČEZ Distribuce, a. s., was satisfied with the proportional amount exceeding CZK 49 million. This recovered fulfillment was repaid to ČEZ Distribuce, a. s., in late November 2020. The outcome of the proceeding is impossible to predict.
- ČEZ Prodej, a.s.**
15. ČEZ Prodej, a.s., carries on a lawsuit against state organization Správa železnic ("SŽ", formerly SŽDC) based on an action brought in 2010, seeking damages in the amount of CZK 805 million plus interest and costs. The matter in dispute is an alleged breach of an electricity supply contract by SŽ, consisting in failure to take deliveries of an agreed amount of electricity in 2010, and the resulting loss. Following an application for leave to appeal filed by SŽ, the Czech Supreme Court overturned the rulings of the courts of first and second instance and remanded the case to the court of first instance. The court of first instance dismissed the action. The appellate court upheld the ruling of the court of first instance in May 2019. ČEZ Prodej, a.s., withdrew the action before it was served the judgment of the court of second instance. The judgment of the court of second instance was received in August 2019, whereby the judgment of the court of first instance was upheld and the withdrawal was declared void. The judgments of the courts of both instances are final. ČEZ Prodej, a.s., filed an application for leave to appeal and a constitutional complaint, on which the Constitutional Court decided by judgment in August 2020. The Constitutional Court stated that the appellate court had erred in making a decision on the motion to withdraw the action itself, instead of the court of first instance, once the judgment of the appellate court had been pronounced. The court rejected the rest of the constitutional complaint. Additionally, it stated that such a procedure denied ČEZ Prodej, a.s., the right to have a ruling reviewed and infringed its right to judicial protection. The Constitutional Court therefore revoked the decision of the appellate court on ineffectiveness of withdrawal. In October 2020, the Municipal Court decided on ineffectiveness of withdrawal of the action again. The application for leave to appeal is still pending. SŽ, which had paid the amount claimed, subsequently brought an action against ČEZ Prodej, a.s., seeking recovery of unjust enrichment amounting to the paid sum of CZK 1,116 million plus interest and costs, which the court of first instance admitted. The appellate court upheld the judgment of the court of first instance. The case has been closed with final effect since October 2019, when the judgment of the appellate court was received. ČEZ Prodej, a.s., filed an application for leave to appeal in the case and paid SŽ the amount claimed plus interest and costs. The outcomes of the proceedings are impossible to predict.

16. ČEZ Prodej, a.s., carries on a lawsuit against SŽ based on an action brought in 2013, seeking damages in the amount of CZK 857 million plus interest and costs. The matter in dispute is an alleged breach of an electricity supply contract by SŽ, consisting in failure to take deliveries of an agreed amount of electricity in 2011, and the resulting loss. After the decision of the court of first instance was overturned by the appellate court, the case is reheard by the court of first instance and is currently stayed until the application for leave to appeal in the case referred to in the previous section is decided on. The outcome of the proceeding is impossible to predict.
17. ČEZ Prodej, a.s., carries on a lawsuit against OTE, a.s., based on an action brought in 2016, seeking substitution of a decision by the Energy Regulatory Office and a decision by the Chairwoman of the Energy Regulatory Office concerning the payment of an amount in excess of CZK 124 million as the outstanding difference in purchase prices paid to solar electricity producers, which were paid by OTE, a.s., to ČEZ Prodej, a.s., as a mandatory purchaser. The court of first instance dismissed the action. The appellate court upheld the ruling of the court of first instance. The proceeding is pending before the Czech Supreme Court. The outcome of the proceeding is impossible to predict.
18. ČEZ Prodej, a.s., carries on a lawsuit against ACTHERM, spol. s r.o. (a distribution system operator), seeking damages in excess of CZK 185 million plus interest and costs based on an action brought in 2016 (CZK 124 million) and its extension in 2017 concerning loss incurred in the subsequent period (CZK 61 million). The matter in dispute is loss caused by the actions of ACTHERM, spol. s r.o., during the registration of three solar electricity producers in the market operator's system and the delivery of information on the registration to ČEZ Prodej, a.s. The case is heard at first instance; the proceeding has been resumed after a stay. The outcome of the proceeding is impossible to predict.
19. ČEZ Prodej, a.s., carries on three lawsuits with solar electricity producers based on actions filed in March 2017, seeking recovery of unjust enrichment of nearly CZK 160 million. The unjust enrichment consists in the collection of higher purchase prices than those reimbursed to ČEZ Prodej, a.s., by OTE, a.s. The court of first instance discontinued the proceedings in all three cases and referred the cases to the Energy Regulatory Office for further proceedings. Additionally, the appellate court also overturned a judgment of the court of first instance dismissing the action in the case of one of the producers. In two cases, the Energy Regulatory Office issued a decision according to which the producers are obliged to pay the due amount with accessories. A remonstrance against the decision was filed by the producers. The outcomes of the proceedings are impossible to predict.
20. OTE, a.s., carries on a lawsuit against ČEZ Prodej, a.s., based on an action brought in 2018, seeking payment of approximately CZK 104.4 million plus interest and costs. The legal ground for the amount sought is recovery of the difference between the purchase price and the hourly price paid by OTE, a.s., to ČEZ Prodej, a.s., as a mandatory purchaser from a solar electricity producer in the period from January 1, 2013, to April 30, 2018. The court of first instance issued a ruling discontinuing the action and referring the case to the Energy Regulatory Office. The Energy Regulatory Office decided to reject the motion of OTE, a.s. OTE, a.s., appealed against the ruling dismissing its motion. The outcome of the proceeding is impossible to predict.
21. OTE, a.s., carries on two administrative proceedings before the Energy Regulatory Office against ČEZ Prodej, a.s., based on petitions filed in July 2019, seeking recovery of unjust enrichment totaling approximately CZK 327 million. The legal ground for the amount claimed is recovery of the difference between the purchase price and the hourly price paid by OTE, a.s., to ČEZ Prodej, a.s., as a mandatory purchaser in the period from January 1, 2013, to May 31, 2018. The Energy Regulatory Office decided to reject the motions of OTE, a.s. OTE, a.s., appealed against the rulings dismissing its motions. The outcomes of the proceedings are impossible to predict.
22. Three producers of photovoltaic electricity commenced three administration proceedings in December 2020 against ČEZ Prodej, a.s., seeking a payment of the sum of approx. CZK 475 million plus accessories. According to the producers, the claimed amount represents an outstanding financial aid having the form of purchase prices applicable to generation facilities commissioned in 2010 (or of the difference between 2010 and 2011) for electricity produced in the period from May 1, 2018, or June 1, 2018, to November 30, 2020. For the period from May 1, 2018, to February 28, 2019, the producers claim only the difference between purchase prices applicable to generating facilities commissioned in 2010 and 2011; for the period from March 1, 2019, to November 30, 2020, the producers claim purchase prices applicable to generating facilities commissioned in 2010 in full. Three separate administration proceedings are related to these proceedings, where the same producers claim the financial aid totaling to CZK 69.5 million plus interest and costs. According to the producers, the amount claimed in these proceedings represents an outstanding financial aid having the form of purchase prices applicable to generation facilities commissioned in 2011 for electricity produced in the period from May 1, 2018, or June 1, 2018, to February 28, 2019. The outcomes of the proceedings are impossible to predict.

**ŠKODA PRAHA a.s., Successor to****ŠKODA PRAHA Invest s.r.o. since January 1, 2019**

23. In insolvency proceedings against Chladicí věže Praha, a. s., ŠKODA PRAHA a.s. submitted conditional and unconditional claims relating to the execution of an 880 MW<sub>e</sub> CCGT Unit project at the Počeradý power plant totaling CZK 451 million, based on a filing in 2015. The submitted claims were denied by the receiver to the full amount. Therefore, ŠKODA PRAHA a.s. carried on a lawsuit against the receiver based on an action brought in 2016, seeking the determination of the authenticity and amounts of the denied claims. The action was withdrawn in January 2021 and the proceedings was terminated, as an adequate withdrawal of the filed claim was carried out too. The case was definitively terminated.

**Poland**

24. In 2009, Agrowind Kończewo sp. z o.o. (AWK) filed a lawsuit against seven companies jointly and severally, one of which is Eco-Wind Construction S.A. (member of the CEZ Group), seeking PLN 22.7 million plus interest in compensation because the companies frustrated the installation of wind turbines and transformer stations on land that the claim alleges was held by AWK. In December 2012, the claim was increased to a total of PLN 112.7 million plus interest (approximately CZK 673 million). The case was subsequently suspended on the ground of notified bankruptcy of one of the companies. The judicial proceeding was resumed in January 2019 but only with six parties that continue in the proceeding. The outcome of the proceeding is impossible to predict.

**Germany**

25. In June 2017, D-I-E Elektro AG (a member of CEZ Group) brought an action against Minto GmbH in the regional court in Mönchengladbach, seeking payment of compensation under a contract for work of EUR 6.7 million (approximately CZK 170 million) plus interest and costs. The case is pending at first instance. The outcome of the proceeding is impossible to predict.

26. In December 2018, Minto GmbH brought a counteraction against D-I-E Elektro AG (a member of CEZ Group) in the regional court in Mönchengladbach, seeking payment of EUR 2.1 million (approximately CZK 52 million) in compensation for additional expenses under a contract for work. Procedurally, the dispute is related to D-I-E Elektro AG's action from June 2017. The outcome of the proceeding is impossible to predict.

27. CEZ Erneuerbare Energien Beteiligungs II GmbH, together with CEZ MH B.V. and other interested parties within CEZ Group, pursue claims against a group of accused persons (and related companies), who are subject to a criminal proceedings on the basis of a suspicion that these accused persons, acting as an organized group, committed fraud, forged documents and committed bribery in relation to sale of wind farm projects to institutional and other investors across Europe (the so-called Holt Holding case). The total claimed sum amounts to EUR 5.68 million (approx. CZK 149 million) without interest and costs. More than EUR 1 million (more than CZK 26 million) was recovered in 2020. As part of the criminal proceedings, all the offenders have been caught; the two main perpetrators have been kept in custody. The outcome of the proceeding is impossible to predict.

28. In December 2020, GMH Gebäudemanagement Hamburg GmbH (subsidiary of the Free and Hanseatic City of Hamburg) filed an action against Kofler Energies Ingenieurgesellschaft mbH. The action requires an issuance of a preliminary judgment that will decide on the basis of the case only, specifically determining the justification of liability of the defendant for damage caused in the supply of design work in construction of buildings of Hamburg University in 2013–2017 (i.e., before the acquisition of the defendant by CEZ Group). Although there is no specific amount specified in the action yet, it is clear that the dispute is significant. If the claimant succeeds to the extent that the awarded amount shall not be covered by defendant's liability insurance, the amount shall be claimed by CEZ Group against the sellers, as it is stipulated in the transaction documentation on the basis of which the defendant became a member of CEZ Group. The outcome of the proceeding is impossible to predict.

## Turkey

29. From 2011 to 2015, Sakarya Elektrik Dagitim A.S. (SEDAŞ) filed appeals against administrative decisions of the Turkish energy market regulatory authority (EPDK) that were the basis for reducing the portion of the companies' operating expenses that were automatically recognized in tariffs. SEDAŞ appealed against one of the first-instance decisions to the Supreme Administrative Court of Turkey. The appeal was dismissed. The remaining lawsuits are in the pleading submission stage. The outcome of the proceeding is impossible to predict.
30. Distribution and sales companies in Turkey are facing lawsuits concerning a refund of the costs of technical and nontechnical losses paid for by the companies' customers. In the case of SEDAŞ, the total amount of pending lawsuits is immaterial and courts have been deciding in favor of the company with regard to legislation passed in 2016 as well as the Constitutional Court's jurisprudence. The outcome of the proceeding is impossible to predict.
31. In March and May 2016, SEDAŞ brought three administrative actions against EPDK's decisions regulating the limits of SEDAŞ's revenue from electricity distribution in the regulatory period of 2016–2020, including the method of calculation and application. The case is pending in the appellate court. The outcome of the proceeding is impossible to predict.

## Romania

32. Distribuție Energie Oltenia S.A. has been carrying on a lawsuit against the regulatory authority (ANRE) since early 2014, concerning distribution tariffs in the second regulatory period. In April 2016, the court of first instance partially admitted the complaint of Distribuție Energie Oltenia S.A. against the regulatory authority and decided that the correction for the past regulatory period was applied wrongfully. The regulatory authority appealed against the judgment and also disputed a submitted expert opinion. The opinion says that the amount of the negative correction (the primary cause of a decrease in tariffs) is unjustified. Based on the appeal filed by the regulatory authority, the appellate court overturned the ruling of the court of first instance and remanded the case to the court of first instance for further proceedings in March 2019. The case is still pending at first instance. The outcome of the proceeding is impossible to predict.

33. Distribuție Energie Oltenia S.A. has been carrying on a lawsuit against the regulatory authority (ANRE) since late 2018, concerning administrative Regulation No. 169/2018 governing distribution tariff methodology. Taking into account the fact that Regulation No. 169/2018 was modified during the dispute, a motion to terminate the lawsuit was filed in late 2020. In February 2021, the court decided to terminate the lawsuit.
34. Tomis Team S.A. carries on a lawsuit against the Municipal Authority of Fântânele concerning a property tax obligation for properties under turbines, as the Romanian law was amended in this respect. The company filed the action in 2018. The proceeding was stayed between May 2019 and June 2020, pending the result of another related dispute concerning the interpretation of tax rules. The court of first instance partially supported the claims of Tomis Team S.A. in November 2020, revoked the decision of the Fântânele Municipal Office and partially revoked the payment order issued on its basis. The outcome of the proceeding is impossible to predict.
35. Tomis Team S.A. carries on a lawsuit against the Municipal Authority of Fântânele concerning its obligation to pay property tax (in 2010–2014) and related penalty (totaling approximately RON 27.5 million, that is, approximately CZK 148 million), based on an action brought in 2016. The proceeding was stayed between May 2019 and June 2020, pending the result of another related dispute concerning the interpretation of tax rules. The court of first instance fully supported the claims of Tomis Team S.A. in November 2020, and revoked the decision of the Fântânele Municipal Office. The proceeding is heard at first instance now. The outcome of the proceeding is impossible to predict.

**Bulgaria**

36. CEZ Razpredelenie Bulgaria AD and CEZ Elektro Bulgaria AD appealed in 2017, 2018, 2019, and 2020 against numerous decisions of the regulatory authority—Energy and Water Regulatory Commission (EWRC)—stipulating electricity prices. An appeal filed in 2017 was dismissed by court, which was confirmed by the Supreme Administrative Court in June 2020. One of the appeals filed in 2018 was definitively rejected in October 2020 too. Judicial proceedings concerning the other appeals are underway. The outcomes of the proceedings are impossible to predict.
37. CEZ Razpredelenie Bulgaria AD and CEZ Elektro Bulgaria AD appealed against changes in Regulation No. 1 concerning electricity price regulation starting from June 2018. In July 2020, the Supreme Court rejected the appeal of both companies. This judgment is definitive.
38. CEZ Razpredelenie Bulgaria AD appealed against the proposal for a new regulation governing the measurement of the quality of supplied energy. The proceeding is pending in the Supreme Administrative Court. The outcome of the proceeding is impossible to predict.
39. In July 2019, Receiver CB EOOD, as a creditor of Future Energy in an insolvency proceeding, brought an action against CEZ Elektro Bulgaria AD. In the action, Receiver CB EOOD seeks ineffectiveness of the setoff of counterclaims and the use of a bank guarantee confirmed by a settlement agreement made among CEZ Elektro Bulgaria AD, Future Energy (FE), and Karpleon Bulgaria EOOD in March 2018. The plaintiff seeks reversal of the effect of the part of the settlement agreement confirming the setoff of a liability of CEZ Elektro Bulgaria AD to FE totaling BGN 6.7 million (approximately CZK 85.5 million) against entitlement to a penalty and the use of a bank guarantee of BGN 500,000. The plaintiff also seeks that CEZ Elektro pay an amount of BGN 3.3 million (approximately CZK 42.1 million) toward FE's insolvent estate, representing a portion of the amount due and the amount received under the bank guarantee of BGN 500,000. Receiver CB EOOD brought an additional action in September 2019. CEZ Elektro Bulgaria AD answered to both actions in due time. The court appointed an expert in forensic economics to prepare an expert testimony in November 2019. The last hearing was held in June 2020, when the court partially dismissed the action of Receiver CB EOOD seeking payment of BGN 3.3 million but ruled in favor of the plaintiff as regards the payment of BGN 500,000 from the bank guarantee. CEZ Elektro Bulgaria filed an appeal against this part of the ruling. Receiver CB EOOD appealed against the negative part of the judgment. In October 2020, the court changed the decision in the part related to the costs of proceedings. The proceeding has not been finished yet. The outcome of the proceeding is impossible to predict.
40. As a result of a regulatory audit of compliance with the terms of its distribution license in the period of July 1, 2008, to November 30, 2013, conducted by the EWRC, CEZ Razpredelenie Bulgaria AD was served 981 administrative decisions on a breach of obligations, which the company submitted written objections to. On the basis of the objections submitted, CEZ Razpredelenie Bulgaria AD subsequently received 206 penalty decisions issued by the EWRC for BGN 20,000 (approximately CZK 260,000) per breach. The company duly appealed against all of the penalty decisions. At the report closing date, there are 204 final court rulings, of which 96 confirmed the imposed penalties and the penalties were paid by the company; 108 rulings definitely dismissed the penalties. Additionally, seven proceedings are awaiting a ruling of the court of first instance. The outcome of the proceeding is impossible to predict.
41. In 2013, the Commission for Protection of Competition (CPC) initiated proceedings on infringements of the Competition Protection Act and Articles 101 and 102 of the Treaty on the Functioning of the European Union (cartel agreements consisting in concerted practices and abuse of a dominant position) by ČEZ companies and other companies in connection with the opening of the electricity market. On December 14, 2017, the CPC made a decision whereby CEZ Elektro Bulgaria AD was fined BGN 1.14 million (approximately CZK 14.3 million) and CEZ Razpredelenie Bulgaria AD was fined BGN 1.06 million (approximately CZK 13.9 million). Both companies appealed against this decision to the Supreme Administrative Court. The Supreme Administrative Court found the fines justified and dismissed both companies' appeals. An appeal was filed against this ruling. In May 2019, the Supreme Administrative Court overturned the previous court ruling confirming the fine for CEZ Elektro Bulgaria AD and CEZ Razpredelenie Bulgaria AD and remanded the case to the court of first instance to gather additional evidence. At a September 2019 hearing, the court of first instance appointed a sworn expert and laid down questions to answer. In its ruling from April 2020, the court of first instance reversed the CPC decision, including the part imposing a fine on both companies. The CPC appealed against the ruling to the Supreme Administrative Court; both companies made their pleadings in response to the appeal. In January 2021, the Supreme Administrative Court admitted the appeal by CPC and made a decision against the companies of the CEZ Group; CEZ Elektro Bulgaria AD was fined BGN 1.14 million (approximately CZK 14.3 million) and CEZ Razpredelenie Bulgaria AD was fined BGN 1.06 million (approximately CZK 13.9 million). This judgment is definitive and the CEZ Group companies will pay the fines.

42. In December 2019, the CPC published on its website a notice of a new proceeding against CEZ Razpredelenie Bulgaria AD, CEZ Elektro Bulgaria AD, and CEZ Bulgaria EAD, commenced at the initiative of Fast Pay HD AD due to suspected abuse of a dominant market position within the companies' activities. The companies were asked by the CPC to notify their positions, which they did. At a hearing held in June 2020, CEZ Elektro Bulgaria AD was fined BGN 4.2 million (approximately CZK 57.2 million), CEZ Razpredelenie Bulgaria AD was fined BGN 10,000 (approximately CZK 136,000), and CEZ Bulgaria EAD was fined BGN 208,000 (approximately CZK 2.8 million). All companies appealed against the decision imposing the fines. The administrative court, as an appellate body, rejected the appeals in December 2020. An appeal was filed against this ruling by the companies. The outcome of the proceeding is impossible to predict.
43. The Commission for Protection against Discrimination has opened the case No. 258/2008 for alleged discrimination based on ethnic origin caused by installing junction boxes at a height of 6–8 meters in some areas, while in other areas at a height of 1–2 meters. In July 2015, the Court of Justice of the European Union in Luxembourg ruled that Anelija Nikolova was discriminated against. The Administrative Court in Sofia has taken the case over. Subsequently, in August 2017, the Administrative Court decided to return the case to the Commission for Protection against Discrimination. The case was reopened by the Commission. The Commission appealed to the parties to seek agreement at a September 2018 hearing. In March 2019, the Commission for Protection against Discrimination decided that there was no discrimination. The complainant filed an appeal against the decision, on the basis of which the Administrative Court returned the case back to the Commission for Protection against Discrimination for new, thorough examination. CEZ Razpredelenie filed a cassation appeal against the Administrative Court ruling. In September 2020, the Supreme Administrative Court rejected the cassation appeal and confirmed the decision of the Administrative Court that the case is to be returned to the Commission for Protection against Discrimination. The case is still open and the outcome is impossible to predict.
44. In April 2017, Piraeus Bank Bulgaria AD (now part of Eurobank Bulgaria AD) brought an action against Bara Group EOOD (CEZ Group member) concerning pledged receivables of SANO EPC EOOD due from Bara Group EOOD. The action claiming BGN 50,000 (approximately CZK 0.6 million) is just a portion of the total pledged receivable amounting to BGN 3 million (approximately CZK 39 million). Bara Group EOOD submitted its objections to the action in writing. After the action was dismissed by the court of first instance, Piraeus Bank Bulgaria appealed against the ruling dismissing the action. The appellate court ruled against Bara Group EOOD in July 2020, ordering it to pay EUR 25,000. Bara Group EOOD complied with the obligation awarded by the court in August 2020 and filed a cassation appeal to the Supreme Administrative Court. The outcome of the proceedings is impossible to predict.

## Other Proceedings

### Czechia

As part of an investigation into possible criminal activity related to obtaining a license to operate the Vranovská Ves photovoltaic power plant, the police authority issued a resolution on the attachment of a replacement value of the likely proceeds of the criminal activity pursuant to the Code of Criminal Procedure, specifically:

1. Attachment of receivables of ČEZ Obnovitelné zdroje, s.r.o., due from OTE, a.s., as support paid for the green bonus, totaling over CZK 944 million as at January 1, 2021; the amount in question will be deposited on a bank account with the Czech National Bank for the duration of the attachment, and ČEZ Obnovitelné zdroje, s.r.o., cannot dispose of the funds.
2. Attachment of funds on a bank account of ČEZ, a. s., in the amount of approximately CZK 223 million as at January 1, 2021; ČEZ, a. s., cannot dispose of the funds for the duration of the attachment.

In both cases, these are interlocutory attachment orders made by law enforcement authorities in a case where the defendants are not employees of CEZ Group companies. ČEZ Obnovitelné zdroje, s.r.o., and ČEZ, a. s., are injured parties in the case. The criminal proceedings arrived to an acquittal judgment in September 2020. The public prosecutor appealed against the judgment, which is therefore not definitive and the funds are still being blocked. The outcome of the proceeding is impossible to predict.

### Bulgaria

In July 2016, ČEZ, a. s., formally filed a Request for Arbitration with the International Centre for Settlement of Investment Disputes (ICSID), officially commencing international investment arbitration against the Republic of Bulgaria under the Energy Charter Treaty on the grounds of nonprotection of investment. The claim amounts to hundreds of millions of EUR. The first matter addressed is an objection to jurisdiction, that is, the competence of the arbitration tribunal to decide the dispute. Following an exchange of written pleadings, an oral hearing on jurisdiction was held on June 8–9, 2020. The meeting was held by videoconference mainly due to COVID-19-related travel restrictions. The arbitration panel subsequently delivered its judgement on March 2, 2021, on the jurisdiction in which jurisdiction objection of the Republic of Bulgaria was rejected. The arbitration proceedings will thus continue and move on to the next stage, in which the substance of the dispute will be assessed as well on the basis of the arguments and documents submitted by both parties. The place of arbitration is Washington, D.C., USA, in accordance with the rules of the International Centre for Settlement of Investment Disputes (ICSID). The outcome of the proceedings cannot be anticipated.



## Developments in Sectoral Regulation and Legislation

The business environment in which CEZ Group operates is significantly impacted by regulation and legislation at the level of the European Union as well as that of individual countries of its presence. The present chapter is not a list of all relevant changes in this field. It only highlights the major events, documents, and acts at the European and Czech national levels.

This chapter also includes comments on how the use of the CEZ Group's assets could be impacted by environmental regulation.

### European Union

#### Developments in Regulation for the Electricity Sector

On April 8, 2020, the decision of the European Commission (EC) on the notification by the Czech Republic of a modified transitional national plan referred to in Article 32 of Directive 2010/75/EU, on industrial emissions, was published, in which the Commission approved the modification to the transitional plan, which sets emission ceilings for selected pollutants.

Regulation (EU) 2020/852 of the European Parliament and of the Council, on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, was published on June 22, 2020. It sets out criteria to determine what economic activities are qualified as environmentally sustainable in order to establish the extent of environmental sustainability of investments.

Commission Implementing Regulation (EU) 2020/1001 laying down detailed rules as regards the operation of the Modernisation Fund supporting investments to modernize the energy systems and to improve energy efficiency of certain member states was published on July 10, 2020.

Guidelines on certain state aid measures in the context of the greenhouse gas emission allowance post-2021 trading scheme were published by the Commission in September 2020. This document presents the main recommended rules concerning state aid in relation to EU ETS (European scheme for CO<sub>2</sub> emission allowance trading), which will be decisive for the Commission. The rules concern compensations for increases in electricity prices caused by the inclusion of costs of greenhouse gas emission resulting from EU ETS, the so-called compensations of indirect costs, and the aid related to optional transitional allocation of free allowances to upgrade the energy sector.

#### Just Transition Mechanism

The Just Transition Mechanism is a key tool for fulfilling the European Green Deal presented by the European Commission in late 2019, which—according to its declared purpose—aims to ensure that the transition towards a climate-neutral economy happens in a fair way, leaving no one behind, and to alleviate the socio-economic impacts of the transition. It is a program that will create the conditions for making additional investments amounting to EUR 100 billion in regions whose economies have high dependence on fossil fuel mining and combustion in 2021 to 2027.

The Just Transition Mechanism is based on three fundamental pillars:

- The Just Transition Fund is the first pillar of the mechanism. According to the current draft of the founding regulation, the Fund will be equipped with EUR 17.5 billion. EUR 7.5 billion should come from budget appropriations for the next budget period under the EU Multiannual Financial Framework in 2021 to 2027, while the remaining resources of EUR 10 billion, covering the period from 2021 to 2024, will constitute external assigned revenue stemming from the EU recovery instrument (Next Generation EU<sup>1)</sup>). The Fund will support the economic diversification and reconversion of the territories concerned. The Fund establishing regulation shall come into effect in 2021.
- A dedicated scheme under InvestEU is the second pillar of the Just Transition Mechanism. Similarly, InvestEU will support investments in a wider range of projects, such as projects for energy and transport infrastructure. It aims to encourage additional investments in the private sector amounting to at least EUR 45 billion.
- A public sector loan facility leveraged by the EIB is the third pillar. It concerns investment promotion. It involves a contribution from the EU budget of EUR 1.5 billion and loans from the European Investment Bank (EIB) of up to EUR 10 billion. With its leverage, the tool can mobilize public investments of EUR 25 to 30 billion over the period of 2021–2027.

<sup>1)</sup> One-off program to cope with the COVID-19 consequences. The overall amount of funds provided to EU member states totals EUR 750 billion (approx. CZK 19 trillion). The funds used in the program are drawn from loans that will be repaid in 2028–2058.

The total Czech allocation for the Just Transition Fund for 2021–2027 will amount to more than CZK 40 billion. It will be, however, subject to approval within the frames of notification procedure by the European Commission, which will review the Just Transition Plan to be prepared by the Ministry of Regional Development, containing a description of measures implemented in Czechia within the specified time frame. Funds will be subsequently allocated to beneficiaries based on their grant applications submitted on the basis of the respective calls within the new national operation program to be established for this purpose and managed by the State Environmental Fund of the Czech Republic.

The notification procedure related to the Just Transition Plan should be completed by the European Commission by the end of Q2 2021. Upon its completion, it will become clear what types of measures will be supported. Finances will be directed, among other things, to renewable energy sources and production of heat for central heating systems using renewables. On the other hand, nuclear facilities shall be excluded from aid as well as investments related to fossil-fuel-fired facilities, including technologies based on combustion of natural gas. Projects that plan to use natural gas as a transition technology that should allow for a faster phase out of coal-fired generating facilities in regions most affected by coal industry could be temporarily funded under very strict conditions within the European Regional Development Fund and the Cohesion Fund and in the coal-dependent regions only.

### **Climate Law**

The European Commission published a proposal for a “climate law” on March 4, 2020. The law has the form of a regulation and sets a legal framework for achieving the EU's carbon neutrality in 2050.

The climate law proposal empowers the Commission to adopt delegated acts to set out an emission reduction trajectory for 2030 to 2050. Every five years, the Commission will review whether national and Union measures are consistent with the climate-neutrality objective and the trajectory for 2030 to 2050, with the first review carried out by September 2023. On September 17, 2020, the Commission published its plan to revise 2030 mitigation ambitions (emission decrease goal) to at least 55%. The European Parliament proposed to increase the 2030 mitigation ambitions to at least 60% and the climatic neutrality at the level of member states. At its meeting on December 10, 2020, the European Council agreed on pursuing the 55% ambition, compared to 1990, but it considers the climatic neutrality target at the level of entire EU, and not each individual member state.

Taking into account the 2030 ambition increase, the Commission should publish proposals for revising of sectoral legislation by June 2021, in order to achieve the updated goals.

### **Regulation of Wholesale Markets in Electricity and Natural Gas**

The European Union regulates wholesale energy markets. Regulation (EU) No. 1227/2011 of the European Parliament and of the Council of October 25, 2011, on wholesale energy market integrity and transparency (“REMIT”), has been in force since December 28, 2011, putting market participants under an obligation to publicly disclose certain inside information on the participant's undertaking in an effective and timely manner, not to use abusive practices in trading, to register their undertaking in a register of participants, and report transactions in a wholesale energy market.

CEZ Group discloses such information on a specialized information portal run by the EEX at [www.eex-transparency.com/power/cz/production/capacity](http://www.eex-transparency.com/power/cz/production/capacity). The disclosure concerns all CEZ Group facilities in Czechia. Information on CEZ Group facilities abroad is disclosed centrally in Poland at <http://gpi.tge.pl/en/zestawienie-ubytkow> and on subsidiary's website at [www.cez.ro/en](http://www.cez.ro/en) in Romania. In compliance with REMIT, CEZ Group has also been notifying of bilateral transactions entered into outside organized markets since April 2016 (n.b.: transactions made in organized markets are disclosed directly by those markets). Pursuant to Regulation (EU) No. 648/2012 of the European Parliament and of the Council, on OTC derivatives, central counterparties, and trade repositories ("EMIR"), which aims to mitigate risks arising from trading in OTC derivatives, ČEZ calculates its open derivative OTC position. It has also been reporting all commodity, interest rate, and currency derivative transactions with financial settlement to a trade repository since February 2014. ČEZ chose REGIS-TR for discharging these obligations. ČEZ has also established rules and introduced measures to prevent market abuse pursuant to Regulation (EU) No. 596/2014 of the European Parliament and of the Council, on market abuse (hereinafter referred to as the "MAR"), and Directive 2014/57/EU of the European Parliament and of the Council, on criminal sanctions for market abuse. MAR is an equivalent of REMIT aimed to prevent abuse of the market in financial instruments, which include some commodity derivatives linked to electricity, gas, coal, and emission allowances. Directive 2014/65/EU of the European Parliament and of the Council, on markets in financial instruments (MiFID II), entered into effect in January 2018 and was transposed to Czech law through Act No. 256/2004 Sb., on capital market undertakings. From this date and then in Q1 of each subsequent year, ČEZ, a. s., carries out an annual complementarity test and informs the Czech National Bank, that it would take advantage of exemption from authorization for the provision of main investment services under Section 4b(1)(j) as a person, including market makers, dealing on its own account in commodity derivatives or emission allowances or derivatives thereof.

## Czechia

### Legislation in Czechia

The following significant legislation relevant to the energy sector was amended in 2020:

An amendment to Act No. 200/1994 Sb., on land surveying, published in the Collection of Laws under No. 47/2020 Sb., came into force early in the year. The reason for the amendment was to introduce rules for nationwide application of digital technical maps, which will be prepared at regional level. A region's digital technical map will include data on transport and engineering infrastructure objects and facilities and information on plans to make changes to the infrastructure. In its material aspects, the amendment is set to enter into effect on July 1, 2023.

Decree of the Energy Regulatory Office (ERO) No. 302/2020 Sb., amending Decree No. 408/2015 Sb., on Electricity Market Rules, as amended by Decree No. 127/2017 Sb., came into effect on July 1, 2020; the decree reflects the introduction of the TERRE platform and also regulates some matters concerning the provision of ancillary services at distribution system level.

Decree No. 359/2020 Sb., on electricity metering and the method for determining damages in case of unauthorized consumption, unauthorized supply, unauthorized transmission, or unauthorized distribution of electricity became valid on September 4, 2020. The decree has been effective since January 1, 2021.

Decree No. 393/2020 Sb., on region's digital technical map, defining requirements on regional digital technical maps, became valid on September 22, 2020. It is an implementing legislation for Act No. 47/2020 Sb., amending the land surveying act. The decree establishes parameters of data relating to technical infrastructure networks and other objects registered in technical digital maps, conditions of their registration, and other related details. Similarly to the act, the decree will be effective from mid-2023.

Act No. 403/2020 Sb., amending Act No. 416/2009 Sb., on accelerated construction of transport, water, energy, and electronic communications infrastructures (Line Act), became valid on October 13, 2020. Due to the amendment to the Line Act, some other legal acts, particularly the building act, energy act, and confiscation act, had to be amended too. The amendment modified provisions necessary for the construction of nuclear facilities. It concerns, however, construction projects in the area of electricity distribution and heat supply as well. The amendment is set to enter into effect on January 1, 2021.

Decree No. 488/2020 Sb., amending Decree No. 441/2013 Sb., implementing the property valuation act (Valuation Decree), as amended, which has been effective since January 1, 2021 became valid on November 30, 2020. The amended decree introduces simplified easement valuation for technical infrastructure.

Three acts became effective on January 1, 2021: the act on waste (541/2020 Sb.), the act on end-of-life products (542/2020 Sb.), and the act amending certain acts in relation to the adoption of the act on waste and act on end-of-life products (543/2020 Sb.). These acts replace legislation which is nearly 20 years old in the area of waste management and implement the circular package adopted by the European Union in 2018, thus creating room for transition of waste management towards circular economy. By setting up the waste system and by increasing the fee for waste disposal an economic driver is being created to promote environmentally friendly ways of waste management, including their energetic use for heat generation.

An amendment to Act No. 254/2001 Sb., on waters, was published in the Collection of Laws on December 23, 2020, most of its provisions being effective from February 1, 2021. The amendment aims at adopting measures to prevent drought and fight water deficiency. The act thus stipulates establishment of nation-wide and regional drought committees, which will be tasked with adopting measures helping to keep water in the respective area in case of water deficiency and allowing for a more efficient water management, even if it should mean a discontinuation of certain uses of water, including its consumption.

Decree No. 516/2020 Sb., on fuel requirements and implementation of some other provisions of act on fuels, became valid on December 11, 2020. It governs, among other things, the manner of submission of data on amounts of electricity consumed for charging of vehicles in charging stations. The decree effectiveness is set out from January 1, 2021, selected parts from November 12, 2021.

### Other Significant Non-Legislation Documents Having Impact on the Czech Energy Market

Due to the declared stage of emergency and the COVID-19 pandemic, the ERO decided to publish price decisions on April 23, 2020, namely ERO Price Decision No. 2/2020 and ERO Price Decision No. 3/2020 for the electricity sector and Price Decision No. 1/2020 for the gas sector. Measures newly introduced by the price decisions made it easier for customers to cope with restrictions resulting from the state of emergency in the specified period of April to June 2020, such as by allowing changes in the reserved capacity of service points.

On June 9, 2020, the ERO Council approved the Price Regulation Principles for the fifth regulatory period of 2021–2025 for the electricity sector, gas sector, for market operator activities in the electricity and gas sectors, and for mandatory purchasers.

The rules for the fifth regulatory period reflect the transformation that the energy sector is undergoing and whose duration will exceed that of the regulatory period. Regulated entities will have sufficient funds for necessary effective investments while the newly set procedures will reduce their financial risks. This will allow them to respond to the development of renewable and decentralized sources, introduce smart solutions for remote metering and system management, take into consideration the development of electric mobility, and enhance digitization.

In November 2020, the Energy Regulation Office approved changes in rules for the operation of the transmission system. Beginning from 2021 and 2022, the new rules will result in further opening of the ancillary services market in Czechia to other providers, including aggregation and accumulation. Connection to European-wide platforms for purchasing balancing energy is expected to happen in mid-2022.

On December 7, 2020, the government approved the brief related to the new energy act that should replace the existing Act No. 458/2000 Sb. According to the Czech government, the new act will respond to new developments in the industry and will allow for easier access for new players, and introduce the concept of an active customer or the new database of energy-related facilities and the entities operating them. The new energy act will also focus on the area of customer protection and the relationship between energy suppliers and customers. The new energy act concept should also help to meet climatic goals adopted by Czechia.

### Possible Effects of Environmental Regulation on Use of Assets

The influence of climate-related global goals and ambitions on operation of power plants has been increasing. They also have a major impact on the fundamental energy sector transition. In the context of legislation and regulation promoted by both Czechia and the European Union, declared to fight climate change, it cannot be completely excluded that use of some assets or groups of assets of CEZ Group will be fundamentally restricted in the future or prematurely terminated. CEZ Group has identified the following three key factors restricting the use of the existing assets:

- Greenhouse emission allowance market in Europe—there is an apparent effort of the European Union to influence the market with these allowances, e.g., by introducing a market stabilizing reserve, decreasing of the total number of emission allowances, or their managed releasing in the market (back-loading), the obligation to purchase allowances extends to other industries; the growing decarbonization efforts provide long-term price increasing stimuli for CO<sub>2</sub> emission allowances, this results in a major economic pressure on older and less efficient coal-fired power plants and heating plants or facilities generally, costs of which are tied to the price of emission allowances.
- Increasingly ambitious climate targets—the European Commission published the European Green Deal in 2019, which, among other things, increases the target for reduction in greenhouse gas emissions and presents the target for a full decarbonization of Europe (the target for 2030 emission decrease compared to 1990 will be increased by at least 55%). The Coal Commission (Czech government's advisory body established in 2019) recommended 2038 as the farthest deadline for the use of coal in Czechia, further steps are to be taken by the Czech government.
- Stricter emission limits—BAT Conclusions entering into force in August 2021 will not only include stricter limits for a number of previously monitored substances (NO<sub>x</sub>, SO<sub>x</sub>, particulate matter) but also introduce new limits for measuring and reduction of pollutants, mercury in particular. CEZ Group subsequently prepares its modern power plants for new limits as much as possible and gradually phases out the older facilities. Meeting the tightened limits will require capital expenditure of billions of CZK and will also result in increased operating expenses for coal-fired plants.

Assets of mining company and coal-fired generating assets of CEZ Group are most significantly impacted by these trends. CEZ Group's strategy, however, has expected these developments for a long time. Therefore, measures and strategic steps have been implemented on an ongoing basis with a view to minimizing negative impacts of these factors on the value of CEZ Group and—at the same time—to use the opportunities for CEZ Group related to these trends to the maximum possible extent.


**Karel Němec**, Project Manager in the Clean Technology Department, ČEZ, Prague

“COVID-19 has complicated our work, but we learned to think about it even more and look for new ways to develop electric mobility. That is why, together with colleagues, we built a record-high number of more than 80 new charging stations in 2020. We also started using software from the Israeli company Driivz, in which CEZ Group has a stake. This innovative software gives drivers all the information they need in a clear and comprehensible way.”

**real**







We are preparing everything  
for the rise of electric mobility

# Products



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

Shareholders' Meeting

Supervisory Board

Board of Directors

**CEO Division**  
Daniel Beneš  
Chief Executive Officer

**Finance Division**  
Martin Novák  
Division Head

**Fossil and Hydro  
Generation Division**  
Ladislav Štěpánek  
Division Head

**Administration Division**  
Michaela Chaloupková  
Division Head

Procurement

Audit and Compliance

CEZ Group Communication  
and Marketing

CEZ Group Security

Management System

Legal Services

CEZ Group Public Affairs

CEO's Office

Accounting

Central Controlling

Financing

Taxes

Risk Management

Trmice Heating Plant

Počerady and Ledvice  
Power Plants

Tušimice and Prunéřov  
Power Plants

Hydroelectric Power Plants

Poříčí and Hodonín  
Power Plants

Fossil and Hydro Generation  
and Operations Management

Fossil and Hydro Generation  
Asset Management

Fossil and Hydro Generation  
Technology Management

Chief Fossil/Hydro  
Officer's Office

Human Resources

ČEZ Ombudsman

Ownership Interest  
Administration

Facility Management

Administration Division  
Management Support

Sustainable Development

Transport Services

**Audit Committee**



## Information for Shareholders and Investors

### Financial Calendar

Event	Date
CEZ Group 2020 Annual Report—electronic Czech and English versions	April 30, 2021
CEZ Group nonaudited consolidated financial results for Q1 2021 Interim consolidated financial statements Conference call (in English)	May 11, 2021
ČEZ, a. s., nonaudited financial results for Q1 2021	
CEZ Group nonaudited consolidated financial results for H1 2021 Interim consolidated financial statements Conference call (in English)	August 10, 2021
ČEZ, a. s., nonaudited financial results for H1 2021	
CEZ Group 2021 Half-Year Report	August 31, 2021
CEZ Group nonaudited consolidated financial results for Q1–Q3 2021 Interim consolidated financial statements Conference call (in English)	November 9, 2021
ČEZ, a. s., nonaudited financial results for Q1–Q3 2021	

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#### Website

[www.cez.cz](http://www.cez.cz)  
[www.facebook.com/SkupinaCEZ](https://www.facebook.com/SkupinaCEZ)  
[www.twitter.com/SkupinaCEZ](https://www.twitter.com/SkupinaCEZ)  
[www.linkedin.com/company/cez](https://www.linkedin.com/company/cez)  
[https://www.instagram.com/cez\\_group/](https://www.instagram.com/cez_group/)  
[www.youtube.com/skupinacez](https://www.youtube.com/skupinacez)  
 In German: [www.cezdeutschland.de](http://www.cezdeutschland.de)  
 In French: [www.cezfrance.fr](http://www.cezfrance.fr)  
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#### CEZ Group Sustainability Report (nonfinancial information)

[www.cez.cz/cs/o-cez/energie-pro-budoucnost/zpravy-o-udrzitelnem-rozvoji](http://www.cez.cz/cs/o-cez/energie-pro-budoucnost/zpravy-o-udrzitelnem-rozvoji)

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**Glossary of Selected Terms and Abbreviations**

Term	Commentary
EIA	Environmental Impact Assessment
EPC	Energy performance contracting An efficient tool for implementing energy saving measures. The EPC method can be described as a guarantee of anticipated reduction in energy consumption, resulting in savings in operating expenses used to repay the original investment.
ESCO	Energy service company A company providing comprehensive energy services to municipalities, businesses, and organizations.
OTC	Over-the-counter A term for off-exchange trading in securities and other financial instruments. Trading is done directly between two parties that negotiate the individual terms of each transaction.
RES	Renewable energy sources
SÚJB	State Office for Nuclear Safety (Státní úřad pro jadernou bezpečnost)
Ton	Metric ton

In most chapters of the Annual Report, company names are listed without an abbreviation specifying their legal form. Complete names of the CEZ Group companies are included in the “Report on Relations”, which forms part of this Annual Report. Complete names of companies outside of CEZ Group are listed in the table below:

### Names of Companies Outside of CEZ Group

(Short) Name Used	Full Name as Registered in the Commercial Register
AKKÖK	Akkök Holding A.S.
ANRE	Autoritatea Națională de Reglementare în domeniul Energiei
Arthur Andersen	Arthur Andersen BV
Central Securities Depository	Centrální depozitář cenných papírů, a.s.
Chimimport	Chimimport AD („Химимпорт“ АД)
Cinergy	Cinergy Corp.
Cloud&Heat Technologies	Cloud&Heat Technologies GmbH
ConocoPhillips	ConocoPhillips Company
Cosmo Tech	Cosmo Tech SAS
CyberX	CYBERX ISRAEL LTD
Česká energie, a.s.	Česká energie, a.s., v úpadku, v konkursu (insolvency proceedings initiated at the creditor's request)
Česká pojišťovna	Česká pojišťovna a.s.
DIAMO	DIAMO, státní podnik
DOVERIE	DOVERIE – United Holding AD („ДОВЕРИЕ – ОБЕДИНЕН ХОЛДИНГ“ АД)
Drivz	Drivz Ltd.
Dubí photovoltaic power plant	FVE Dubí s.r.o.
ECHO	Odborový svaz ECHO
EEX	European Energy Exchange AG
Eurohold	Eurohold Bulgaria AD (Еврохолд България АД)
European Investment Bank, EIB	European Investment Bank
European Liability Insurance for the Nuclear Industry	European Liability Insurance for the Nuclear Industry Association d'assurances mutuelles
Future Energy	FUTURE ENERGY OOD
GE Hitachi Nuclear Energy	GE Hitachi Nuclear Energy, Ltd.
GEOMET; Geomet	GEOMET s.r.o.
Global Payments Europe	Global Payments Europe, s.r.o.
Holt Holding	Holt Holding GmbH
McKinsey & Company	McKinsey & Company Group
NeuronSW	NeuronSW SE
OKD	OKD, a.s.
PG Silesia Sp. z o.o.	Przedsiębiorstwo Górnicze "SILESIA" Sp. z o.o.
Prague Stock Exchange; PSE	Burza cenných papírů Praha, a.s.
Pražská teplárenská	Pražská teplárenská a.s.
RM-Systém	RM-SYSTÉM, česká burza cenných papírů a.s.
Sokolovská uhelná	Sokolovská uhelná, právní nástupce, a.s.
sonnen	sonnen GmbH
SunFire	SunFire GmbH
SŽ; SŽDC	Správa železnic, státní organizace (until January 1, 2020, as Správa železniční dopravní cesty, státní organizace)
tado	tado GmbH
Tinsel Enterprises Limited	TINSEL ENTERPRISES LIMITED
TVEL	Joint Stock Company TVEL акционерное общество «ТВЭЛ»
Vranovská Ves photovoltaic power plant	FVE Vranovská Ves a.s.
Vršanská uhelná	Vršanská uhelná a.s.
VU LOG	VU LOG SA
Westinghouse Electric Sweden	Westinghouse Electric Sweden AB
Zolar	ZOLAR GmbH

Totals and subtotals in this Annual Report can differ from the sum of partial values due to rounding.

## Definitions and Calculations of Indicators Unspecified in IFRS

In accordance with ESMA guidelines, ČEZ provides detailed information on indicators that are not reported as standard in IFRS reports or the components of which are not directly available from standardized reports and notes to the financial statements. Such indicators represent supplementary information in respect of financial data, providing report users with additional information to assess the financial position and performance of CEZ Group or ČEZ. In general, these indicators are also commonly used in other commercial companies, not only in the energy sector.

Indicator	Purpose	Definition
Adjusted Net Income (After-Tax Income, Adjusted)	This is a supporting indicator, intended primarily for investors, creditors, and shareholders, which allows interpreting achieved financial results with the exclusion of extraordinary, usually nonrecurring effects that are generally unrelated to ordinary financial performance and value creation in a given period.	Net income (after-tax income) +/- additions to and reversals of impairments of property, plant, and equipment and intangible assets, including impairment of goodwill +/- additions to and reversals of impairments of developed projects +/- other extraordinary effects that are generally unrelated to ordinary financial performance in a given year and value creation in a given period +/- effects of the above on income tax.

Most of the components of individual indicators are directly shown in financial statements. Components of calculations that are not included in the financial statements are usually shown directly in a company's books and are calculated as follows:

### Adjusted Net Income Indicator—Individual Components

Adjusted Net Income (After-Tax Income, Adjusted)	Unit	2019	2020
Net income	CZK millions	14,500	5,468
Impairments of property, plant, and equipment and intangible assets, including impairment of goodwill*	CZK millions	4,860	24,062
Impairments of developed projects**	CZK millions	12	8
Effects of additions to or reversals of impairments on income tax***	CZK millions	(516)	(3,500)
Other extraordinary effects****	CZK millions	-	(3,197)
<b>Adjusted net income</b>	<b>CZK millions</b>	<b>18,856</b>	<b>22,841</b>

\* Corresponds to the total value reported in the row Impairments of Property, Plant, and Equipment and Intangible Assets in the consolidated Statement of Profit or Loss.

\*\* Included in the row Other operating expenses in the Consolidated Statement of Profit or Loss.

\*\*\* Included in the row Income taxes in the Consolidated Statement of Profit or Loss.

\*\*\*\* The adjustment consists of a correction of adjustment of the net income by the part of impairments of property, plant, and equipment and intangible assets (including the related effect on income tax) that relates—based on its characteristics—to the current year. This item includes the 2020 net income of companies in Romania and Bulgaria (totaling to CZK 1,862 million) that are being sold, which—taking into account the “Locked-box date” as defined in agreements for the sale of assets—belongs effectively to purchasers. Furthermore, it includes the effect of termination of depreciation of fixed assets being sold or the effect of termination of depreciation at the consolidation level. Effect of termination of depreciation of the assets being sold for the respective period of 2020 on the net income amounted to CZK 1,335 million. If the depreciation of the respective assets would not be terminated, they would affect the Consolidated Statement of Profit or Loss in the Depreciation and Amortization row. Their value would also affect value reported in the Income Tax row.

Note: Totals and subtotals can differ from the sum of individual values due to rounding.



## Supplementary Information on CEZ Group Members according to IFRS

### Individual Results of Fully Consolidated Companies (CZK Millions)

	Operating Revenues		EBITDA	
	2019	2020	2019	2020
ČEZ, a. s.	88,298	90,499	23,419	28,148
A.E. Wind S.A.	2	–	–	(2)
AirPlus, spol. s r.o.	229	204	26	10
Areál Třeboradice, a.s.	12	13	5	5
AXE AGRICOLTURA PER L'ENERGIA SOCIETA' AGRICOLA A R.L.	–	79	–	16
AZ KLIMA a.s.	833	856	92	81
AZ KLIMA SK, s.r.o.	103	88	4	3
Baltic Green Construction sp. z o.o.	–	–	(3)	(9)
Baltic Green II sp. z o.o.	–	–	–	–
Baltic Green III sp. z o.o.	–	–	(1)	–
Baltic Green VI sp. z o.o.	–	–	–	–
Baltic Green VIII sp. z o.o. w likwidacji	–	–	–	–
Baltic Green IX sp. z o.o.	–	–	–	–
BANDRA Mobilien-gesellschaft mbH & Co. KG	99	103	78	75
Bara Group EOOD	–	8	(2)	(3)
BUDRIO GFE 312 SOCIETA' AGRICOLA S.R.L.	3	13	–	7
CASANO Mobilien-gesellschaft mbH & Co. KG	97	117	74	87
Centrum výzkumu Řež s.r.o.	630	662	28	46
CEZ Bulgaria EAD	257	273	27	30
CEZ Bulgarian Investments B.V.	–	–	(27)	(5)
CEZ Deutschland GmbH	54	48	(17)	19
CEZ Distribučné sústavy a.s.	112	130	13	23
CEZ Elektro Bulgaria AD	7,820	9,051	307	270
CEZ Erneuerbare Energien Beteiligungs GmbH	16	13	(3)	(9)
CEZ Erneuerbare Energien Beteiligungs II GmbH	41	18	(19)	(40)
CEZ Erneuerbare Energien Verwaltungs GmbH	–	6	(2)	3
CEZ ESCO Bulgaria EOOD	12	66	3	3
CEZ ESCO II GmbH	39	30	(58)	(52)
CEZ ESCO Polska sp. z o.o.	133	6	(33)	(5)
CEZ ESCO Romania S.A.	22	8	3	–
CEZ ESCO Slovensko, a.s.	–	–	–	(12)
CEZ France SAS	4	4	(11)	(6)
CEZ Holdings B.V.	70	8	50	(52)
CEZ Hungary Ltd.	2,575	2,169	27	13
CEZ Chorzów S.A.	2,973	3,197	774	588
CEZ Chorzów II sp. z o.o.	–	–	–	(1)
CEZ ICT Bulgaria EAD	269	317	101	111
CEZ MH B.V.	–	–	(3)	(19)
CEZ Polska sp. z o.o.	4,299	1,266	(58)	(23)
CEZ Produkty Energetyczne Polska sp. z o.o.	111	119	12	16
CEZ Razpredelenie Bulgaria AD	4,716	5,034	1,339	1,719
CEZ RES International B.V.	–	25	–	(52)
CEZ Romania S.A.	750	750	196	173
CEZ SERVIS, s.r.o.	143	159	14	15
CEZ Skawina S.A.	1,902	2,255	33	144
CEZ Slovensko, s.r.o.	6,609	2,830	(100)	(152)
CEZ Srbija d.o.o.	9	7	–	–
CEZ Towarowy Dom Maklerski sp. z o.o.	24	3	3	(8)
CEZ Trade Bulgaria EAD	6,317	6,303	64	130
CEZ Trade Romania S.R.L.	22	19	6	6
CEZ Ukraine LLC	–	–	–	–
CEZ Vanzare S.A.	8,272	8,377	101	297
CEZ Windparks Lee GmbH	–	–	(1)	(1)

Depreciation and Amortization		Net Income		Total Assets		Own Equity	
2019	2020	2019	2020	2019	2020	2019	2020
(14,535)	(13,641)	17,393	21,077	622,086	632,392	203,479	201,445
-	-	(3)	(13)	10	3	(156)	(162)
(2)	(3)	19	5	94	91	68	69
(15)	(15)	(8)	(8)	187	177	156	148
-	(15)	-	(5)	-	223	-	66
(21)	(19)	58	102	493	476	231	213
(2)	(2)	2	1	46	38	15	16
-	-	(7)	(4)	240	232	238	229
-	-	(4)	(3)	-	-	(94)	(94)
-	-	(2)	(3)	2	1	(31)	(32)
-	-	(1)	(1)	-	-	(9)	(10)
-	-	-	-	-	-	-	-
-	-	(6)	(3)	1	-	(47)	(48)
(55)	(56)	(13)	(15)	880	855	34	21
-	-	(16)	(10)	13	21	(377)	(399)
(4)	(5)	(3)	1	76	84	1	2
(55)	(57)	(16)	(5)	890	891	33	29
(32)	(32)	(11)	4	800	881	361	365
(25)	(25)	-	2	456	360	99	101
-	-	(25)	(1)	496	510	494	507
(5)	(5)	(23)	14	182	184	126	147
(1)	(8)	10	11	104	118	49	61
(13)	(14)	259	216	4,190	4,565	1,987	2,264
-	-	(117)	(82)	1,834	1,492	91	(49)
-	-	(19)	(41)	269	551	203	540
-	-	(2)	3	-	4	(2)	2
-	-	3	3	60	133	4	8
-	(1)	(128)	(75)	974	1,099	287	1,003
(1)	-	(47)	(5)	73	76	(19)	41
-	(1)	2	(1)	28	26	22	22
-	-	-	(12)	-	804	-	792
-	-	(14)	(13)	790	845	294	268
-	(1)	261	(77)	16,182	18,288	9,189	10,954
(1)	(3)	18	19	754	554	38	59
(212)	(258)	488	(2,473)	11,064	6,438	6,057	2,972
-	-	-	(1)	19	21	(1)	1
(57)	(66)	37	41	328	342	194	240
-	-	68	9	2,220	1,721	1,478	1,680
(13)	(8)	(2,862)	(4,284)	12,953	7,215	7,844	3,922
(1)	(1)	10	12	51	56	34	36
(1,041)	(1,115)	242	513	12,132	12,639	8,003	8,760
-	-	-	(52)	-	1,634	-	1,619
(151)	(141)	(19)	(18)	3,487	4,308	219	196
(3)	(8)	8	6	91	90	55	56
(165)	(95)	(1,302)	(911)	2,898	1,842	415	(484)
(2)	(3)	(108)	(150)	1,227	339	90	29
-	-	-	-	40	45	34	36
-	-	10	(8)	322	47	53	43
(3)	(5)	48	105	1,246	1,278	454	573
-	-	5	5	24	20	16	15
-	-	-	-	-	-	-	-
(3)	(4)	54	218	2,416	2,319	494	716
-	-	(2)	(2)	97	131	1	1

	Operating Revenues		EBITDA	
	2019	2020	2019	2020
CEZ Windparks Luv GmbH	-	-	(1)	(1)
CEZ Windparks Nordwind GmbH	-	-	(1)	(1)
ČEZ Asset Holding, a. s.	-	-	(1)	-
ČEZ Bohunice a.s.	-	-	(4)	(4)
ČEZ Distribuce, a. s.	34,031	34,505	17,544	17,688
ČEZ Energetické produkty, s.r.o.	1,487	1,701	97	103
ČEZ Energetické služby, s.r.o.	1,965	1,337	79	(80)
ČEZ Energo, s.r.o.	1,215	1,308	354	405
ČEZ ENERGOSERVIS spol. s r.o.	1,375	1,401	28	50
ČEZ ESCO, a.s.	12,429	13,725	11	(245)
ČEZ ICT Services, a. s.	2,229	2,219	632	651
ČEZ Korporátní služby, s.r.o.	1,850	1,542	592	543
ČEZ LDS s.r.o.	120	138	8	15
ČEZ Obnovitelné zdroje, s.r.o.	2,557	2,610	129	163
ČEZ OZ uzavřený investiční fond a.s.	1,992	1,964	1,803	1,820
ČEZ Prodej, a.s.	32,276	36,828	1,811	3,352
ČEZ Recyklace, s.r.o.	2	2	-	-
ČEZ Teplárenská, a.s.	2,842	2,868	284	251
D-I-E ELEKTRO AG	1,332	1,391	87	105
Distributie Energie Oltenia S.A.	4,689	5,290	1,351	1,791
Domat Control System s.r.o.	138	140	15	10
EAB Automation Solutions GmbH	85	34	(20)	(64)
EAB Elektroanlagenbau GmbH Rhein/Main	1,323	1,527	110	110
e-Dome a. s.	62	156	(8)	19
Elektrárna Dětmarovice, a.s.	1,632	1,723	(69)	(147)
Elektrárna Dukovany II, a. s.	1	1	(10)	(35)
Elektrárna Mělník III, a. s.	-	-	(2)	(2)
Elektrárna Temelín II, a. s.	-	4	(10)	(2)
Elektro-Decker GmbH	703	671	(91)	14
Elektro-Technik-Pfisterer-GmbH	68	94	2	6
Elevion Deutschland Holding GmbH	-	3	(1)	1
Elevion GmbH	151	295	(42)	(7)
Elevion Group B.V.	42	58	(165)	(67)
Elevion Holding Italia S.r.l.	9	10	(17)	(17)
Elevion Österreich Holding GmbH	-	1	-	(7)
En.plus GmbH	1,006	995	72	73
Energetické centrum s.r.o.	207	215	62	75
Energotrans, a.s.	4,149	5,114	1,246	1,474
ENESA a.s.	576	845	17	3
ESCO City I sp. z o.o. w likwidacji	-	-	-	-
ESCO City II sp. z o.o. w likwidacji	-	-	-	-
ESCO City III sp. z o.o. w likwidacji	-	-	-	-
ESCO City IV sp. z o.o. w likwidacji	-	-	-	-
ESCO City V sp. z o.o. w likwidacji	-	-	-	-
ESCO City VI sp. z o.o. w likwidacji	-	-	-	-
ETS Efficient Technical Solutions GmbH	2,894	2,934	93	(451)
ETS Efficient Technical Solutions Shanghai Co. Ltd.	49	131	-	(8)
ETS Engineering Kft.	429	327	34	74
Euroklimat sp. z o.o.	1,462	1,508	216	144
FDLnet.CZ, s.r.o.	-	12	-	5
Ferme Eolienne d'Andelaroche SAS	-	-	-	-
Ferme éolienne d'Allas-Nieul SAS	-	-	-	-
Ferme éolienne de Feuillade et Souffrignac SAS	-	-	-	-
Ferme éolienne de Genouillé SAS	-	-	-	-
Ferme éolienne de la Petite Valade SAS	-	-	-	-
Ferme Eolienne de la Piballe SAS	-	-	-	-
Ferme Eolienne de Neuville-aux-Bois SAS	-	-	-	-
Ferme éolienne de Nueil-sous-Faye SAS	-	-	-	-
Ferme Eolienne de Saint-Laurent-de-Céris SAS	-	-	-	-
Ferme éolienne de Saugon SAS	-	-	-	-
Ferme Eolienne de Seigny SAS	-	-	-	-
Ferme Eolienne de Thorigny SAS	-	-	-	-
Ferme éolienne des Besses SAS	-	-	-	-
Ferme Eolienne des Breuils SAS	-	-	(1)	(1)
Ferme Eolienne des Grands Clos SAS	-	-	-	-
Ferme éolienne du Blessonnier SAS	-	-	-	-
Ferme Eolienne du Germancé SAS	-	-	-	-
Free Energy Project Oreshets EAD	39	39	32	32

Depreciation and Amortization		Net Income		Total Assets		Own Equity	
2019	2020	2019	2020	2019	2020	2019	2020
-	-	(2)	(2)	276	420	2	1
-	-	2	2	181	207	10	10
-	-	(1)	-	9	8	9	8
-	-	(6)	1	3,186	3,188	3,186	3,187
(7,689)	(7,996)	7,547	7,302	142,702	153,792	93,510	96,466
(64)	(88)	16	8	1,045	1,246	412	425
(65)	(70)	10	(158)	1,833	1,811	1,254	1,165
(246)	(268)	83	50	2,537	2,744	1,006	806
(13)	(16)	11	28	674	581	104	129
(2)	(2)	(329)	(215)	8,420	10,821	5,220	6,554
(594)	(682)	72	25	4,071	3,626	3,068	2,891
(386)	(375)	215	165	5,273	5,186	3,673	3,838
(7)	(12)	(75)	54	348	240	148	205
(1)	(1)	132	155	1,665	1,873	921	1,075
(767)	(757)	790	843	8,916	8,333	7,782	7,210
(485)	(444)	1,182	2,368	21,768	23,988	7,120	8,389
-	-	-	-	120	120	-	-
(285)	(165)	(352)	86	3,165	3,349	2,262	2,348
(31)	(44)	48	38	687	616	153	103
(1,165)	(1,292)	(36)	321	14,309	14,776	10,222	10,665
(6)	(6)	6	3	109	105	65	69
(8)	(8)	(30)	(73)	92	43	(23)	(64)
(22)	(26)	81	63	589	526	200	182
(2)	(2)	(11)	18	62	141	0	44
(73)	(77)	(689)	(721)	1,503	1,509	834	113
(2)	(2)	(10)	(32)	1,106	1,454	1,070	1,354
-	-	(2)	(2)	7	5	7	5
(6)	(6)	(12)	(6)	2,099	2,084	2,039	2,033
(20)	(21)	(118)	(27)	384	411	(71)	(16)
-	(1)	1	5	21	45	20	25
-	-	(198)	174	5,043	5,148	3,408	3,454
(9)	(14)	(11)	(78)	5,818	6,140	743	677
-	(5)	(122)	132	6,680	7,676	6,179	7,289
-	(1)	(18)	(17)	180	412	9	180
-	-	-	(10)	-	171	-	25
(21)	(26)	32	29	435	337	108	83
(29)	(31)	25	34	329	326	255	265
(229)	(270)	824	985	6,153	8,386	4,258	4,914
(7)	(8)	5	(5)	409	619	126	121
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(90)	(84)	(27)	(311)	1,804	1,990	111	46
-	-	-	(8)	59	18	6	(2)
(5)	(6)	29	63	228	265	76	106
(17)	(17)	182	95	488	645	195	209
-	(1)	-	4	-	22	-	21
-	-	-	-	6	8	-	(1)
-	-	-	-	2	4	-	(1)
-	-	-	-	2	4	-	(1)
-	-	-	-	4	6	-	(1)
-	-	-	-	2	6	-	(1)
-	-	-	-	3	5	(1)	(1)
-	-	-	-	8	12	(1)	(1)
-	-	-	-	6	7	-	(1)
-	-	-	-	5	8	(1)	(1)
-	-	-	-	2	3	-	(1)
-	-	-	-	4	6	(1)	(1)
-	-	-	-	5	7	(1)	(1)
-	-	-	-	2	4	-	(1)
(2)	(2)	(4)	(5)	130	160	(8)	(13)
-	-	-	-	6	8	(2)	(2)
-	-	-	-	5	6	-	(1)
-	-	-	-	8	12	(1)	(1)
(13)	(13)	15	16	131	126	93	113

	Operating Revenues		EBITDA	
	2019	2020	2019	2020
GWE Verwaltungs GmbH	-	-	-	-
GWE Wärme- und Energietechnik GmbH & Co. KG	32	52	12	12
HA.EM OSTRAVA, s.r.o.*	111	157	18	12
Hermos AG	898	736	186	163
Hermos Gesellschaft für Steuer-, Meß- und Regeltechnik mbH	63	50	11	8
HERMOS International GmbH	-	-	-	-
HERMOS SDN. BHD	10	3	1	(2)
Hermos Schaltanlagen GmbH	927	900	59	49
Hermos Sp. z.o.o.	13	8	4	2
Hermos Systems GmbH	70	90	16	17
High-Tech Clima d.o.o.	19	18	9	8
High-Tech Clima S.A.	503	321	27	(1)
HORMEN CE a.s.	191	216	9	27
Hybridkraftwerk Culemeyerstraße Projekt GmbH	-	-	(1)	-
Inewa S.r.l.	39	16	16	(15)
Inewa Consulting S.r.l.	13	32	2	7
Inven Capital, SICAV, a.s.	78	97	(46)	(60)
ISP West s.r.o.	-	17	-	1
KART, spol. s r.o.	150	118	6	4
Kofler Energies Energieeffizienz GmbH	233	205	33	14
Kofler Energies Ingenieurgesellschaft mbH	595	626	13	26
Kofler Energies International GmbH	-	5	-	-
Kofler Energies Systems GmbH	198	67	(42)	(18)
M.W. Team Invest S.R.L.	323	459	246	383
MARTIA a.s.	901	933	23	29
Metrolog sp. z o.o.	479	527	42	15
Moser & Partner Ingenieurbüro GmbH	-	76	-	21
NEK Facility Management GmbH	4	4	-	-
OEM Energy sp. z o.o.	737	493	73	26
OSC, a.s.	158	119	28	21
Ovidiu Development S.A.	1,362	1,611	701	971
PRODECO, a.s.	1,837	1,763	103	82
Revitrans, a.s.	1,797	1,854	501	553
Rudolf Fritz GmbH	3,393	3,175	161	188
SD - Kolejová doprava, a.s.	1,049	774	398	202
Severočeské doly a.s.	10,063	8,453	4,125	2,808
Solární servis, s.r.o.	163	89	(52)	(44)
SPRAVBYKOMFORT, a.s. Prešov	429	422	98	89
SYNECO PROJECT S.R.L.	8	2	1	(1)
SYNECO tec GmbH	6	19	-	3
ŠKODA PRAHA a.s.	704	172	6	(24)
TaNET West s.r.o.	-	46	-	9
Telco Infrastructure, s.r.o.	-	-	(1)	(7)
Telco Pro Services, a. s.	669	701	187	193
Tepelné hospodářství města Ústí nad Labem s.r.o.	524	547	41	44
TENAUR, s.r.o.	185	231	14	18
TMK Hydroenergy Power S.R.L.	178	200	103	130
Tomis Team S.A.	1,806	2,101	594	842
ÚJV Řež, a. s.	1,399	1,445	265	230
Ústav aplikované mechaniky Brno, s.r.o.	178	116	31	29
Windpark Baben Erweiterung GmbH & Co. KG	46	43	39	36
Windpark Badow GmbH & Co. KG	115	118	96	95
Windpark Cheinitz-Zethlingen GmbH & Co. KG	95	95	74	73
Windpark Frauenmark III GmbH & Co. KG	9	8	7	7
Windpark FOHREN-LINDEN GmbH & Co. KG	52	59	42	48
Windpark Gremersdorf GmbH & Co. KG	31	32	25	26
Windpark Mengerlinghausen GmbH & Co. KG	66	72	52	57
Windpark Naundorf GmbH & Co. KG	34	35	27	28
Windpark Zagelsdorf GmbH & Co. KG	41	38	32	28

\* Company has no comparable period 2019.

Depreciation and Amortization		Net Income		Total Assets		Own Equity	
2019	2020	2019	2020	2019	2020	2019	2020
-	-	-	-	1	1	1	1
-	(2)	12	-	25	43	13	1
(1)	(3)	13	9	73	83	45	54
(19)	(34)	185	92	858	1,037	669	777
(2)	(2)	6	5	70	65	44	51
-	-	-	-	2	2	1	1
-	-	1	(3)	4	1	4	1
(18)	(28)	27	16	558	546	259	283
-	-	4	2	28	23	21	23
(3)	(5)	9	11	72	85	34	46
-	-	8	6	11	8	7	7
(3)	(4)	35	(3)	182	121	40	38
(7)	(4)	2	23	69	92	21	42
-	-	(1)	(1)	68	65	3	2
-	(4)	14	(11)	60	288	22	57
-	-	1	5	26	51	6	10
(1)	(1)	46	165	3,503	2,737	3,344	2,548
-	(1)	-	-	-	12	-	8
(1)	(1)	5	2	71	72	47	49
(4)	(6)	51	15	573	443	183	202
(31)	(34)	(14)	(17)	281	390	(44)	122
-	-	-	-	-	2	(12)	(13)
(1)	(1)	(35)	(33)	50	89	(44)	(32)
(96)	(99)	219	120	1,709	1,805	1,519	1,615
(10)	(10)	9	18	465	345	72	80
(7)	(8)	27	5	221	328	139	116
-	(5)	-	11	-	239	-	32
-	-	-	-	3	5	1	1
(2)	(4)	58	17	238	137	159	102
(6)	(6)	18	13	140	138	97	99
(288)	(333)	991	221	7,588	7,385	7,109	6,876
(25)	(26)	62	45	1,271	1,517	486	492
(214)	(234)	256	275	1,529	1,602	1,080	1,098
(60)	(65)	87	77	1,172	919	237	217
(142)	(126)	203	60	1,184	903	817	640
(2,426)	(2,387)	2,020	(2,510)	34,788	30,078	22,364	18,213
(3)	(3)	(60)	(70)	169	56	(62)	(46)
(45)	(49)	39	30	487	530	241	250
-	-	-	(2)	47	105	2	-
-	(1)	-	1	4	13	2	3
(1)	-	(17)	(48)	1,025	781	700	652
-	(3)	-	5	-	49	-	40
-	-	(1)	(6)	11	60	9	18
(162)	(174)	22	14	1,234	1,280	959	933
(22)	(23)	14	15	567	572	231	240
(3)	(5)	7	10	60	143	25	114
(63)	(66)	7	41	676	664	254	298
(282)	(320)	1,142	77	9,437	8,890	8,727	8,135
(119)	(124)	114	306	3,012	3,801	1,937	2,246
(9)	(12)	18	14	154	156	113	127
(22)	(23)	(1)	4	406	396	3	7
(58)	(59)	1	1	962	943	(25)	(15)
(33)	(34)	26	24	649	646	60	86
(5)	(5)	-	-	80	93	-	15
(32)	(33)	10	6	598	592	150	161
(16)	(17)	(1)	(1)	294	298	(14)	(2)
(36)	(37)	(1)	3	662	755	(16)	84
(15)	(15)	5	6	261	260	19	26
(16)	(16)	8	4	308	306	14	18



## Individual Results of Joint Ventures and Affiliates (CZK Millions)

	Operating Revenues		EBITDA	
	2019	2020	2019	2020
Akcez Enerji A.S.	-	-	(27)	(4)
AK-EL. Kemah Elektrik Üretim ve Ticaret A.S.	-	-	(4)	(5)
Akenerji Dogal Gaz Ithalat Ihracat ve Toptan Ticaret A.S.	-	1,111	(6)	(2)
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.S.	1,891	902	(87)	(10)
Akenerji Elektrik Üretim A.S.	7,125	7,025	1,590	1,396
Bytkomfort, s.r.o.	255	263	41	36
Elevion Co-Investment GmbH & Co. KG	1	5	-	5
GEOMET s.r.o.	-	1	-	(69)
GP JOULE PPX Verwaltungs-GmbH	-	-	-	-
GP JOULE PP1 GmbH & Co. KG	3	1	3	1
Green Wind Deutschland GmbH	-	-	-	-
Jadrová energetická spoločnosť Slovenska, a. s.	14	15	(39)	(35)
juwi Wind Germany 100 GmbH & Co. KG	12	13	-	-
KLF-Distribúcia, s.r.o.	-	32	(1)	9
LOMY MOŘINA spol. s r.o.	231	280	38	29
Sakarya Elektrik Dagitim A.S.	4,593	5,042	1,423	2,164
Sakarya Elektrik Perakende Satis A.S.	20,124	18,206	359	530
Windpark Bad Berleburg GmbH & Co. KG	-	-	-	-
Windpark Berka GmbH & Co. KG	-	-	-	-
Windpark Moringen Nord GmbH & Co. KG	-	-	-	-
Windpark Nortorf GmbH & Co. KG	-	-	-	-
Windpark Prezelle GmbH & Co. KG	-	-	-	-

## Fees Charged by External Auditors to CEZ Group Companies (CZK Millions)

	2019			2020		
	ČEZ, a. s.	Fully Consolidated Companies	CEZ Group, Total	ČEZ, a. s.	Fully Consolidated Companies	CEZ Group, Total
Auditor's fees for statutory audit of annual financial statements	21.3	60.4	81.7	21.2	63.7	84.9
Fees charged by auditors for other audit services	6.7	0.3	7.0	5.2	0.9	6.1
Fees charged by auditors for tax consultancy	1.6	2.1	3.7	3.4	4.0	7.4
Fees charged by auditors for other nonaudit services	2.0	0.7	2.7	2.6	2.5	5.1
<b>CEZ Group, total</b>	<b>31.6</b>	<b>63.5</b>	<b>95.1</b>	<b>32.4</b>	<b>71.1</b>	<b>103.5</b>

Depreciation and Amortization		Net Income		Total Assets		Own Equity	
2019	2020	2019	2020	2019	2020	2019	2020
-	-	(936)	(826)	3,721	2,822	(134)	(610)
-	-	2	(2)	153	114	153	113
-	-	(4)	(1)	25	92	10	7
(2)	(2)	(53)	7	266	324	88	72
(440)	(335)	(2,164)	(3,316)	11,301	7,566	(9,910)	(11,416)
(24)	(25)	15	13	255	335	212	219
-	-	6	5	357	346	347	335
-	-	-	(80)	-	734	-	715
-	-	-	-	1	1	-	-
-	-	9	-	119	129	72	75
-	-	-	-	1	1	1	1
(15)	(12)	(49)	(44)	5,297	5,423	5,284	5,414
(4)	(4)	-	-	73	71	-	-
-	(5)	(2)	2	67	101	21	24
(20)	(23)	16	6	397	407	351	279
(42)	(42)	764	1,304	5,087	5,273	1,540	2,257
(46)	(52)	247	246	4,851	3,316	761	611
-	-	(1)	-	1	1	-	(1)
-	-	-	-	-	1	-	-
-	-	-	-	4	6	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

# Report on Relations between the Controlling Entity and the Controlled Entity and between the Controlled Entity and Entities Controlled by the Same Controlling Entity for the Accounting Period of January 1, 2020, to December 31, 2020

Prepared by the Board of Directors of ČEZ, a. s., ID No.: 45274649, having its registered office at Prague 4, Duhová 2/1444, postcode 140 53, registered in the Commercial Register kept by the Municipal Court in Prague, Section B, File 1581, pursuant to Section 82 of Act No. 90/2012 Sb., on business corporations

In compliance with the applicable provisions of the Business Corporations Act, the Board of Directors of ČEZ, a. s., has prepared and approved the following report on relations between the controlling entity and the controlled entity and between the controlled entity and entities controlled by the same controlling entity (the "Related Parties Report") for the accounting period of January 1, 2020, to December 31, 2020 (the "relevant period"), as follows. When preparing this Related Parties Report, the Board of Directors applied knowledge and information available to members of the Company's Board of Directors on the date of its preparation.

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

### Controlled entity and author of the Related Parties Report:

#### ČEZ, a. s.

Identification No.: 45274649  
Registered office: Prague 4, Duhová 2/1444, postcode 140 53  
Registered in the Commercial Register kept by the Municipal Court in Prague, Section B, File 1581

### Controlling entity:

#### Czech Republic—Ministry of Finance

Name: Ministry of Finance  
Identification No.: 00006947  
Registered office: Prague 1, Letenská 525/15, Malá Strana, postcode 118 10  
(the "Controlling Entity")  
As at December 31, 2020, the Controlling Entity owned shares of stock corresponding to a 69.78% share in the stated capital of ČEZ, a. s.

### Entities controlled and managed by ČEZ, a. s.:

In the relevant period, ČEZ, a. s., was the controlling entity of the following companies belonging to CEZ Group:

- 1 1. Opravárenská společnost, s.r.o.
- 2 A.E. Wind S.A.
- 3 AirPlus, spol. s r.o.
- 4 Akcez Enerji Yatirimlari Sanayi ve Ticaret A.Ş.
- 5 AK-EL Kemah Elektrik Üretim A.Ş.
- 6 Akenerji Doğalgaz Ithalat Ihracat ve Toptan Ticaret A.Ş.
- 7 Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.Ş.
- 8 Akenerji Elektrik Üretim A.Ş.
- 9 Areál Třeboradice, a.s.
- 10 AxE AGRICOLTURA PER L'ENERGIA SOCIETA' AGRICOLA A R.L.
- 11 AZ KLIMA a.s.
- 12 AZ KLIMA SK, s.r.o.
- 13 AZ VENT s.r.o.
- 14 Baltic Green Construction sp. z o.o.
- 15 Baltic Green I sp. z o.o.
- 16 Baltic Green II sp. z o.o.
- 17 Baltic Green III sp. z o.o.
- 18 Baltic Green V sp. z o.o.
- 19 Baltic Green VI sp. z o.o.
- 20 Baltic Green VIII sp. z o.o. w likwidacji
- 21 Baltic Green IX sp. z o.o.
- 22 BANDRA Mobiliengesellschaft mbH & Co. KG
- 23 Bara Group EOOD
- 24 Budrio GFE 312 Società Agricola S.r.l.
- 25 CASANO Mobiliengesellschaft mbH & Co. KG
- 26 Centrum výzkumu Řež s.r.o.
- 27 CEZ Bulgaria EAD
- 28 CEZ Bulgarian Investments B.V.
- 29 CEZ Deutschland GmbH
- 30 CEZ Elektro Bulgaria AD
- 31 CEZ Erneuerbare Energien Beteiligungs GmbH
- 32 CEZ Erneuerbare Energien Beteiligungs II GmbH
- 33 CEZ Erneuerbare Energien Verwaltungs GmbH
- 34 CEZ ESCO Bulgaria EOOD
- 35 CEZ ESCO II GmbH
- 36 CEZ ESCO Polska sp. z o.o.
- 37 CEZ ESCO Romania S.A.
- 38 CEZ France SAS
- 39 CEZ Holdings B.V.
- 40 CEZ Hungary Ltd.

41	CEZ Chorzów II sp. z o.o.	101	Elevion Österreich Holding GmbH
42	CEZ Chorzów S.A.	102	En.plus GmbH
43	CEZ ICT Bulgaria EAD	103	Energetické centrum s.r.o.
44	CEZ MH B.V.	104	Energocentrum Vítkovice, a. s.
45	CEZ Polska sp. z o.o.	105	Energotrans, a.s.
46	CEZ Produkty Energetyczne Polska sp. z o.o.	106	ENESA a.s.
47	CEZ Razpredelenie Bulgaria AD	107	ESCO City I sp. z o.o. w likwidacji
48	CEZ RES International B.V.	108	ESCO City II sp. z o.o. w likwidacji
49	CEZ Romania S.A.	109	ESCO City III sp. z o.o. w likwidacji
50	CEZ Skawina S.A.	110	ESCO City IV sp. z o.o. w likwidacji
51	CEZ Srbija d.o.o.	111	ESCO City V sp. z o.o. w likwidacji
52	CEZ Towarowy Dom Maklerski sp. z o.o.	112	ESCO City VI sp. z o.o. w likwidacji
53	CEZ Trade Bulgaria EAD	113	ETS Efficient Technical Solutions GmbH
54	CEZ Trade Romania S.R.L.	114	ETS Efficient Technical Solutions Shanghai Co. Ltd.
55	CEZ Ukraine LLC	115	ETS Engineering Kft.
56	CEZ Vanzare S.A.	116	Euroklimat sp. z o.o.
57	CEZ Windparks Lee GmbH	117	FDLnet.CZ, s.r.o.
58	CEZ Windparks Luv GmbH	118	FEA Automation GmbH
59	CEZ Windparks Nordwind GmbH	119	Ferme éolienne d'Allas-Nieul SAS
60	ČEZ Asset Holding, a. s.	120	Ferme Eolienne d'Andelaroché SAS
61	ČEZ Bohunice a.s.	121	Ferme éolienne de Feuillade et Souffrignac SAS
62	ČEZ Distribuce, a. s.	122	Ferme éolienne de Genouillé SAS
63	ČEZ Distribuční systavy a.s.	123	Ferme éolienne de la Petite Valade SAS
64	ČEZ Energetické produkty, s.r.o.	124	Ferme Eolienne de la Piballe SAS
65	ČEZ Energetické služby, s.r.o.	125	Ferme Eolienne de Neuville-aux-Bois SAS
66	ČEZ Energo, s.r.o.	126	Ferme éolienne de Nueil-sous-Faye SAS
67	ČEZ ENERGOSERVIS spol. s r.o.	127	Ferme Eolienne de Saint-Laurent-de-Céris SAS
68	ČEZ ESCO Slovensko, a.s.	128	Ferme éolienne de Saugon SAS
69	ČEZ ESCO, a.s.	129	Ferme Eolienne de Seigny SAS
70	ČEZ ICT Services, a. s.	130	Ferme Eolienne de Thorigny SAS
71	ČEZ Korporátní služby, s.r.o.	131	Ferme éolienne des Besses SAS
72	ČEZ LDS s.r.o.	132	Ferme Eolienne des Breuils SAS
73	ČEZ Obnovitelné zdroje, s.r.o.	133	Ferme Eolienne des Grands Clos SAS
74	ČEZ OZ uzavřený investiční fond a.s.	134	Ferme éolienne du Blessonnier SAS
75	ČEZ Prodej, a.s.	135	Ferme Eolienne du Germancé SAS
76	ČEZ Recyklace, s.r.o.	136	Free Energy Project Oreshets EAD
77	ČEZ SERVIS, s.r.o.	137	GEOMET s.r.o.
78	ČEZ Slovensko, s.r.o.	138	GWE Verwaltungs GmbH
79	ČEZ Teplárenská, a.s.	139	GWE Wärme- und Energietechnik GmbH & Co. KG
80	Detlef Walther GmbH	140	H & R Elektromontagen GmbH
81	D-I-E Elektro AG	141	HA.EM OSTRAVA, s.r.o.
82	Distributie Energie Oltenia S.A.	142	Hermos AG
83	Domat Control System s.r.o.	143	Hermos Gesellschaft für Steuer-, Meß- und Regeltechnik mbH
84	Domat Control System s. r. o.	144	HERMOS International GmbH
85	EAB Automation Solutions GmbH	145	HERMOS SDN. BHD
86	EAB Elektroanlagenbau GmbH Rhein/Main	146	Hermos Schaltanlagen GmbH
87	Eco-Wind Construction S.A. w upadłości	147	Hermos sp. z o.o.
88	e-Dome a. s.	148	Hermos Systems GmbH
89	EGP INVEST, spol. s r.o., v likvidaci	149	High-Tech Clima d.o.o.
90	Elektrárna Dětmorovice, a.s.	150	High-Tech Clima S.A.
91	Elektrárna Dukovany II, a. s.	151	HORMEN CE a.s.
92	Elektrárna Mělník III, a. s.	152	HORMEN SK s. r. o.
93	Elektrárna Počerady, a.s.	153	Hybridkraftwerk Culemeyerstraße Projekt GmbH
94	Elektrárna Temelín II, a. s.	154	in PROJEKT LOUNY ENGINEERING s.r.o.
95	Elektro-Decker GmbH	155	inewa consulting Srl
96	Elektro-Technik-Pfisterer-GmbH	156	inewa Srl
97	Elevion Deutschland Holding GmbH	157	Inven Capital, SICAV, a.s.
98	Elevion GmbH	158	ISP West s.r.o.
99	Elevion Group B.V.	159	Jadrová energetická spoločnosť Slovenska, a. s.
100	Elevion Holding Italia Srl		

160	Jäger & Co. Gesellschaft mit beschränkter Haftung
161	juwi Wind Germany 100 GmbH & Co. KG
162	Kälteanlagenbau Schröder GmbH
163	KART TZB, spol. s r.o.
164	KART, spol. s r.o.
165	Kofler Energies Energieeffizienz GmbH
166	Kofler Energies Ingenieurgesellschaft mbH
167	Kofler Energies International GmbH
168	Kofler Energies Systems GmbH
169	KTN Servis s.r.o.
170	LOMY MOŘINA spol. s r.o.
171	M&P Real GmbH
172	MARTIA a.s.
173	Metrolog sp. z o.o.
174	M.W. Team Invest S.R.L.
175	Moser & Partner Ingenieurbüro GmbH
176	NEK Facility Management GmbH
177	OEM Energy sp. z o.o.
178	OSC, a.s.
179	Ovidiu Development S.A.
180	PRODECO, a.s.
181	Revitrans, a.s.
182	Rudolf Fritz GmbH
183	Sakarya Elektrik Dağıtım A.Ş.
184	Sakarya Elektrik Perakende Satış A.Ş.
185	SD - Kolejová doprava, a.s.
186	Severočeské doly a.s.
187	Solární servis, s.r.o.
188	SPRAVBYTKOMFORT, a.s. Prešov
189	SYNECO PROJECT S.r.l.
190	Syneco tec GmbH
191	ŠKODA PRAHA a.s.
192	ŠKO-ENERGO, s.r.o.
193	ŠKO-ENERGO FIN, s.r.o.
194	TaNET Borsko s.r.o.
195	TaNET West s.r.o.
196	Telco Infrastructure, s.r.o.
197	Telco Pro Services, a. s.
198	TENAUR, s.r.o.
199	Tepelné hospodářství města Ústí nad Labem s.r.o.
200	Teplo Kláštec s.r.o.
201	TMK Hydroenergy Power S.R.L.
202	Tomis Team S.A.
203	ÚJV Řež, a. s.
204	Ústav aplikované mechaniky Brno, s.r.o.
205	Výzkumný a zkušební ústav Plzeň s.r.o.
206	Windpark Baben Erweiterung GmbH & Co. KG
207	Windpark Badow GmbH & Co. KG
208	Windpark FOHREN-LINDEN GmbH & Co. KG
209	Windpark Frauenmark III GmbH & Co. KG
210	Windpark Gremersdorf GmbH & Co. KG
211	Windpark Cheinitz-Zethlingen GmbH & Co. KG
212	Windpark Mengerlinghausen GmbH & Co. KG
213	Windpark Naundorf GmbH & Co. KG
214	Windpark Zagelsdorf GmbH & Co. KG
215	WPG Projekt GmbH

CEZ Group also includes the CEZ Concern, which is headed by ČEZ, a. s., as the managing entity and the members of which were the following managed entities in the relevant period: Areál Třeboradice, a.s., ČEZ Bohunice a.s., ČEZ Distribuce, a. s., ČEZ Energetické produkty, s.r.o., ČEZ Energetické služby, s.r.o., ČEZ ENERGOSERVIS spol. s r.o., ČEZ ESCO, a.s., ČEZ ICT Services, a. s., ČEZ Korporátní služby, s.r.o., ČEZ Obnovitelné zdroje, s.r.o., ČEZ Prodej, a.s., ČEZ Teplárenská, a.s., Elektrárna Dětmarovice, a.s., Elektrárna Dukovany II, a. s., Elektrárna Mělník III, a. s., Elektrárna Počeradý, a.s. (100% share in this company owned by ČEZ, a. s., was sold on December 31, 2020), Elektrárna Temelín II, a. s., Energetické centrum s.r.o., Energocentrum Vítkovice, a. s. (ceased to exist as a result of its merger with ČEZ Energetické služby, s.r.o., as at January 1, 2020), Energotrans, a.s., MARTIA a.s., PRODECO, a.s., Revitrans, a.s., SD - Kolejová doprava, a.s., Severočeské doly a.s. and Telco Pro Services, a. s.

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

The membership of ČEZ, a. s., of the CEZ Concern was made public on the Company's website in the relevant period.

#### Other entities controlled by the Controlling Entity:

According to information provided to the Company by the Controlling Entity, other entities controlled by the same Controlling Entity in the relevant period were:

1	B. aircraft, a.s.
2	Czech Airlines Handling, a.s.
3	Czech Airlines Technics, a.s.
4	ČEPRO, a.s.
5	Česká exportní banka, a.s.
6	Exportní garanční a pojišťovací společnost, a.s.
7	GALILEO REAL, k.s. v likvidaci
8	HOLDING KLADNO a.s. "v likvidaci"
9	IMOB a.s. v likvidaci
10	Kongresové centrum Praha, a.s.
11	Letiště Praha, a. s.
12	MERO ČR, a.s.
13	MERO Germany GmbH
14	MUFIS a.s.
15	OKD, a.s.
16	OKD, HBZS, a.s.
17	PRISKO a.s.
18	SERENUM, a.s.
19	Severočeské mlékárny, a.s. Teplice
20	SLOVIM s.r.o.
21	THERMAL-F, a.s.
22	Výzkumný a zkušební letecký ústav, a.s.
23	VZLU TECHNOLOGIES, a.s.
24	VZLU TEST, a.s.

The Board of Directors of ČEZ, a. s., has prepared a diagram showing the structure of relations between entities controlled by the same Controlling Entity, which also shows the structure of entities controlled and/or managed by ČEZ, a. s. The diagram showing the structure of relations in the whole group of businesses controlled by the Controlling Entity in the relevant period constitutes Annex 1 to the Related Parties Report.

## 2. Role of the Controlled Entity

ČEZ, a. s., is the controlling company of CEZ Group. The core business as well as the role of companies within CEZ Group is the generation, distribution, trade in, and sales of electricity and heat, trade in and sales of natural gas, and coal extraction. ČEZ, a. s., is a crucial state-controlled energy company. Its primary role is to ensure safe and reliable fulfillment of the energy needs of its customers and society at large.

ČEZ, a. s., also intermediates the Controlling Entity's control over the other companies within CEZ Group.

## 3. Method and Means of Control

The Controlling Entity controls ČEZ, a. s., by being its majority shareholder and thus holding a majority share in voting rights. Because of its share in voting rights, the Controlling Entity can enforce the appointment or removal of most members of the supervisory and/or statutory governing body of ČEZ, a. s.

## 4. List of Acts pursuant to Section 82(2)(d) of the Business Corporations Act

In the relevant period, ČEZ, a. s., did not perform any acts that would have been performed at the instigation or in the interest of the Controlling Entity or entities controlled by it and concerned assets exceeding 10% of the equity of ČEZ, a. s., as identified by its latest financial statements.

## 5. List of Mutual Contracts

The Board of Directors of ČEZ, a. s., has prepared a list of mutual contracts<sup>1)</sup> effective in the relevant period and made between ČEZ, a. s., and the Controlling Entity and/or between ČEZ, a. s., and other entities controlled by the Controlling Entity, which constitutes Annex 2 to the Related Parties Report. No contract made between ČEZ, a. s., and the Controlling Entity was effective in the relevant period.

<sup>1)</sup> Each contract is defined by its name, date of contract and/or contract number, and the subject matter of the contract if not identified by the name of the contract.

All mutual contracts between ČEZ, a. s., and other entities controlled by the Controlling Entity were made in the ordinary course of business. The list does not include further details on contractual relations in order to keep trade secrets and meet the contractual obligation of confidentiality of information.

## 6. Assessment of Whether the Controlled Entity Incurred a Loss and Assessment of Its Settlement pursuant to Sections 71 and 72 of the Business Corporations Act

Having analyzed and taken into consideration the circumstances and terms and conditions under which dealings between related parties occurred in the relevant period (that is, terms and conditions common in standard business relations), the Board of Directors of ČEZ, a. s., came to the conclusion that ČEZ, a. s., did not suffer any loss as a result of its control. Therefore, the Board of Directors has not included its comments on any settlement of loss, or on the manner and period of such settlement, in this Related Parties Report.

## 7. Lack of Information for the Preparation of the Related Parties Report

The Related Parties Report was prepared on the basis of all information available. In spite of reasonably made efforts that may be justly expected from the author, the companies listed below did not provide requested information:

- HOLDING KLADNO a.s. "v likvidaci"
- Severočeské mlékárny, a.s. Teplice

## 8. Conclusion

Based on available information, the Board of Directors of ČEZ, a. s., assessed the advantages and disadvantages arising from the position of ČEZ, a. s., as described above and came to the conclusion that ČEZ, a. s., did not derive any special advantages and/or disadvantages or material risks from its position, especially with respect to minimum links with other entities controlled by the Controlling Entity due to their significantly different core business. After careful consideration, the Board of Directors of ČEZ, a. s., declares that it is not aware of any risks resulting from relations between the above entities against which standard safeguards would not be in place.

## Annexes: 1 Relation Structure Diagram for the Period of January 1, 2020, to December 31, 2020 2 List of Mutual Contracts



## Annex 2 List of Mutual Contracts

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
AirPlus, spol. s r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of December 21, 2017
AirPlus, spol. s r.o.	4400045970	Maintenance and Repair
AirPlus, spol. s r.o.	4102127722	Purchase and Installation of Air Conditioning
AirPlus, spol. s r.o.	4102142672	Conventional Island and Control Room Reconstruction
AirPlus, spol. s r.o.	4102230200	Cooling and Air Conditioning Reconstruction
AirPlus, spol. s r.o.	4102249265	Reconstruction of Cooling and Ventilation
Akcez Enerji Yatirimlari Sanayi ve Ticaret A.Ş.		Compensation Agreement of May 20, 2016 (Agreement Subject: Reward for Provided Guarantee)
Akcez Enerji Yatirimlari Sanayi ve Ticaret A.Ş.		Compensation Agreement of December 6, 2010 (Agreement Subject: Reward for Provided Guarantee)
Akcez Enerji Yatirimlari Sanayi ve Ticaret A.Ş.	5600004321	Framework Agreement on the Provision and Coordination of Services (Agreement Subject: Provision of Services)
Akcez Enerji Yatirimlari Sanayi ve Ticaret A.Ş.	5600004322	Individual Agreement on the Provision of Services No. I (Agreement Subject: Provision of Services)
Akcez Enerji Yatirimlari Sanayi ve Ticaret A.Ş.	5600004323	Individual Agreement on the Provision of Services No. II (Agreement Subject: Provision of Services)
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.Ş.		General Agreement on Power Supply and Consumption (EFET) of December 1, 2013
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.Ş.		General Agreement on Financial Market Trading (ISDA) of October 3, 2017
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.Ş.		Energy Link Service Agreement (for Energy Related Standard Products) of July 28, 2020
Akenerji Elektrik Üretim A.Ş.	5600001690	Framework Agreement on the Provision and Coordination of Services (Agreement Subject: Provision of Services)
Akenerji Elektrik Üretim A.Ş.	5600001691	Individual Agreement on the Provision of Services No. I (Agreement Subject: Provision of Services)
Akenerji Elektrik Üretim A.Ş.	5600001692	Individual Agreement on the Provision of Services No. II (Agreement Subject: Provision of Services)
Akenerji Elektrik Üretim A.Ş.	4100503098	Agreement on Non-Residential Facility Lease
Areál Třeboradice, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Areál Třeboradice, a.s.	5600009170	Service Provision Agreement
AZ KLIMA a.s.		Agreement on the Issuance of Guarantees of March 15, 2017 (Agreement Subject: Provision of Guarantees)
AZ KLIMA a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of October 17, 2016
AZ KLIMA a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of November 21, 2016
AZ KLIMA a.s.	4102206343	Ventilator Replacement
AZ KLIMA a.s.	4102193183	Air Conditioning Units Service
AZ KLIMA a.s.	4102204886	Ventilator Replacement
AZ KLIMA a.s.	4102233471	Air Conditioning Units Installation
AZ KLIMA a.s.	4102215611	Condensate Drain Repair
AZ KLIMA a.s.	4101888826	Service
AZ KLIMA SK, s.r.o.		Agreement on the Issuance of Guarantees of March 15, 2017 (Agreement Subject: Provision of Guarantees)
AZ KLIMA SK, s.r.o.		Mutual Credit Facility Agreement of February 25, 2017 (Agreement Subject: Mutual Credit Facilities)
Baltic Green I sp. z o.o.		Agreement on the Issuance of Guarantees (Agreement Subject: Provision of Guarantees) of May 29, 2018
Baltic Green V sp. z o.o.		Agreement on the Issuance of Guarantees (Agreement Subject: Provision of Guarantees) of October 22, 2018
Centrum výzkumu Řež s.r.o.	4400036427	Technical Assistance Provision Agreement
Centrum výzkumu Řež s.r.o.	69988100_1	Thermal Energy Supply Agreement
Centrum výzkumu Řež s.r.o.	000334_2017	Lease Agreement
Centrum výzkumu Řež s.r.o.	20NO00220	Gauge Validation
Centrum výzkumu Řež s.r.o.	20NO00638	Psychological Examination
Centrum výzkumu Řež s.r.o.	20NO01188	Psychological Examination
Centrum výzkumu Řež s.r.o.	20NO02124	Psychological Examination
Centrum výzkumu Řež s.r.o.	20NO02607	Psychological Examination
Centrum výzkumu Řež s.r.o.	20NO02303	Psychological Examination
Centrum výzkumu Řež s.r.o.	20NO02465	Instrument Validation
Centrum výzkumu Řež s.r.o.	20NO02461	Monitor Validation
Centrum výzkumu Řež s.r.o.	20NO02608	Psychological Examination
Centrum výzkumu Řež s.r.o.	20NO03047	Gauge Validation
Centrum výzkumu Řež s.r.o.	4102195263	Production of Calibration Block and Bolt (Screw) Reference Defects
Centrum výzkumu Řež s.r.o.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
Centrum výzkumu Řež s.r.o.	4400048852	Participation in the Project
Centrum výzkumu Řež s.r.o.	4400047194	Measurement of Steam Generator Tubes
Centrum výzkumu Řež s.r.o.	4400047196	Measurement of Steam Generator Tubes
Centrum výzkumu Řež s.r.o.	4400047328	Measurement of Turbine Generator Base Plates' Relative Movement
Centrum výzkumu Řež s.r.o.	4400048125	Measurement of Steam Generator Tubes
Centrum výzkumu Řež s.r.o.	4400048301	Measurement of Steam Generator Tubes
Centrum výzkumu Řež s.r.o.	4400046755	Waste Pipe Cleaning

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
Centrum výzkumu Řež s.r.o.	4400047018	Technical Assistance
Centrum výzkumu Řež s.r.o.	20NO02834	Validation of the HF-150 Hand-to-Foot Surface Contamination Meter
CEZ Bulgaria EAD	4100897098	Agreement on Information Technology and Telecommunications Services
CEZ Bulgaria EAD	4101263303	Agreement on the Provision of Legal Services (Agreement Subject: Provision of Legal Services)
CEZ Bulgaria EAD	4101313450	Agreement on the Provision of Advisory Services (Agreement Subject: Representation before the Bulgarian Administrative Bodies)
CEZ Bulgaria EAD	4101726434	Agreement on the Provision of Advisory Services (Agreement Subject: Representation before the Bulgarian Tax Authorities)
CEZ Bulgaria EAD	5600002632	Agreement on Providing Calculations of Line Differential Protection Settings
CEZ Bulgaria EAD	5600002751	Individual Agreement on the Provision of Services No. II (Agreement Subject: Provision of Services)
CEZ Bulgaria EAD	HS30023140	Framework Agreement on the Provision and Coordination of Services (Agreement Subject: Provision of Services)
CEZ Bulgaria EAD	5600012402	Audit Services
CEZ Bulgarian Investments B.V.		Mutual Credit Facility Agreement of March 1, 2011 (Agreement Subject: Mutual Credit Facilities)
CEZ Bulgarian Investments B.V.	5600002731	Service Provision Agreement
CEZ Deutschland GmbH	5600005921	Agreement on the Provision of Advisory Services (Agreement Subject: Provision of Advisory Services)
CEZ Deutschland GmbH	5600007930	Agreement on Provision of Services (Agreement Subject: Payment Transactions)
CEZ Deutschland GmbH	5600008310	Agreement on the Provision of Services (in the Purchase Activity Area)
CEZ Deutschland GmbH		Mutual Credit Facility Agreement of January 12, 2017 (Agreement Subject: Mutual Credit Facilities)
CEZ Deutschland GmbH		Agreement on the Issuance of Guarantees of May 22, 2017 (Agreement Subject: Provision of Guarantees)
CEZ Erneuerbare Energien Beteiligungs GmbH		Mutual Credit Facility Agreement of June 29, 2016 (Agreement Subject: Mutual Credit Facilities)
CEZ Erneuerbare Energien Beteiligungs GmbH	5600007561	Agreement on Provision of Services (Agreement Subject: Payment Transactions)
CEZ Erneuerbare Energien Beteiligungs II GmbH	5600009810	Agreement on Provision of Services (Agreement Subject: Provision of Services)
CEZ Erneuerbare Energien Beteiligungs II GmbH		Mutual Credit Facility Agreement of September 27, 2018 (Agreement Subject: Mutual Credit Facilities)
CEZ Erneuerbare Energien Verwaltungs GmbH	5600007562	Agreement on Provision of Services (Agreement Subject: Payment Transactions)
CEZ Erneuerbare Energien Verwaltungs GmbH		Mutual Credit Facility Agreement of June 29, 2016 (Agreement Subject: Mutual Credit Facilities)
CEZ ESCO II GmbH	DE2018/5	Loan Facility Agreement (Agreement Subject: Loan)
CEZ ESCO II GmbH	5600009880	Service Provision Agreement
CEZ ESCO Polska sp. z o.o.		Agreement on the Issuance of Guarantees of January 20, 2017 (Agreement Subject: Provision of Guarantees)
CEZ ESCO Romania S.A.	4400043411	Service Provision Agreement
CEZ France SAS	5600008420	Agreement on Provision of Services (Agreement Subject: Payment Transactions)
CEZ France SAS	5600008980	Agreement on Provision of Project Support Services (Agreement Subject: Advisory Services in Connection with the Project Purchases)
CEZ France SAS		Mutual Credit Facility Agreement of July 25, 2017 (Agreement Subject: Mutual Credit Facilities)
CEZ Holdings B.V.		Mutual Credit Facility Agreement of February 25, 2010 (Agreement Subject: Mutual Credit Facilities, Cash Pool)
CEZ Holdings B.V.	2016/5	Loan Facility Agreement (Agreement Subject: Loan)
CEZ Holdings B.V.	5600001552	Service Provision Agreement
CEZ Hungary Ltd.		Profit Sharing Agreement of December 13, 2018 (Renewables Prediction)
CEZ Hungary Ltd.		General Agreement on Power Supply and Consumption (EFET) of June 1, 2006
CEZ Hungary Ltd.		General Agreement on Financial Market Trading (ISDA) of September 30, 2013
CEZ Hungary Ltd.		General Agreement on Power Certificate Supply and Consumption (EFET) of October 15, 2014
CEZ Hungary Ltd.		Comprehensive Power Supply Agreement of October 15, 2009
CEZ Hungary Ltd.	4100060555	Agreement on the Provision of Services (ICT Services)
CEZ Hungary Ltd.	5600004735	Agreement on the Provision of Services (Trading Services)
CEZ Hungary Ltd.		Agreement on the Provision of Services in Connection with Wholesale Electricity Trading in Hungary of April 14, 2010
CEZ Hungary Ltd.		Profit Sharing Agreement of December 30, 2016 (Origin Guarantees)
CEZ Hungary Ltd.		Mutual Credit Facility Agreement of February 1, 2010 (Agreement Subject: Mutual Credit Facilities)
CEZ Hungary Ltd.		Agreement on the Issuance of Guarantees of August 30, 2006
CEZ Hungary Ltd.	5600002613	Agreement on Information Technology and Telecommunications Services
CEZ Hungary Ltd.		Delivery Agent Designation and Proxy of June 22, 2020 (Agreement Subject: Provision of Services)
CEZ Hungary Ltd.		License Agreement (Agreement Subject: Provision of the Right to Use ČEZ Trademarks) of January 30, 2020
CEZ Chorzów S.A.		Support Service Agreement of April 27, 2018 (Agreement Subject: Support for Provided Services)
CEZ Chorzów S.A.	XVIII/857	General Agreement on Power Supply and Consumption (EFET)
CEZ Chorzów S.A.		Allowances Appendix to the General Agreement on Power Supply and Consumption (EFET) of November 30, 2006
CEZ Chorzów S.A.		Agreement on the Issuance of Guarantees of December 12, 2018 (Agreement Subject: Provision of Guarantees)
CEZ Chorzów S.A.		Agreement on the Provision of Services of February 12, 2020
CEZ Chorzów S.A.		6 Agreements for Single Delivery of Guarantees of Origin
CEZ MH B.V.		Mutual Credit Facility Agreement of February 25, 2010 (Agreement Subject: Mutual Credit Facilities, Cash Pool)
CEZ MH B.V.	5600001541	Service Provision Agreement
CEZ Polska sp. z o.o.	5600006086	Agreement on Information Technology and Telecommunications Services
CEZ Polska sp. z o.o.	5600007223	New Individual Agreement on the Provision of Services No. I (Agreement Subject: Provision of Services)
CEZ Polska sp. z o.o.	HS30023143/ 560006086	Individual Agreement on the Provision of Services No. III (Agreement Subject: Provision of Services)

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
CEZ Polska sp. z o.o.	HS30034973/ 560000350	Framework Agreement on the Provision and Coordination of Services (Agreement Subject: Provision of Services)
CEZ Polska sp. z o.o.		Mutual Credit Facility Agreement of November 24, 2011 (Agreement Subject: Mutual Credit Facilities)
CEZ Polska sp. z o.o.		Support Service Agreement of April 27, 2018 (Agreement Subject: Support for Provided Services)
CEZ Polska sp. z o.o.		General Agreement on Power Supply and Consumption (EFET) of December 15, 2007
CEZ Polska sp. z o.o.		General Agreement on Natural Gas Supply and Consumption (EFET) of August 1, 2015
CEZ Polska sp. z o.o.		EECS Appendix to the General Agreement on Power Supply and Consumption (EFET) of November 1, 2015
CEZ Polska sp. z o.o.		Agreement on Comprehensive Power Supply of December 21, 2009
CEZ Polska sp. z o.o.		Agreement on the Provision of Services in Connection with Power Wholesale in Poland of June 8, 2010 (Supporting Services)
CEZ Polska sp. z o.o.		Agreement on the Provision of Services of December 29, 2008 (Reports on Power Supply/Consumption Provided to Transmission System Operator)
CEZ Polska sp. z o.o.	HS/5600004736	Agreement on the Provision of Services – performance of brokerage service agreement (Agreement Subject: Provision of Services)
CEZ Polska sp. z o.o.	HS/30034975	Individual Agreement on the Provision of Services No. I (Agreement Subject: Provision of Services)
CEZ Polska sp. z o.o.	HS/5600002614	Individual Agreement on the Provision of Services No. II (Agreement Subject: Provision of Services)
CEZ Polska sp. z o.o.	CP/U/000084/19	License Agreement (Agreement Subject: Provision of the Right to Use ČEZ Trademarks)
CEZ Polska sp. z o.o.		Agreement on the Issuance of Guarantees of June 9, 2008
CEZ Polska sp. z o.o.		Warranty Agreement of August 1, 2007 for the Polish Energy Regulator (URE)
CEZ Polska sp. z o.o.	5600004736	Service Provision Agreement
CEZ Polska sp. z o.o.	5600006070	Agreement on Information Technology and Telecommunications Services
CEZ Razpredelenie Bulgaria AD	2018/6	Loan Facility Agreement (Agreement Subject: Loan)
CEZ Razpredelenie Bulgaria AD		Subordination Deed of November 29, 2018 (Agreement Subject: Subordination of Loan 2018/6 to a Loan Provided by the European Bank for Reconstruction and Development)
CEZ RES International, odštěpný závod	P3A20000000095	Personal Data Processing Agreement
CEZ RES International, odštěpný závod	5600011420	Service Provision Agreement
CEZ Romania S.A.	5600004086	Agreement on Information Technology and Telecommunications Services
CEZ Romania S.A.	HS30025510/ 5600001690	Framework Agreement on the Provision and Coordination of Services (Agreement Subject: Provision of Services)
CEZ Romania S.A.	HS30025524	Individual Agreement on the Provision of Services No. II (Agreement Subject: Provision of Services)
CEZ Romania S.A.		Mutual Credit Facility Agreement of February 25, 2010 (Agreement Subject: Mutual Credit Facilities)
CEZ Romania S.A.	4102188724	Rental of Premises
CEZ Skawina S.A.	1012/2006	General Agreement on Power Supply and Consumption (EFET)
CEZ Skawina S.A.	1012/2006	Allowances Appendix to the General Agreement on Power Supply and Consumption (EFET)
CEZ Skawina S.A.		General Agreement on Power Supply of November 28, 2008
CEZ Skawina S.A.		Agreement on the Provision of Services of April 27, 2018 (EMIR Reporting)
CEZ Skawina S.A.		Agreement on the Issuance of Guarantees of October 30, 2018 (Agreement Subject: Provision of Guarantees)
CEZ Skawina S.A.	5600009910	Control Activity Agreement
CEZ Skawina S.A.	5600009953	Control Activity Agreement
CEZ Skawina S.A.		Agreement on the Provision of Services of February 7, 2020
CEZ Srbija d.o.o.		General Agreement on Power Supply and Consumption (EFET) of August 1, 2007
CEZ Srbija d.o.o.	4100012777	Agreement on the Provision of Services (ICT Services)
CEZ Srbija d.o.o.		Agreement on the Provision of Services in Connection with Wholesale Electricity Trading in Serbia of August 1, 2017
CEZ Srbija d.o.o.	5600003593	Agreement on Information Technology and Telecommunications Services
CEZ Srbija d.o.o.	TE_02/2020	License Agreement (Agreement Subject: Provision of the Right to Use ČEZ Trademarks)
CEZ Towarowy Dom Maklerski sp. z o.o.		Agreement on the Provision of Brokerage Services on Markets Organized by TGE (Towarową Giełdą Energii, the Polish Commodity Exchange) of July 30, 2014
CEZ Trade Bulgaria EAD	2018/4	Loan Facility Agreement (Agreement Subject: Loan)
CEZ Trade Bulgaria EAD	5600007360	Agreement on the Provision of Services (Trading Services)
CEZ Trade Bulgaria EAD	5600008721	Agreement on the Provision of Services No. II (ICT Services)
CEZ Trade Bulgaria EAD		Market Access Agreement of April 30, 2018
CEZ Trade Bulgaria EAD		General Agreement on Power Supply and Consumption (EFET) of November 1, 2007
CEZ Trade Bulgaria EAD		Agreement on Business Cooperation in Power Wholesale in Bulgaria of July 16, 2008
CEZ Trade Bulgaria EAD		EECS Appendix to the General Agreement on Power Supply and Consumption (EFET) of March 24, 2017
CEZ Trade Bulgaria EAD		General Agreement on Financial Market Trading (ISDA) of March 2, 2020
CEZ Trade Bulgaria EAD		Energy Link Service Agreement (for Energy Related Standard Products) of March 23, 2020
CEZ Trade Romania S.R.L.		General Agreement on Power Supply and Consumption (EFET) of March 1, 2009
CEZ Trade Romania S.R.L.		Agreement on the Provision of Services in Connection with Power Wholesale in Romania of January 29, 2015
CEZ Trade Romania S.R.L.	5600007770	Agreement on the Provision of Services (Trading Services)
CEZ Trade Romania S.R.L.		Agreement on the Issuance of Guarantees of June 10, 2007
CEZ Vanzare S.A.	91_1	Agreement of the Issuance of Guarantees (Agreement Subject: Provision of Guarantees)
CEZ Vanzare S.A.		General Agreement on Power Supply and Consumption (EFET) of September 1, 2010
CEZ Vanzare S.A.		Agreement on Comprehensive Power Supply of September 1, 2010
CEZ Vanzare S.A.		Agreement on the Provision of Services (Trading Services) of June 24, 2019
CEZ Vanzare S.A.		General Agreement on Financial Market Trading (ISDA) of August 5, 2019
CEZ Windparks Lee GmbH	5600008360	Agreement on Provision of Services (Agreement Subject: Payment Transactions)
CEZ Windparks Lee GmbH		Mutual Credit Facility Agreement of May 26, 2017 (Agreement Subject: Mutual Credit Facilities)

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
CEZ Windparks Luv GmbH	5600008361	Agreement on Provision of Services (Agreement Subject: Payment Transactions)
CEZ Windparks Luv GmbH		Mutual Credit Facility Agreement of May 26, 2017 (Agreement Subject: Mutual Credit Facilities)
CEZ Windparks Nordwind GmbH	5600008362	Agreement on Provision of Services (Agreement Subject: Payment Transactions)
CEZ Windparks Nordwind GmbH		Mutual Credit Facility Agreement of May 26, 2017 (Agreement Subject: Mutual Credit Facilities)
ČEPRO, a.s.		Cooperation Agreement of October 1, 2019
ČEPRO, a.s.		Nondisclosure Agreement of October 1, 2019
ČEPRO, a.s.	4400011154	Agreement on the Fuel Storage, Purchase, and Sale
ČEPRO, a.s.	4101993270	Access Card Delivery
ČEPRO, a.s.	047288	Nondisclosure Agreement
ČEPRO, a.s.	4101794582	Agreement on Deliveries of Fuels and Related Products and Services for CEZ Group
ČEPRO, a.s.	048064	Agreement on Rules for Carrier Goods Takeover at ČEPRO, a.s., Distribution Terminals
ČEPRO, a.s.	4102107730	Purchase Agreement (Diesel Fuel)
ČEPRO, a.s.	4102129321	Purchase Agreement (Diesel Fuel)
ČEPRO, a.s.	4102131131	Purchase Agreement (Diesel Fuel)
ČEPRO, a.s.	4102147605	Purchase Agreement (Diesel Fuel)
ČEPRO, a.s.	4102154813	Purchase Agreement (Diesel Fuel)
ČEPRO, a.s.	4102158500	Purchase Agreement (Diesel Fuel)
ČEPRO, a.s.	4102182420	Purchase Agreement (Diesel Fuel)
ČEPRO, a.s.	4102184086	Purchase Agreement (Diesel Fuel)
ČEPRO, a.s.	4102218264	Purchase Agreement (Diesel Fuel)
ČEPRO, a.s.	4102228743	Purchase Agreement (Diesel Fuel)
ČEPRO, a.s.	4102239397	Purchase Agreement (Diesel Fuel)
ČEPRO, a.s.	4102252082	Purchase Agreement (Diesel Fuel)
ČEPRO, a.s.	4102253492	Purchase Agreement (Diesel Fuel)
ČEPRO, a.s.	4102265190	Purchase Agreement (Diesel Fuel)
ČEPRO, a.s.	4102266755	Purchase Agreement (Diesel Fuel)
ČEPRO, a.s.	4102267376	Purchase Agreement (Diesel Fuel)
ČEPRO, a.s.	4102238889	Fuel Delivery
ČEPRO, a.s.	4102238915	Fuel Delivery
ČEZ Asset Holding, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of September 5, 2018
ČEZ Asset Holding, a. s.	5600009770	Service Provision Agreement
ČEZ Bohunice a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Bohunice a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Bohunice a.s.		Agreement on Personal Data Processing of June 28, 2011
ČEZ Bohunice a.s.	5600006022	Service Provision Agreement (Provision of Media Services)
ČEZ Bohunice a.s.	5600001497	Service Provision Agreement (Purchase Services—Selection and Award Proceedings)
ČEZ Bohunice a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
ČEZ Distribuce, a. s.	P3A18000014311	Personal Data Processing Agreement
ČEZ Distribuce, a. s.	P3A18000014308	Personal Data Processing Agreement
ČEZ Distribuce, a. s.	P3A18000014309	Personal Data Processing Agreement
ČEZ Distribuce, a. s.	P3A18000014492	Personal Data Processing Agreement
ČEZ Distribuce, a. s.	5600007540	License Agreement on the Provision of the Right to Use Trademarks
ČEZ Distribuce, a. s.		Consensual Declaration of the Ancillary Services Provider and the Distribution System Operator to Whose Distribution System the Equipment of the Provider of Ancillary Services to ČEPS, a.s., Is Connected—Mělník II Power Plant (EME3), March 16, 2018
ČEZ Distribuce, a. s.		Consensual Declaration of the Ancillary Services Provider and the Distribution System Operator to Whose Distribution System the Equipment of the Provider of Ancillary Services to ČEPS, a.s., Is Connected—Štěchovice II Pumped-Storage Hydropower Plant (EST2), March 16, 2018
ČEZ Distribuce, a. s.		Consensual Declaration of the Ancillary Services Provider and the Distribution System Operator to Whose Distribution System the Equipment of the Provider of Ancillary Services to ČEPS, a.s., Is Connected—Pruněřov I Power Plant (EPRU I), March 16, 2018
ČEZ Distribuce, a. s.		Consensual Declaration of the Ancillary Services Provider and the Distribution System Operator to Whose Distribution System the Equipment of the Provider of Ancillary Services to ČEPS, a.s., Is Connected—Ledvice II + III Power Plant (ELE), March 16, 2018
ČEZ Distribuce, a. s.		Consensual Declaration of the Ancillary Services Provider and the Distribution System Operator to Whose Distribution System the Equipment of the Provider of Ancillary Services to ČEPS, a.s., Is Connected—Třmice Heating Plant (ETR), March 16, 2018
ČEZ Distribuce, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Distribuce, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Distribuce, a. s.		2 Agreements on Credit Facilities No. 2012/9, 2015/1
ČEZ Distribuce, a. s.	2018/3	Loan Facility Agreement (Agreement Subject: Loan)
ČEZ Distribuce, a. s.	2018/5	Loan Facility Agreement (Agreement Subject: Loan)
ČEZ Distribuce, a. s.	4101747165	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101815963	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101829211	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101829212	Electricity Supplies for Electromobility

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Distribuce, a. s.	4101852506	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101880982	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101891298	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101897375	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101899069	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4400040761	Distribution Network Repairs and Maintenance
ČEZ Distribuce, a. s.	4400041484	Agreement on Providing Professional Psychological Examinations
ČEZ Distribuce, a. s.	279281	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Distribuce, a. s.	30034054	Contract for Facility Connection to the Distribution Grid
ČEZ Distribuce, a. s.	4101492251	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Distribuce, a. s.	4400029943	Non-Residential Facility Lease
ČEZ Distribuce, a. s.	5600008722	General Service Agreement at Hydroelectric Power Plant Substations
ČEZ Distribuce, a. s.	4400022264	Non-Residential Facility Lease
ČEZ Distribuce, a. s.	4400019020	Service Provision Agreement
ČEZ Distribuce, a. s.	4400037593	Service Provision Agreement
ČEZ Distribuce, a. s.	410216_2011	4 Non-Residential Premise Rental Agreements
ČEZ Distribuce, a. s.	000100_2018	Lease Agreement
ČEZ Distribuce, a. s.	10137432_UQ_2015	Ancillary Service Agreement for Voltage and Reactive Power Control of December 15, 2014
ČEZ Distribuce, a. s.	P3A18000014490	Agreement on the Mutual Rights and Obligations of Joint Administrators
ČEZ Distribuce, a. s.	2019/4	Loan Facility Agreement (Agreement Subject: Loan)
ČEZ Distribuce, a. s.	P3A18000014131	Personal Data Processing Agreement
ČEZ Distribuce, a. s.	000202_2019	Preliminary Easement Agreement and Building Right Agreement
ČEZ Distribuce, a. s.	000681_2019	Preliminary Easement Agreement and Building Right Agreement
ČEZ Distribuce, a. s.	000707_2019	Preliminary Easement Agreement and Building Right Agreement
ČEZ Distribuce, a. s.	000751_2019	Preliminary Easement Agreement and Building Right Agreement
ČEZ Distribuce, a. s.	69984900_1	Heat Supply Agreement
ČEZ Distribuce, a. s.	4101948892	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101973144	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101973145	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101975621	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101996441	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102008456	Agreement for Vestec Photovoltaic Power Plant Connection to Distribution Network
ČEZ Distribuce, a. s.	4102041901	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102096744	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of November 29, 2018
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 26, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 29, 2017
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of November 14, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 5, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 20, 2017
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of May 13, 2015
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 22, 2016
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract (Antivirus Solution) of 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 18, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 19, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of April 15, 2019
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of June 19, 2019
ČEZ Distribuce, a. s.	5600007650	Service Provision Agreement
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Disk Array Deliveries II) of 2019
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract (x86 Server Deliveries) of 2018
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of January 7, 2019
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Infra Checkpoint Security Maintenance) of 2017
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract (F5 Product Maintenance) of 2017
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of June 5, 2018
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Active LAN Element Renovation) of 2019
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of June 29, 2018
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Active WAN Telecommunications Access Network Element Renovation) of 2018
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of July 11, 2018
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of December 20, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract (2020 Licenses) of June 28, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract (2020–2022 Licenses) of June 28, 2019
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of September 26, 2016



Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of February 28, 2019
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of August 14, 2018
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of July 4, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 20, 2019
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of October 12, 2018
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of July 3, 2018
ČEZ Distribuce, a. s.		Agreement on Conditions for Providing Cooperation and Details of October 12, 2009
ČEZ Distribuce, a. s.	2020/5	Credit Facility Agreement
ČEZ Distribuce, a. s.	000458_2020	Preliminary Easement Agreement and Consent to the Placement of Building
ČEZ Distribuce, a. s.	000043_2017	Connection contract
ČEZ Distribuce, a. s.	000330_2018	Preliminary Easement Agreement—Servitude
ČEZ Distribuce, a. s.	000430_2011	Easement Agreement
ČEZ Distribuce, a. s.	000461_2017	Preliminary Easement Agreement—Utility Servitude
ČEZ Distribuce, a. s.	000504_2018	Easement Agreement—Servitude
ČEZ Distribuce, a. s.	000507_2017	Easement Agreement—Servitude
ČEZ Distribuce, a. s.	000804_2018	Preliminary Easement Agreement and Agreement of the Placement of Building
ČEZ Distribuce, a. s.	000816_2012	Easement Agreement
ČEZ Distribuce, a. s.	000967_2019	Purchase Agreement
ČEZ Distribuce, a. s.	000982_2019	Preliminary Easement Agreement and Agreement on the Right to Build
ČEZ Distribuce, a. s.	000006_2020	Purchase Agreement—Land
ČEZ Distribuce, a. s.	000201_2020	Easement Agreement
ČEZ Distribuce, a. s.	000666_2020	Connection contract
ČEZ Distribuce, a. s.	000675_2020	Sublease Agreement
ČEZ Distribuce, a. s.	000168_2012	Easement Agreement
ČEZ Distribuce, a. s.	12B01000-112019	General Agreement on Emergency and Operational Assistance of December 9, 2019
ČEZ Distribuce, a. s.		General Agreement on Cession of Receivables of June 11, 2020
ČEZ Distribuce, a. s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of February 14, 2020
ČEZ Distribuce, a. s.	4102141361	Purchase Agreement for Land
ČEZ Distribuce, a. s.	4102178723	Easement
ČEZ Distribuce, a. s.	4102188582	General Agreement on Emergency and Operational Assistance
ČEZ Distribuce, a. s.	4102221553	Purchase Agreement for Land
ČEZ Distribuce, a. s.	4102117028	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102120291	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102120945	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102121020	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102122849	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102126238	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102133707	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102133713	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102140557	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102140559	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102145116	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102145400	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102148261	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102148264	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102149440	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102179855	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102180443	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102186298	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102189003	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102197434	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102197436	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102197906	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102192793	Agreement on Connection of Electric Boiler
ČEZ Distribuce, a. s.	4102249569	Sublease Agreement
ČEZ Distribuce, a. s.	4102274371	Sublease
ČEZ Distribuce, a. s.	4102260164	Training
ČEZ Distribuce, a. s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of December 12, 2020
ČEZ Distribuce, a. s.	4102213951	Purchase Agreement (Protective Equipment)
ČEZ Distribuce, a. s.	4102234906	Agreement on Electricity Consumer Connection to Distribution System to Voltage Level of 0.4 kV
ČEZ Distribuce, a. s.	4102250893	Preliminary Agreement on Electricity Consumer Connection to Distribution System to Voltage Level of 0.4 kV
ČEZ Distribuce, a. s.	4102250974	Preliminary Agreement on Electricity Consumer Connection to Distribution System to Voltage Level of 0.4 kV
ČEZ Distribuce, a. s.	4102251516	Preliminary Agreement on Electricity Consumer Connection to Distribution System to Voltage Level of 0.4 kV
ČEZ Distribuce, a. s.	4102263836	Preliminary Agreement on Electricity Consumer Connection to Distribution System to Voltage Level of 0.4 kV
ČEZ Distribuce, a. s.	4102265230	Preliminary Agreement on Electricity Consumer Connection to Distribution System to Voltage Level of 0.4 kV
ČEZ Distribuce, a. s.	4102275080	Preliminary Agreement on Electricity Consumer Connection to Distribution System to Voltage Level of 0.4 kV
ČEZ Distribuce, a. s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of April 22, 2020
ČEZ Distribuce, a. s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of January 17, 2020



Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Distribuce, a. s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of April 12, 2019
ČEZ Distribuce, a. s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of December 11, 2020
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of January 5, 2016
ČEZ Energetické produkty, s.r.o.	5600009631	License Agreement on the Provision of the Right to Use Trademarks
ČEZ Energetické produkty, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Energetické produkty, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Energetické produkty, s.r.o.	4100029620	Contract for Work concerning Back-End Fuel Cycle
ČEZ Energetické produkty, s.r.o.	4101184566	Zbrod Landscaping
ČEZ Energetické produkty, s.r.o.	4101288828	Landscaping, Revitalization, Humanization of Panský les Waste Pond Area
ČEZ Energetické produkty, s.r.o.	4101331489	Scrap Metal Sale Support
ČEZ Energetické produkty, s.r.o.	4101401701	Subsequent Waste Pond Restoration
ČEZ Energetické produkty, s.r.o.	4101508224	Replacement Tree Planting
ČEZ Energetické produkty, s.r.o.	4400032756	Scrap Yard Operation Support
ČEZ Energetické produkty, s.r.o.	4400032758	Scrap Yard Operation Support
ČEZ Energetické produkty, s.r.o.	4400032760	Scrap Yard Operation Support
ČEZ Energetické produkty, s.r.o.	5600003720	Purchase Agreement for the Sale of Unnecessary Certificated Coal Combustion Products
ČEZ Energetické produkty, s.r.o.	5600001489	Service Provision Agreement
ČEZ Energetické produkty, s.r.o.	4400036795	Provision of Maintenance and Repairs for Logic Units
ČEZ Energetické produkty, s.r.o.	4400036803	Provision of Maintenance and Repairs for Logic Units
ČEZ Energetické produkty, s.r.o.	4400037956	Agreement on Maintenance and Repairs for Coal and Coal Combustion Products Logic Units
ČEZ Energetické produkty, s.r.o.	4400038005	Agreement on Maintenance and Repairs for Coal and Coal Combustion Products Logic Units
ČEZ Energetické produkty, s.r.o.	4400038032	Agreement on Maintenance and Repairs for Coal and Coal Combustion Products Logic Units
ČEZ Energetické produkty, s.r.o.	4400038038	Agreement on Maintenance and Repairs for Coal and Coal Combustion Products Logic Units
ČEZ Energetické produkty, s.r.o.	5600008290	Diesel Fuel Sales
ČEZ Energetické produkty, s.r.o.	5600008291	Diesel Fuel Sales
ČEZ Energetické produkty, s.r.o.	5600008292	Diesel Fuel Sales
ČEZ Energetické produkty, s.r.o.	4101532300	Performance of Biological Restoration
ČEZ Energetické produkty, s.r.o.	4101579892	Replacement Tree Planting
ČEZ Energetické produkty, s.r.o.	4101599156	Landscape Silvicultural Care
ČEZ Energetické produkty, s.r.o.	4101708956	Restoration— Container Part A Construction
ČEZ Energetické produkty, s.r.o.	4101808594	Addition and Modification of Technology for the Use of the Coal Combustion Products
ČEZ Energetické produkty, s.r.o.	4400039894	Hoisting Equipment Repair and Maintenance Provision
ČEZ Energetické produkty, s.r.o.	4400041653	Contract for Work (Conveyor Transport of Coal Combustion Products)
ČEZ Energetické produkty, s.r.o.	5600009160	Web Presentation Creation and Administration
ČEZ Energetické produkty, s.r.o.	000001_2016	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000085_2018	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000285_2016	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000389_2016	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000293_2017	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000514_2018	Preliminary Easement Agreement and Building Right Agreement
ČEZ Energetické produkty, s.r.o.	000274_2017	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000408_2017	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000524_2018	Easement Agreement
ČEZ Energetické produkty, s.r.o.	000125_2017	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000315_2017	Lease Agreement
ČEZ Energetické produkty, s.r.o.	69988200_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	EPR/20170020	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Pruněfův Power Plant
ČEZ Energetické produkty, s.r.o.	69984500_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	ELE/20150094	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Ledvice Power Plant
ČEZ Energetické produkty, s.r.o.	EPR/20170021	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Pruněfův Power Plant
ČEZ Energetické produkty, s.r.o.	69988300_2	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	EME/20140036	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Mělník Power Plant
ČEZ Energetické produkty, s.r.o.	69988600_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	69988700_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	69978400_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	EHO/2015/001	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Hodonín Power Plant
ČEZ Energetické produkty, s.r.o.	69978500_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	69978300_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	69968400_2	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.		Nonmonetary Additional Contribution Agreement of August 12, 2019
ČEZ Energetické produkty, s.r.o.		Employers' Agreement on Temporary Employee Assignment pursuant to Section 43a of the Labor Code of March 27, 2018
ČEZ Energetické produkty, s.r.o.	000148_2019	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000321_2019	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000513_2018	Preliminary Easement Agreement and Building Right Agreement
ČEZ Energetické produkty, s.r.o.	000750_2019	Lease Agreement

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Energetické produkty, s.r.o.	ETU/2018/EE003	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Tušimice Power Plant
ČEZ Energetické produkty, s.r.o.	EPC/2017/0022	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Ledvice Power Plant
ČEZ Energetické produkty, s.r.o.	69995000_1	Heat Supply Agreement
ČEZ Energetické produkty, s.r.o.	69959600_2	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	69995300_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	69993506_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	69993700_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	4101999202	Provision of Chemical Registration, Assessment, Permitting, and Restriction Services
ČEZ Energetické produkty, s.r.o.	4102049288	Contract for Work (Biological Restoration and Technical Restoration)
ČEZ Energetické produkty, s.r.o.	4102084935	Contract for Work (Biological Restoration)
ČEZ Energetické produkty, s.r.o.	4400043869	Reconstruction of Boiler Transition Pieces
ČEZ Energetické produkty, s.r.o.	4400046170	Contract for Work for Building Demolition
ČEZ Energetické produkty, s.r.o.		Nonmonetary Additional Contribution Agreement of February 18, 2019
ČEZ Energetické produkty, s.r.o.	000686_2014	Lease Agreement
ČEZ Energetické produkty, s.r.o.		Nonmonetary Additional Contribution Agreement of April 6, 2017
ČEZ Energetické produkty, s.r.o.		Personal Data Processing Agreement
ČEZ Energetické produkty, s.r.o.	000420_2017	Preliminary Utility Easement Agreement
ČEZ Energetické produkty, s.r.o.	69984500_2	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.		Nonmonetary Additional Contribution Agreement of July 27, 2020
ČEZ Energetické produkty, s.r.o.	000063_2017	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000907_2019	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000912_2019	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000913_2019	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000008_2020	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000325_2020	Lease Agreement
ČEZ Energetické produkty, s.r.o.	4102110026	Delivery of Crawler Dozers
ČEZ Energetické produkty, s.r.o.	4102133240	Delivery of Crawler Dozers
ČEZ Energetické produkty, s.r.o.	4102104854	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102108068	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102111404	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102116946	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102122926	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102125179	Reconstruction of Steel Structure
ČEZ Energetické produkty, s.r.o.	4102126235	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102127059	Construction Work
ČEZ Energetické produkty, s.r.o.	4102127460	Deposition Pipeline Extension
ČEZ Energetické produkty, s.r.o.	4102131875	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102132717	Spare Part Renovation
ČEZ Energetické produkty, s.r.o.	4102133228	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102135344	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102137943	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102138972	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102149468	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102152966	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102154602	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102160827	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102161195	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102169294	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102170053	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102170088	Reconstruction of Tanks for Limestone Suspension Grinding Lines
ČEZ Energetické produkty, s.r.o.	4102171428	Monitoring System Extension
ČEZ Energetické produkty, s.r.o.	4102171567	Optimization and Modernization of Belt Conveyors
ČEZ Energetické produkty, s.r.o.	4102172955	Sludge Field
ČEZ Energetické produkty, s.r.o.	4102173848	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102174679	Contract for Work
ČEZ Energetické produkty, s.r.o.	4102176882	Replacement of Slag and Hopper Extractors
ČEZ Energetické produkty, s.r.o.	4102177836	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102182779	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102185769	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102190628	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102194979	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102195115	Restoration
ČEZ Energetické produkty, s.r.o.	4102206325	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102207186	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102209828	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102224740	Water Pipe Relocation
ČEZ Energetické produkty, s.r.o.	4102225480	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102226787	Implementation of Connecting Pipelines

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Energetické produkty, s.r.o.	4102230885	Dump Truck Reconstruction
ČEZ Energetické produkty, s.r.o.	4102231921	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4102240234	Powder Burner Reconstruction
ČEZ Energetické produkty, s.r.o.	4102240960	Land Cleaning and Mowing
ČEZ Energetické produkty, s.r.o.	4102253057	Tracked Vehicle Reconstruction
ČEZ Energetické produkty, s.r.o.	4102270378	Slag Crusher Replacement
ČEZ Energetické produkty, s.r.o.	4102274867	Drainage Shaft Security
ČEZ Energetické produkty, s.r.o.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
ČEZ Energetické produkty, s.r.o.	4400046646	Study and Design of Suitable Retarder of Solidification and Hardening of Fly Ash Mixtures
ČEZ Energetické produkty, s.r.o.	4400046653	Operation, Minor Operational Maintenance, Control and Supervisory Activities
ČEZ Energetické produkty, s.r.o.	4400046656	Operation, Minor Operational Maintenance, Control and Supervisory Activities
ČEZ Energetické produkty, s.r.o.	4400046660	Operation, Minor Operational Maintenance, Control and Supervisory Activities
ČEZ Energetické produkty, s.r.o.	4400047757	Replacement of Air Ducts and Dampers
ČEZ Energetické produkty, s.r.o.	4400048342	Rotor Replacement
ČEZ Energetické produkty, s.r.o.	4400048810	Replacement of End-of-Life Rear Thrust Pressure Assembly Parts
ČEZ Energetické produkty, s.r.o.	4400049161	Operation, Minor Operational Maintenance, Control and Supervisory Activities
ČEZ Energetické produkty, s.r.o.	5600012391	Technical Work
ČEZ Energetické produkty, s.r.o.	4400047195	Material Transport
ČEZ Energetické produkty, s.r.o.	5600011561	Agreement on Drinking Water Sales and Disposal of Sewage Water
ČEZ Energetické produkty, s.r.o.	4400034432	Equipment Servicing
ČEZ Energetické produkty, s.r.o.	4102009134	Contract for Work
ČEZ Energetické produkty, s.r.o.	5600011240	Purchase Agreement (Diesel Fuel)
ČEZ Energetické produkty, s.r.o.	4400048132	Contract for Work
ČEZ Energetické služby, s.r.o.	000199_2020	Lease Agreement
ČEZ Energetické služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 26, 2019
ČEZ Energetické služby, s.r.o.		General Agreement on Power Supply and Consumption (EFET) of July 4, 2014
ČEZ Energetické služby, s.r.o.		Allowances Appendix to General Agreement on Power Supply and Consumption (EFET) of July 4, 2014
ČEZ Energetické služby, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Energetické služby, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of October 25, 2016
ČEZ Energetické služby, s.r.o.		Mutual Credit Facility Agreement of November 25, 2016 (Agreement Subject: Mutual Credit Facilities)
ČEZ Energetické služby, s.r.o.		Agreement on the Issuance of Guarantees of November 11, 2014
ČEZ Energetické služby, s.r.o.		Agreement on the Issuance of Guarantees of September 15, 2014
ČEZ Energetické služby, s.r.o.	4400027717	Agreement on Technological Equipment Maintenance
ČEZ Energetické služby, s.r.o.	4400039554	Agreement on the Provision of Services (Electrical Equipment Maintenance and Repairs)
ČEZ Energetické služby, s.r.o.	4400039839	Agreement on the Provision of Services (Electrical Equipment Maintenance and Repairs)
ČEZ Energetické služby, s.r.o.	4400039931	Agreement on the Provision of Services (Electrical Equipment Maintenance and Repairs)
ČEZ Energetické služby, s.r.o.	4400042405	Purchase of Machinery and Equipment
ČEZ Energetické služby, s.r.o.	4400042984	Electrical Equipment Operation, Maintenance, and Repair
ČEZ Energetické služby, s.r.o.	4400032918	Website Operation Provision
ČEZ Energetické služby, s.r.o.	5600001490	Service Provision Agreement
ČEZ Energetické služby, s.r.o.	4101116484	Agreement on Non-Residential Facility Lease
ČEZ Energetické služby, s.r.o.	P3A18000014015	Personal Data Processing Agreement
ČEZ Energetické služby, s.r.o.	000788_2019	Lease Agreement
ČEZ Energetické služby, s.r.o.	69975700_1	Thermal Energy Supply Agreement
ČEZ Energetické služby, s.r.o.	4102057293	Lease Agreement
ČEZ Energetické služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
ČEZ Energetické služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
ČEZ Energetické služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 22, 2016
ČEZ Energetické služby, s.r.o.	P3A20000000035	Personal Data Processing Agreement
ČEZ Energetické služby, s.r.o.	P3A200000000589	Personal Data Processing Agreement
ČEZ Energetické služby, s.r.o.	000375_2017	Agreement on Electrical Equipment Operation, Maintenance, and Repairs
ČEZ Energetické služby, s.r.o.		General Agreement on Cession of Receivables of June 11, 2020
ČEZ Energetické služby, s.r.o.	4102206534	Measurement of Transformer Current Load
ČEZ Energetické služby, s.r.o.	4102220180	Delivery and Installation of Power Units and Accessories
ČEZ Energetické služby, s.r.o.	4102125857	Energy Performance Certificate
ČEZ Energetické služby, s.r.o.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
ČEZ Energetické služby, s.r.o.	4400047425	Agreement on Electrical Equipment Operation, Maintenance, and Repairs
ČEZ Energetické služby, s.r.o.	5600011970	Agreement on Provision of Cooperation and Data
ČEZ Energetické služby, s.r.o.	4400046871	Lease Agreement
ČEZ Energetické služby, s.r.o.	4102116236	Thermal Energy Supply Agreement
ČEZ Energetické služby, s.r.o.	4102140146	Purchase of Emission Allowances
ČEZ Ergo, s.r.o.	5600006555	Service Provision Agreement
ČEZ Ergo, s.r.o.		Agreement on Mutual Credit Facilities Related to the Agreement on Provision of Multilevel Real Cash Pooling of November 18, 2020
ČEZ ENERGOSERVIS spol. s r.o.	150180519	Approval of Depreciation of Technical Appreciation by the Lessee
ČEZ ENERGOSERVIS spol. s r.o.	350180518	Approval of Depreciation of Technical Appreciation by the Lessee
ČEZ ENERGOSERVIS spol. s r.o.	5600007560	License Agreement on the Provision of the Right to Use Trademarks

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ ENERGOSERVIS spol. s r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ ENERGOSERVIS spol. s r.o.	69904477_1	Thermal Energy Supply Agreement
ČEZ ENERGOSERVIS spol. s r.o.	69906356_1	Thermal Energy Supply Agreement
ČEZ ENERGOSERVIS spol. s r.o.	000015_2016	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	000080_2014	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	000091_2012	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	000197_2014	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	000217_2018	Preliminary Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	000358_2012	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	EDU/2012/EE018	Electricity Supply Agreement
ČEZ ENERGOSERVIS spol. s r.o.	104338	Contract for Work (Scheduled and Unscheduled Maintenance and Repair of Radioactive Waste Processing Systems)
ČEZ ENERGOSERVIS spol. s r.o.	90014065	Contract for Work (Provision of Laundry Services)
ČEZ ENERGOSERVIS spol. s r.o.	90102710	Contract for Work (Measurement of Waste from the Controlled Area for Release into the Environment)
ČEZ ENERGOSERVIS spol. s r.o.	93007097	Contract for Work (Management of Waste outside the Controlled Area)
ČEZ ENERGOSERVIS spol. s r.o.	93007098	Contract for Work (Management of Waste from the Controlled Area)
ČEZ ENERGOSERVIS spol. s r.o.	93008550	Contract for Work (Provision of Support for Dealing with Environmental Emergencies)
ČEZ ENERGOSERVIS spol. s r.o.	4400001167	Contract for Work (Performance of Activities in Radioactive Waste Management and for Safe Radioactive Waste Storage Operations at Dukovany)
ČEZ ENERGOSERVIS spol. s r.o.	4400013744	Contract for Work for Operational Arrangements for a Liquid Radioactive Waste Processing Line
ČEZ ENERGOSERVIS spol. s r.o.	4400021321	Emergency Service Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400021721	Emergency Service Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400022091	Contract for Work (Performance of Control Activities, Rounds, and Handling of Repetitive Nature for Primary Circuit Air-Handling Systems at the Dukovany Nuclear Power Plant)
ČEZ ENERGOSERVIS spol. s r.o.	4400023692	Contract for Work (Performance of Inspection Activities and Repairs after Machinery and Plant Inspections at the Dukovany Nuclear Power Plant)
ČEZ ENERGOSERVIS spol. s r.o.	4400025342	Contract for Work (Cleaning Cooling Tower Screens and Heat Rejector)
ČEZ ENERGOSERVIS spol. s r.o.	4400026314	Contract for Work (Project Support)
ČEZ ENERGOSERVIS spol. s r.o.	4400032144	Plastic Label Processing Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400033324	Contract for Work for Logical Unit Maintenance and Repair (Dukovany Nuclear Power Plant Conventional Island)
ČEZ ENERGOSERVIS spol. s r.o.	4400033781	Contract for Work (Fire Pump Parameter Measurement)
ČEZ ENERGOSERVIS spol. s r.o.	4400034254	Contract for Work (Measurement of Leaks of Essential Service Water and Nonessential Service Water)
ČEZ ENERGOSERVIS spol. s r.o.	4400036026	Contract for Work (Single-Casing Cooler Water Chamber Repair/Replacement)
ČEZ ENERGOSERVIS spol. s r.o.	4400036712	Logical Unit Maintenance, Repair, and Inspection Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400036713	Logical Unit Maintenance, Repair, and Inspection Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400036722	Logical Unit Maintenance, Repair, and Inspection Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400041696	Fixture and Equipment Repairs at Mechanical Workshops
ČEZ ENERGOSERVIS spol. s r.o.	4400042656	Protective Cover Distribution
ČEZ ENERGOSERVIS spol. s r.o.	4400043060	Contract for Work (Servicing of Automatic Welder and Accessories)
ČEZ ENERGOSERVIS spol. s r.o.	4400043323	Contract for Work (Emergency Service for the Dukovany Nuclear Power Plant in 2019–2020)
ČEZ ENERGOSERVIS spol. s r.o.	4400043430	Performance of Control Activities, Rounds, and Handling for Heat Exchanger Stations and Air-Handling Plant, Exterior Structures including Covers, Inspections of Mobile Diesel Generators, and Test Operation of Diesel Generators in Shelters at the Dukovany Nuclear Power Plant
ČEZ ENERGOSERVIS spol. s r.o.	4400043673	Changing Area Operation Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400043734	Performance of Central Oil Management Equipment Operation, including Oil Discharge, Storage, Cleaning, and Fill-Up
ČEZ ENERGOSERVIS spol. s r.o.	4400044271	Contract for Work for Tool Room Operation at the Dukovany Nuclear Power Plant
ČEZ ENERGOSERVIS spol. s r.o.	239	Contract for Work (Deliveries of Specialized Services for Technology Decontamination)
ČEZ ENERGOSERVIS spol. s r.o.	1833	Contract for Work (Support for Dealing with Environmental Emergencies)
ČEZ ENERGOSERVIS spol. s r.o.	90000549	Clothing Laundry Operation
ČEZ ENERGOSERVIS spol. s r.o.	90001073	Contract for Work (Operational and Operating Activities in Relation to the Principles of Radiation Protection and Environmental Protection)
ČEZ ENERGOSERVIS spol. s r.o.	4400033069	Logical Unit Maintenance, Repair, and Inspection Agreement (Temelín Nuclear Power Plant Conventional Island)
ČEZ ENERGOSERVIS spol. s r.o.	4400036702	Logical Unit Maintenance, Repairs, and Inspection
ČEZ ENERGOSERVIS spol. s r.o.	4400036703	Logical Unit Maintenance, Repairs, and Inspection
ČEZ ENERGOSERVIS spol. s r.o.	4400037453	Contract for Work (Emergency Service for the Fire Alarm System)
ČEZ ENERGOSERVIS spol. s r.o.	4400038934	Contract for Work (Emergency Service for Environmental Emergencies)
ČEZ ENERGOSERVIS spol. s r.o.	4400043600	Contract for Work (Distribution, Storage, and Control of Foreign Material Exclusion Means and Plastic Cover Foils)
ČEZ ENERGOSERVIS spol. s r.o.	4400043803	Replacement of Essential Service Water Piping at the Diesel Generator Station
ČEZ ENERGOSERVIS spol. s r.o.	4400043804	Replacement of Essential Service Water Piping at the Diesel Generator Station
ČEZ ENERGOSERVIS spol. s r.o.	4400044418	Agreement on the Performance of Equipment Repair and Transportation in the Active Auxiliary Operations Building
ČEZ ENERGOSERVIS spol. s r.o.	4101211013	Contract for Work (Material Parting)
ČEZ ENERGOSERVIS spol. s r.o.	4101478653	Contract for Work (Optimization of Injection from Stage 2 Condensate Pump)
ČEZ ENERGOSERVIS spol. s r.o.	4101517703	Contract for Work (Delivery and Installation of 2 Sets of Spare Compact Storage Racks for a Spent Fuel Pool)
ČEZ ENERGOSERVIS spol. s r.o.	4101567255	Contract for Work (Installation of a 3rd Spent Fuel Pool Cooling Pump)
ČEZ ENERGOSERVIS spol. s r.o.	4101774137	Contract for Work (Dissimilar Metal Welding of a 140 mm Diameter Joint at a Steam Generator Super-Accident Feed Joining Piece)

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ ENERGOSERVIS spol. s r.o.	4101980761	Contract for Work (Preparation of Project Documentation and Performance of Author's Supervision for Administrative Building Construction)
ČEZ ENERGOSERVIS spol. s r.o.	4101997512	Contract for Work (Storage of Existing Spare Racks)
ČEZ ENERGOSERVIS spol. s r.o.	4102000352	Technical Specifications for Repair of Piping Parts
ČEZ ENERGOSERVIS spol. s r.o.	4102010986	Contract for Work (Reconstruction of Storage Tanks, Pipelines, and Fittings)
ČEZ ENERGOSERVIS spol. s r.o.	4102080875	Manufacture of a Diesel Generator Replacement Jig
ČEZ ENERGOSERVIS spol. s r.o.	4101588134	Contract for Work for Sealing of Lower Flanges of Manual Control Fittings
ČEZ ENERGOSERVIS spol. s r.o.	4101778307	Contract for Work (Replacement of Essential Service Water Piping and Fittings)
ČEZ ENERGOSERVIS spol. s r.o.	4101827759	Contract for Work (Providing Access to Fittings for Handling)
ČEZ ENERGOSERVIS spol. s r.o.	4101839834	Contract for Work (Piping Drainage Duct Alteration)
ČEZ ENERGOSERVIS spol. s r.o.	4101850453	Contract for Work (Flushing of Suction Pipeline for Radioactive Concentrate from Pools)
ČEZ ENERGOSERVIS spol. s r.o.	4101850663	Flap Valve Replacement
ČEZ ENERGOSERVIS spol. s r.o.	4101854677	Contract for Work (Creation of Sampling Points)
ČEZ ENERGOSERVIS spol. s r.o.	4101861086	Contract for Work (Low-Pressure Air Connection)
ČEZ ENERGOSERVIS spol. s r.o.	4101880473	Contract for Work (Additional Drains)
ČEZ ENERGOSERVIS spol. s r.o.	4101915542	Upgrade of an Existing Fire Alarm System
ČEZ ENERGOSERVIS spol. s r.o.	4101981353	Contract for Work (Elimination of Recirculation Pipeline Vibration)
ČEZ ENERGOSERVIS spol. s r.o.	4102013019	Contract for Work (Documentation Preparation and Installation of Walkway Railing)
ČEZ ENERGOSERVIS spol. s r.o.	4102042426	Contract for Work (Documentation Preparation and Installation of Additional Work Platforms for Radiation Monitoring Equipment Maintenance)
ČEZ ENERGOSERVIS spol. s r.o.	4102045574	Contract for Work (Replacement of Control Fitting Welded Connection Joints)
ČEZ ENERGOSERVIS spol. s r.o.	4102064615	Technical Assistance Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4102079619	Contract for Work (Machine Refurbishment)
ČEZ ENERGOSERVIS spol. s r.o.	4101240152	Maintenance and Repair
ČEZ ENERGOSERVIS spol. s r.o.	4101738034	Laundry Service
ČEZ ENERGOSERVIS spol. s r.o.	4101911179	Short-Term Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4102036185	Service Provision Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4102036242	Service Provision Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4102049611	Service Provision Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4102049612	Service Provision Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400033035	General Routine Maintenance Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400036268	General Maintenance Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400039327	Feeder Repair
ČEZ ENERGOSERVIS spol. s r.o.	4400044100	Crane Work and Inclined Cargo Elevator Operations
ČEZ ENERGOSERVIS spol. s r.o.	4400044141	New Plate and Well Repair
ČEZ ENERGOSERVIS spol. s r.o.	4400044152	New Plate and Well Repair
ČEZ ENERGOSERVIS spol. s r.o.	4400044181	High-Pressure Compressor Cooling Water Piping Replacement
ČEZ ENERGOSERVIS spol. s r.o.	4400045011	Local Operating Regulations Update
ČEZ ENERGOSERVIS spol. s r.o.	4400045401	Communications Tunnel Lighting Repair
ČEZ ENERGOSERVIS spol. s r.o.	4400046010	Repair of Quick-Closing Gate Plates and Wells
ČEZ ENERGOSERVIS spol. s r.o.	4400036413	Maintenance and Repair
ČEZ ENERGOSERVIS spol. s r.o.	5600003810	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ENERGOSERVIS spol. s r.o.	5600004210	Service Provision Agreement
ČEZ ENERGOSERVIS spol. s r.o.	OVS-645/2013	Provision of Occupational Psychological Examinations
ČEZ ENERGOSERVIS spol. s r.o.	OVS-644/2013	Provision of Initial Psychological Tests
ČEZ ENERGOSERVIS spol. s r.o.	25/96	Provision of Bus Transportation
ČEZ ENERGOSERVIS spol. s r.o.	001299_2012	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	01/2003	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	30016533	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	103647	Facility Catering Service Agreement
ČEZ ENERGOSERVIS spol. s r.o.	ETE/6151/24-15429	Facility Catering Agreement
ČEZ ENERGOSERVIS spol. s r.o.	350190127	Approval of Depreciation of Technical Appreciation by the Lessee
ČEZ ENERGOSERVIS spol. s r.o.	4101841079	Contract for Work (Replacement of Manual Control Fittings)
ČEZ ENERGOSERVIS spol. s r.o.		Agreement on Performing Metrological Calibrations of Measuring Instruments of November 26, 2020
ČEZ ENERGOSERVIS spol. s r.o.	ETE/2020/EE001	Agreement on Power Supply from the ČEZ, a. s., Distribution Network (Temelin Power Plant)
ČEZ ENERGOSERVIS spol. s r.o.	4102188090	Welding
ČEZ ENERGOSERVIS spol. s r.o.	000824_2017	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	001299_2012	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4102113888	Contract for Work (Electrical Appliance Inspection)
ČEZ ENERGOSERVIS spol. s r.o.	4102137130	Contract for Work (Performance of Electrical Appliance Inspections)
ČEZ ENERGOSERVIS spol. s r.o.	4102168333	Contract for Work (Replacement of Shut-Off Valves and Filters in the Oil Pipeline)
ČEZ ENERGOSERVIS spol. s r.o.	4102176523	Modification of the Insertion Mechanism
ČEZ ENERGOSERVIS spol. s r.o.	4102190567	Implementation of Office and Warehouse Cells in Conventional Islands
ČEZ ENERGOSERVIS spol. s r.o.	4102206517	Modification and Operation of Low Pressure Regulation
ČEZ ENERGOSERVIS spol. s r.o.	4102211997	Contract for Work (Cooling Water Stabilization)
ČEZ ENERGOSERVIS spol. s r.o.	4102214205	Technical Assistance and Documentation Processing
ČEZ ENERGOSERVIS spol. s r.o.	4102224334	Control Weld Joints
ČEZ ENERGOSERVIS spol. s r.o.	4102226246	Contract for Work (Modification of the Flow Channel Network Frames)
ČEZ ENERGOSERVIS spol. s r.o.	4102229280	Change of Air Lock Lever Control



Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ ENERGOSERVIS spol. s r.o.	4102254828	Purchase Agreement (Removable Safety Pavement Platform)
ČEZ ENERGOSERVIS spol. s r.o.	4102256576	Contract for Work (Performance of Control Weld Joint)
ČEZ ENERGOSERVIS spol. s r.o.	4102117885	Purchase Agreement (Steam Generator Spare Parts)
ČEZ ENERGOSERVIS spol. s r.o.	4102131832	Purchase Agreement (Sealing)
ČEZ ENERGOSERVIS spol. s r.o.	4102145220	Purchase Agreement (Pump Spare Parts)
ČEZ ENERGOSERVIS spol. s r.o.	4102149820	Purchase Agreement (Pump Spare Parts)
ČEZ ENERGOSERVIS spol. s r.o.	4102151489	Purchase Agreement (Storage Tank Spare Parts)
ČEZ ENERGOSERVIS spol. s r.o.	4102152610	Spare Part Renovation
ČEZ ENERGOSERVIS spol. s r.o.	4102153284	Spare Part Renovation
ČEZ ENERGOSERVIS spol. s r.o.	4102156283	Purchase Agreement (Exchanger Spare Parts)
ČEZ ENERGOSERVIS spol. s r.o.	4102166592	Purchase Agreement (Exchanger Spare Parts)
ČEZ ENERGOSERVIS spol. s r.o.	4102173936	Purchase Agreement (Diesel Generator Spare Parts)
ČEZ ENERGOSERVIS spol. s r.o.	4102175560	Spare Part Renovation
ČEZ ENERGOSERVIS spol. s r.o.	4102188305	Purchase Agreement (Air Conditioning Spare Parts)
ČEZ ENERGOSERVIS spol. s r.o.	4102193021	Cap Replenishment for Drinking Water Wells
ČEZ ENERGOSERVIS spol. s r.o.	4102196829	Purchase Agreement (Compensator Spare Parts)
ČEZ ENERGOSERVIS spol. s r.o.	4102207131	Spare Part Renovation
ČEZ ENERGOSERVIS spol. s r.o.	4102208330	Increase of Upper and Lower Tank Operating Volume
ČEZ ENERGOSERVIS spol. s r.o.	4102210868	Spare Part Renovation
ČEZ ENERGOSERVIS spol. s r.o.	4102212407	Purchase Agreement (Rods)
ČEZ ENERGOSERVIS spol. s r.o.	4102217225	Purchase Agreement (Air Conditioning Spare Parts)
ČEZ ENERGOSERVIS spol. s r.o.	4102233814	Purchase Agreement (Exchanger Spare Parts)
ČEZ ENERGOSERVIS spol. s r.o.	4102234741	Purchase Agreement (Air Conditioning Spare Parts)
ČEZ ENERGOSERVIS spol. s r.o.	4102235517	Purchase Agreement (Exchanger Spare Parts)
ČEZ ENERGOSERVIS spol. s r.o.	4102242482	Purchase Agreement (Air Conditioning Spare Parts)
ČEZ ENERGOSERVIS spol. s r.o.	4102258458	Spare Part Renovation
ČEZ ENERGOSERVIS spol. s r.o.	4102265866	Spare Part Renovation
ČEZ ENERGOSERVIS spol. s r.o.	4102266210	Purchase Agreement (Turbine Spare Parts)
ČEZ ENERGOSERVIS spol. s r.o.	4102148545	Provision of Warehouse Management
ČEZ ENERGOSERVIS spol. s r.o.	4102123809	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102125335	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102123609	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102123610	Training
ČEZ ENERGOSERVIS spol. s r.o.	4101731832	Recovery of Nonblock Operating Files
ČEZ ENERGOSERVIS spol. s r.o.	4102173681	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102175615	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102181183	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102181187	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102185157	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102207015	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102234186	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102234189	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102244715	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102116173	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102220472	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102109978	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102188098	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102214136	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102223400	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102267504	Training
ČEZ ENERGOSERVIS spol. s r.o.	4102269859	Training
ČEZ ENERGOSERVIS spol. s r.o.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
ČEZ ENERGOSERVIS spol. s r.o.	4400046714	Agreement on the Provision of Technical Assistance during the Reactor Hall Work Coordination
ČEZ ENERGOSERVIS spol. s r.o.	4400046719	Analysis of Electric Motor Maintenance Procedure
ČEZ ENERGOSERVIS spol. s r.o.	4400046732	Implementation of Office and Warehouse Cells
ČEZ ENERGOSERVIS spol. s r.o.	4400046804	Provision of Comprehensive Laundry Services
ČEZ ENERGOSERVIS spol. s r.o.	4400046860	Securing Readiness to Provide Emergency Assistance
ČEZ ENERGOSERVIS spol. s r.o.	4400047140	Agreement on the Provision of Reserve Working Group
ČEZ ENERGOSERVIS spol. s r.o.	4400047150	Agreement on the Provision of Reserve Working Group
ČEZ ENERGOSERVIS spol. s r.o.	4400047410	Performance of Positive Material Identification Measurements With a Spectrometer
ČEZ ENERGOSERVIS spol. s r.o.	4400048873	System Strengthening
ČEZ ENERGOSERVIS spol. s r.o.	4400049414	Provision of Comprehensive Laundry Services
ČEZ ENERGOSERVIS spol. s r.o.	4400049471	Backup Rotor Disposal
ČEZ ENERGOSERVIS spol. s r.o.	4400049517	Securing Readiness to Provide Emergency Assistance
ČEZ ENERGOSERVIS spol. s r.o.	5600011540	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400046217	Provision of Metal Sale Support
ČEZ ENERGOSERVIS spol. s r.o.	4400047480	Shaft Repair and Board Delivery
ČEZ ENERGOSERVIS spol. s r.o.	4400047481	Shaft Repair



Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ ENERGOSERVIS spol. s r.o.	4400048310	Crane Work and Inclined Cargo Elevator Operations
ČEZ ENERGOSERVIS spol. s r.o.	5600012170	Agreement on Drinking Water Delivery and Disposal of Sewage Water
ČEZ ENERGOSERVIS spol. s r.o.	4102091758	Accommodation
ČEZ ENERGOSERVIS spol. s r.o.	4101823559	Agreement on Cooperation in Contractor Evaluation and Qualification
ČEZ ENERGOSERVIS spol. s r.o.	4101938059	Contract for Work
ČEZ ENERGOSERVIS spol. s r.o.	4101952789	Purchase Agreement (Durometer)
ČEZ ENERGOSERVIS spol. s r.o.	4102063181	Purchase Agreement (Screen Frame)
ČEZ ENERGOSERVIS spol. s r.o.	4102096783	Renovation Work
ČEZ ENERGOSERVIS spol. s r.o.	4400037302	Contract for Work
ČEZ ENERGOSERVIS spol. s r.o.	4400043452	Contract for Work
ČEZ ESCO, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 20, 2017
ČEZ ESCO, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 26, 2019
ČEZ ESCO, a.s.	4102058056	Integrated High- and Medium-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.		Additional Contribution Agreement of August 28, 2017
ČEZ ESCO, a.s.		Additional Contribution Agreement of November 27, 2017
ČEZ ESCO, a.s.		Additional Contribution Agreement of February 17, 2017
ČEZ ESCO, a.s.		Nonmonetary Additional Contribution Agreement of March 13, 2017
ČEZ ESCO, a.s.		Additional Contribution Agreement of September 11, 2018
ČEZ ESCO, a.s.		Additional Contribution Agreement of November 8, 2018
ČEZ ESCO, a.s.	P3A18000001357	Personal Data Processing Agreement
ČEZ ESCO, a.s.		General Agreement on Power Supply and Consumption (EFET) of February 11, 2016
ČEZ ESCO, a.s.		Allowances Appendix to the General Agreement on Power Supply and Consumption (EFET) of February 11, 2016
ČEZ ESCO, a.s.		EECS Appendix to the General Agreement on Power Supply and Consumption (EFET) of February 28, 2017
ČEZ ESCO, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ ESCO, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of February 1, 2016
ČEZ ESCO, a.s.		Agreement on Mutual Credit Facilities (ČSOB) of August 16, 2018
ČEZ ESCO, a.s.		Agreement on the Mutual Credit Facilities Related to the Agreement on Provision of the Multilevel Real Cash Pooling (ČS) of August 16, 2018
ČEZ ESCO, a.s.		Mutual Credit Facility Agreement of August 16, 2018 (Agreement Subject: Mutual Credit Facilities)
ČEZ ESCO, a.s.		Agreement on the Issuance of Guarantees of August 28, 2018
ČEZ ESCO, a.s.	4101871603	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101871624	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101871703	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101873398	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101874922	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101874930	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101879936	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101880171	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101880172	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101880173	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101880956	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101880960	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101881668	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101881816	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101883095	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101883100	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101883127	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101883130	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101883134	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101883140	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101883154	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101883171	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101883193	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101885062	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101885969	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101885994	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101885997	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101886021	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101887587	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888467	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888468	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888469	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888470	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888481	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888482	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888542	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888548	Electricity, Gas, and Heat Supplies, Water/Sewer Fees

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ ESCO, a.s.	4101888564	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888566	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888585	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888603	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888614	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888617	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888619	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888662	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888666	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888683	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888711	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888716	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888720	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888754	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888759	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888792	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888828	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888867	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888894	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888912	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888917	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101890581	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101891031	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101891274	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101893463	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101893561	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101893596	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101893653	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101893660	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101893696	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101893822	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101893825	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101893861	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101894991	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101894992	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101894993	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101894994	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101896488	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101896567	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101896597	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101905225	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101905412	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101919142	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4400037110	Provision of Accident Insurance
ČEZ ESCO, a.s.	5600005880	Service Provision Agreement
ČEZ ESCO, a.s.		Additional Contribution Agreement of May 6, 2019
ČEZ ESCO, a.s.		Additional Contribution Agreement of June 5, 2019
ČEZ ESCO, a.s.		Additional Contribution Agreement of October 22, 2019
ČEZ ESCO, a.s.	P3A19000034179	Personal Data Processing Agreement
ČEZ ESCO, a.s.	4101882361	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101923807	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101923810	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101936367	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101940610	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4102007976	Service Provision Agreement
ČEZ ESCO, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 18, 2019
ČEZ ESCO, a.s.		Agreement on Cooperation in the Performance of a Public Contract of June 19, 2019
ČEZ ESCO, a.s.	4101614800	Procurement of Emission Allowances
ČEZ ESCO, a.s.	4101969445	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4101969506	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4101969671	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4101981446	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4101981476	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4101981480	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4101981502	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4101982226	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4101994668	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4101998223	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102004823	Integrated Low-Voltage Electricity Supply Service Agreement

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ ESCO, a.s.	4102005113	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102008217	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102016950	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102036466	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102036515	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102051718	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102058003	Integrated High- and Medium-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102076365	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102084961	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102086798	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102086828	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102096624	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4400045014	Expert Support Service Agreement
ČEZ ESCO, a.s.	5600010131	Service Provision Agreement
ČEZ ESCO, a.s.		Agreement on Cooperation in the Performance of a Public Contract of July 20, 2018
ČEZ ESCO, a.s.		Agreement on Cooperation in the Performance of a Public Contract of December 20, 2019
ČEZ ESCO, a.s.		Agreement on Cooperation in the Performance of a Public Contract of August 14, 2018
ČEZ ESCO, a.s.		Agreement on Cooperation in the Performance of a Public Contract of August 6, 2019
ČEZ ESCO, a.s.		Agreement on Cooperation in the Performance of a Public Contract of October 12, 2018
ČEZ ESCO, a.s.		Agreement on Cooperation in the Performance of a Public Contract of July 3, 2018
ČEZ ESCO, a.s.		Additional Contribution Agreement of June 25, 2020
ČEZ ESCO, a.s.		Additional Contribution Agreement of June 22, 2020
ČEZ ESCO, a.s.	000234_2020	Lease Agreement
ČEZ ESCO, a.s.		General Agreement on Cession of Receivables of June 11, 2020
ČEZ ESCO, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of February 14, 2020
ČEZ ESCO, a.s.	4102182292	Service Provision Agreement
ČEZ ESCO, a.s.	4102172610	Lease Agreement
ČEZ ESCO, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of August 5, 2019
ČEZ ESCO, a.s.	4102131573	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102149739	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102183107	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102183603	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102183644	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102186469	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102211800	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102211807	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102227816	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102227830	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102237720	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102249953	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102250271	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102250311	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102250372	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102250373	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102250374	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102250375	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102250412	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102250417	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102252600	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102268768	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of April 12, 2019
ČEZ ESCO, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
ČEZ ESCO, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of May 22, 2020
ČEZ ESCO, a.s.	4400046401	Provision of Services for Fast Rechargeable Battery Pilot Installation
ČEZ ESCO, a.s.	4400045772	Natural Gas Supply
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract (Antivirus Solution) of 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
ČEZ ICT Services, a. s.	P3A18000014172	Personal Data Processing Agreement
ČEZ ICT Services, a. s.	P3A18000001317	Personal Data Processing Agreement
ČEZ ICT Services, a. s.	5600009640	License Agreement on the Provision of the Right to Use Trademarks
ČEZ ICT Services, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ ICT Services, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ ICT Services, a. s.		Mutual Credit Facility Agreement of August 27, 2012 (Agreement Subject: Mutual Credit Facilities)
ČEZ ICT Services, a. s.	4100017278	IT and Telecommunications Services Agreement
ČEZ ICT Services, a. s.	4100024933	Agreement on the Provision of Services – Bulgaria
ČEZ ICT Services, a. s.	4100051248	IT and Telecommunications Services Agreement

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ ICT Services, a. s.	4100773622	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4100891309	Agreement on Non-Residential Facility Lease
ČEZ ICT Services, a. s.	4101027840	Agreement on Non-Residential Facility Lease
ČEZ ICT Services, a. s.	4101129964	Agreement on Non-Residential Facility Lease
ČEZ ICT Services, a. s.	4101348177	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4400025654	General IT and Telecommunications Services Agreement
ČEZ ICT Services, a. s.	5600005750	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	5600005941	Letter of Intent – Delivery of Services for a Corporate Data Center
ČEZ ICT Services, a. s.	4400039767	Service Delivery Agreement
ČEZ ICT Services, a. s.	4400039787	Service Delivery Agreement
ČEZ ICT Services, a. s.	4101766756	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4101837730	Preliminary Agreement
ČEZ ICT Services, a. s.	4101837741	Preliminary Agreement
ČEZ ICT Services, a. s.	4101868619	Provision of Project Application Support
ČEZ ICT Services, a. s.	5600000620	Security Services Agreement
ČEZ ICT Services, a. s.	4400032919	Corporate Website Service Agreement
ČEZ ICT Services, a. s.	5600001488	Agreement on Information Technology Services
ČEZ ICT Services, a. s.	4100465515	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4100465555	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4100472347	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4100698200	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4100698302	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4100702763	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	P3A18000014493	Personal Data Processing Agreement
ČEZ ICT Services, a. s.	000236_2019	Easement Agreement
ČEZ ICT Services, a. s.	000237_2019	Easement Agreement
ČEZ ICT Services, a. s.	000759_2019	Easement Agreement
ČEZ ICT Services, a. s.	EHO/2011/008	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Hodonín Power Plant
ČEZ ICT Services, a. s.	ETU/2018/EE002	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Tušimice Power Plant
ČEZ ICT Services, a. s.	69901598_3	Heat Supply Agreement
ČEZ ICT Services, a. s.	69968600_1	Thermal Energy Supply Agreement
ČEZ ICT Services, a. s.	30008966	Thermal Energy Supply Agreement
ČEZ ICT Services, a. s.	69935002_4	Heat Supply Agreement
ČEZ ICT Services, a. s.	64200	Thermal Energy Supply Agreement
ČEZ ICT Services, a. s.	69906141_2	Thermal Energy Supply Agreement
ČEZ ICT Services, a. s.	69904352_2	Thermal Energy Supply Agreement
ČEZ ICT Services, a. s.	PR/00229266	Thermal Energy Supply Agreement
ČEZ ICT Services, a. s.	4100464851	Lease Agreement
ČEZ ICT Services, a. s.	4100563562	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4100871029	Lease Agreement
ČEZ ICT Services, a. s.	4100871057	Lease Agreement
ČEZ ICT Services, a. s.	4100872622	Lease Agreement
ČEZ ICT Services, a. s.	4100875649	Lease Agreement
ČEZ ICT Services, a. s.	4100875771	Lease Agreement
ČEZ ICT Services, a. s.	4100888337	Lease Agreement
ČEZ ICT Services, a. s.	4100888563	Lease Agreement
ČEZ ICT Services, a. s.	4100894825	Lease Agreement
ČEZ ICT Services, a. s.	4100901203	Lease Agreement
ČEZ ICT Services, a. s.	4101082489	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4101748353	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4101767295	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4101767735	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4101938061	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4101950691	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4101951650	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4101960746	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4101962975	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4101989738	Easement Agreement
ČEZ ICT Services, a. s.	4101990799	Easement Agreement
ČEZ ICT Services, a. s.	4102095079	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4102095121	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4102095129	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4102095781	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4102098503	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4102098505	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4102098508	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of June 5, 2018
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of June 29, 2018

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of January 7, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 18, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 19, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of April 15, 2019
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of June 19, 2019
ČEZ ICT Services, a. s.	4400033124	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4400033193	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4400033194	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4400033195	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4400033198	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4400033482	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4400038310	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4400041225	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4400045710	Easement Agreement
ČEZ ICT Services, a. s.	5600010101	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award of a Public Contract (Renovation of ETE Voice Radio Networks) of 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award of a Public Contract (Servicing, Development, and Renovation of Telecommunications Access and Transmission Network with SDH/TDM/MPLS Equipment and Appropriate Monitoring Systems) of 2019
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Access and Attendance Systems) of 2018
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Disk Array Deliveries II) of 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award of a Public Contract of May 31, 2016
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (x86 Server Deliveries) of 2018
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Infra Checkpoint Security Maintenance) of 2017
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (F5 Product Maintenance) of 2017
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Active LAN Element Renovation) of 2019
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Active WAN Telecommunications Access Network Element Renovation) of 2018
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of March 2, 2017
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of March 22, 2017
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of July 11, 2018
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of July 20, 2018
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of December 20, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract (2020 Licenses) of June 28, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract (2020–2022 Licenses) of June 28, 2019
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of September 26, 2016
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of February 28, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of November 5, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of April 23, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of July 26, 2019
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of August 14, 2018
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of July 4, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 20, 2019
ČEZ ICT Services, a. s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of December 20, 2018
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of August 6, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of March 4, 2019
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of October 12, 2018
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of July 3, 2018
ČEZ ICT Services, a. s.	000577_2020	Lease Agreement
ČEZ ICT Services, a. s.		General Agreement on Cession of Receivables of June 11, 2020
ČEZ ICT Services, a. s.	4102216097	Invoicing Tool Supply
ČEZ ICT Services, a. s.	4102248117	SAP Implementation
ČEZ ICT Services, a. s.	4102270860	SAP Implementation
ČEZ ICT Services, a. s.	4102223469	Lease Agreement
ČEZ ICT Services, a. s.	4102249563	Cabling Reconstruction
ČEZ ICT Services, a. s.	4102252747	Wi-Fi Signal Extension
ČEZ ICT Services, a. s.	4102131651	Calibration of Gauges
ČEZ ICT Services, a. s.	4102235880	Security System Delivery
ČEZ ICT Services, a. s.	4102235894	Security System Delivery
ČEZ ICT Services, a. s.	4102234534	Purchase Agreement (Protective Equipment)
ČEZ ICT Services, a. s.	4102239239	Purchase Agreement (Protective Equipment)
ČEZ ICT Services, a. s.	4102239243	Purchase Agreement (Protective Equipment)
ČEZ ICT Services, a. s.	4102236501	Purchase Agreement (Protective Equipment)
ČEZ ICT Services, a. s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
ČEZ ICT Services, a. s.	4102235318	Technical Protection



Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ ICT Services, a. s.	4102104349	Connectivity Supply
ČEZ ICT Services, a. s.	4102104350	Software Tool Implementation
ČEZ ICT Services, a. s.	4102163927	Structured Cabling Addition
ČEZ ICT Services, a. s.	4102177242	Network Element Supply and Installation
ČEZ ICT Services, a. s.	4102196855	Project Support
ČEZ ICT Services, a. s.	4102206094	Provision of Technical Support for the Shareholders' Meeting
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of January 5, 2016
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of November 29, 2018
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 20, 2017
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of May 13, 2015
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of November 14, 2019
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 26, 2019
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 5, 2019
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 29, 2017
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
ČEZ Korporátní služby, s.r.o.		Contracting Entities' Articles of Association – Contracting Entities Association Agreement of May 30, 2014
ČEZ Korporátní služby, s.r.o.	P3A18000014491	Personal Data Processing Agreement
ČEZ Korporátní služby, s.r.o.	P3A18000014076	Personal Data Processing Agreement
ČEZ Korporátní služby, s.r.o.	5600007401	License Agreement on the Provision of the Right to Use Trademarks
ČEZ Korporátní služby, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Korporátní služby, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Korporátní služby, s.r.o.	4100817505	Non-Residential Facility Lease
ČEZ Korporátní služby, s.r.o.	4101258495	Lease of Land for Electromobility
ČEZ Korporátní služby, s.r.o.	4101470888	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4400020808	Non-Residential Facility Lease
ČEZ Korporátní služby, s.r.o.	4400026107	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4400026183	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4400026253	Non-Residential Facility Lease
ČEZ Korporátní služby, s.r.o.	4400026275	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4400026360	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4400027195	Non-Residential Facility Lease
ČEZ Korporátní služby, s.r.o.	4400027730	Non-Residential Facility Lease
ČEZ Korporátní služby, s.r.o.	4400029451	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4400034160	Non-Residential Facility Lease
ČEZ Korporátní služby, s.r.o.	5600005821	Agreement on the Provision of Electromobility Service
ČEZ Korporátní služby, s.r.o.	4400035704	Service Provision Agreement
ČEZ Korporátní služby, s.r.o.	4400035705	Service Provision Agreement
ČEZ Korporátní služby, s.r.o.	4101614565	Non-Residential Facility Lease
ČEZ Korporátní služby, s.r.o.	4101754434	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4101757474	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4400040894	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4400031280	Electric Mobility Card Rental
ČEZ Korporátní služby, s.r.o.	4400032917	Agreement on Website Services
ČEZ Korporátní služby, s.r.o.	4400028168	Parking Space Rental
ČEZ Korporátní služby, s.r.o.	4100100787	Short-Term Car Rental (Car Rental)
ČEZ Korporátní služby, s.r.o.	000359_2018	Lease Agreement
ČEZ Korporátní služby, s.r.o.		Agreement on the Issuance of Guarantees of April 20, 2007 (Agreement Subject: Provision of Guarantees)
ČEZ Korporátní služby, s.r.o.	000001_2019	Lease Agreement
ČEZ Korporátní služby, s.r.o.	EPR/20140017	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Pruněřov Power Plant
ČEZ Korporátní služby, s.r.o.	69906373_1	Thermal Energy Supply Agreement
ČEZ Korporátní služby, s.r.o.	69904501_1	Thermal Energy Supply Agreement
ČEZ Korporátní služby, s.r.o.	69905082_1	Heat Supply Agreement
ČEZ Korporátní služby, s.r.o.	69904359_2	Thermal Energy Supply Agreement
ČEZ Korporátní služby, s.r.o.	69904396_1	Thermal Energy Supply Agreement
ČEZ Korporátní služby, s.r.o.	4101745310	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4101745344	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4101745371	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4101745424	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4101750876	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4102042432	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102076115	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4102077660	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102079331	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102079335	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102079505	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102079533	Security System Delivery



Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Korporátní služby, s.r.o.	4102079550	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102084468	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102085978	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102092162	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102092166	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102094827	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102099628	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102099629	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101785876	Vehicle Lease
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 22, 2016
ČEZ Korporátní služby, s.r.o.	4101755780	Sublease Agreement
ČEZ Korporátní služby, s.r.o.	4101889102	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4400044840	Provision of Services
ČEZ Korporátní služby, s.r.o.	5600004924	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	5600004961	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 3, 2019
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 6, 2019
ČEZ Korporátní služby, s.r.o.	110672_2016	Agreement on Cooperation in the Performance of a Public Contract ("Delivery of Utility Vehicles" Public Contract) of November 8, 2016
ČEZ Korporátní služby, s.r.o.	110291_2017	Agreement on the Adjustment of Rights and Obligations for Access to the SAP Information System of May 18, 2017
ČEZ Korporátní služby, s.r.o.	110018_2019	General Agreement on the Provision and Performance of Services and Leases of December 19, 2019
ČEZ Korporátní služby, s.r.o.	110125_2019	Service Agreement concerning Administration of Technological Assets of September 19, 2019
ČEZ Korporátní služby, s.r.o.	110126_2019	Service Agreement concerning Administration of Nontechnological Assets of August 29, 2019
ČEZ Korporátní služby, s.r.o.	110127_2019	Generation Support Service Agreement of September 19, 2019
ČEZ Korporátní služby, s.r.o.	000422_2020	Preliminary Sublease Agreement
ČEZ Korporátní služby, s.r.o.	000468_2020	Lease Agreement
ČEZ Korporátní služby, s.r.o.		General Agreement on Cession of Receivables of June 11, 2020
ČEZ Korporátní služby, s.r.o.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of February 14, 2020
ČEZ Korporátní služby, s.r.o.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of April 22, 2020
ČEZ Korporátní služby, s.r.o.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of January 17, 2020
ČEZ Korporátní služby, s.r.o.	4102117162	Switchboard Replacement
ČEZ Korporátní služby, s.r.o.	4102111258	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102135826	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102143196	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102144805	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102146259	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102148810	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102157711	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102170737	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102174444	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102177398	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102177431	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102186122	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102193041	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102197820	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102197877	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102211041	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102213810	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102225614	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102227607	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102233720	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102233723	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102251782	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102255745	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102223988	Purchase Agreement (Protective Equipment)
ČEZ Korporátní služby, s.r.o.	4102116577	Purchase Agreement (Diesel Fuel)
ČEZ Korporátní služby, s.r.o.	4102119260	Purchase Agreement (Diesel Fuel)
ČEZ Korporátní služby, s.r.o.	4102139801	Purchase Agreement (Diesel Fuel)
ČEZ Korporátní služby, s.r.o.	4102144659	Purchase Agreement (Diesel Fuel)
ČEZ Korporátní služby, s.r.o.	4102163290	Purchase Agreement (Diesel Fuel)
ČEZ Korporátní služby, s.r.o.	4102163291	Purchase Agreement (Diesel Fuel)
ČEZ Korporátní služby, s.r.o.	4102179107	Purchase Agreement (Diesel Fuel)
ČEZ Korporátní služby, s.r.o.	4102202530	Purchase Agreement (Diesel Fuel)
ČEZ Korporátní služby, s.r.o.	4102207838	Purchase Agreement (Diesel Fuel)
ČEZ Korporátní služby, s.r.o.	4102208727	Purchase Agreement (Diesel Fuel)
ČEZ Korporátní služby, s.r.o.	4102225256	Purchase Agreement (Diesel Fuel)
ČEZ Korporátní služby, s.r.o.	4102243645	Purchase Agreement (Diesel Fuel)
ČEZ Korporátní služby, s.r.o.	4102268971	Purchase Agreement (Diesel Fuel)

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Korporátní služby, s.r.o.	4102269515	Purchase Agreement (Diesel Fuel)
ČEZ Korporátní služby, s.r.o.	4102106890	Electrical Appliance Inspection
ČEZ Korporátní služby, s.r.o.	4102275571	Electrical Appliance Inspection
ČEZ Korporátní služby, s.r.o.	4102159428	Accommodation
ČEZ Korporátní služby, s.r.o.	4102114592	Supplies and Equipment Sale
ČEZ Korporátní služby, s.r.o.	4102177732	Purchase Agreement (Vehicle)
ČEZ Korporátní služby, s.r.o.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of December 11, 2020
ČEZ Korporátní služby, s.r.o.	5600012396	Purchase Agreement (Movable Property)
ČEZ Korporátní služby, s.r.o.	4400046443	Service Provision Agreement
ČEZ Korporátní služby, s.r.o.	4400046906	Provision of Printing Services
ČEZ Korporátní služby, s.r.o.	4400048435	Sublease Agreement and Agreement on Business Lease of Movable Property
ČEZ Korporátní služby, s.r.o.	4400048624	Sublease Agreement and Agreement on Business Lease of Movable Property
ČEZ Korporátní služby, s.r.o.	4400046793	Service Provision Agreement
ČEZ Korporátní služby, s.r.o.	4400046440	Printing and Envelope Center Services
ČEZ Korporátní služby, s.r.o.	4400046843	Agreement on Accommodation
ČEZ Korporátní služby, s.r.o.	4102138214	Attendance Terminal Supply
ČEZ Korporátní služby, s.r.o.	4102041298	Agreement on the Provision of Services Related to the Management of IFRS 16 Leasing Agreements
ČEZ Korporátní služby, s.r.o.	4400046224	Agreement on Facility Management Ancillary Services
ČEZ LDS s.r.o.	4102262209	Agreement on Electricity Consumer Connection to Low-Voltage Distribution System
ČEZ LDS s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of December 16, 2020
ČEZ Obnovitelné zdroje, s.r.o.	000814_2019	Lease Agreement
ČEZ Obnovitelné zdroje, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
ČEZ Obnovitelné zdroje, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
ČEZ Obnovitelné zdroje, s.r.o.		Contracting Entities' Articles of Association—Contracting Entities Association Agreement of May 30, 2014
ČEZ Obnovitelné zdroje, s.r.o.	5600007396	License Agreement on the Provision of the Right to Use Trademarks
ČEZ Obnovitelné zdroje, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Obnovitelné zdroje, s.r.o.	4400032623	Corporate Website Service Agreement
ČEZ Obnovitelné zdroje, s.r.o.	4400040758	Agreement on Cooperation in Small Hydropower Plant Operation
ČEZ Obnovitelné zdroje, s.r.o.	P3A18000014024	Personal Data Processing Agreement
ČEZ Obnovitelné zdroje, s.r.o.		Agreement on the Transfer of Some of the Employer's Activities of August 21, 2019
ČEZ Obnovitelné zdroje, s.r.o.	4400013229	Service Provision Agreement
ČEZ Obnovitelné zdroje, s.r.o.		Agreement on Coordinated Action in the Award of a Public Contract of May 31, 2016
ČEZ Obnovitelné zdroje, s.r.o.	69996000_1	Thermal Energy Supply Agreement
ČEZ Obnovitelné zdroje, s.r.o.	000193_2020	Lease Agreement
ČEZ Obnovitelné zdroje, s.r.o.	000327_2020	Lease Agreement
ČEZ Obnovitelné zdroje, s.r.o.	000665_2020	Preliminary Utility Easement Agreement
ČEZ Obnovitelné zdroje, s.r.o.		Electricity Supply Agreement of July 18, 2019
ČEZ Obnovitelné zdroje, s.r.o.		General Agreement on Cession of Receivables of June 11, 2020
ČEZ Obnovitelné zdroje, s.r.o.	4102125434	Functional Sensor Replacement
ČEZ Obnovitelné zdroje, s.r.o.	4102189127	Electricity Supply Repair
ČEZ Obnovitelné zdroje, s.r.o.	4102189130	Server Replacement
ČEZ Obnovitelné zdroje, s.r.o.	4102121756	Contract for Work
ČEZ Obnovitelné zdroje, s.r.o.	4102153409	Contract for Work
ČEZ Obnovitelné zdroje, s.r.o.	4102153424	Contract for Work
ČEZ Obnovitelné zdroje, s.r.o.	4102197565	Contract for Work
ČEZ Obnovitelné zdroje, s.r.o.	4102238666	Contract for Work
ČEZ Obnovitelné zdroje, s.r.o.	410223925	Contract for Work
ČEZ Obnovitelné zdroje, s.r.o.	4102238587	Contract for Work
ČEZ Obnovitelné zdroje, s.r.o.	4102238647	Contract for Work
ČEZ Obnovitelné zdroje, s.r.o.	4102252991	Contract for Work
ČEZ Obnovitelné zdroje, s.r.o.	4102255208	Contract for Work
ČEZ Obnovitelné zdroje, s.r.o.	4102255221	Agreement on Electricity Purchase
ČEZ Obnovitelné zdroje, s.r.o.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
ČEZ Obnovitelné zdroje, s.r.o.	5600011280	Provision of Technical Support and Services
ČEZ Obnovitelné zdroje, s.r.o.		Agreement on Cooperation in the Performance of a Public Contract of January 5, 2016
ČEZ OZ uzavřený investiční fond a.s.	5600008751	License Agreement on the Provision of the Right to Use Trademarks
ČEZ OZ uzavřený investiční fond a.s.		Agreement on Mutual Credit Facilities Related to the Agreement on Provision of Multilevel Real Cash Pooling (ČS) of November 25, 2011
ČEZ OZ uzavřený investiční fond a.s.	4101353364	Lease Agreement
ČEZ OZ uzavřený investiční fond a.s.	001102_2012	Easement Agreement
ČEZ OZ uzavřený investiční fond a.s.	5600003042	Agreement on the Provision of Services (Financial Services and Internal Audit)
ČEZ OZ uzavřený investiční fond a.s.	5600005985	Agreement on the Provision of Services (Internet Profile Editing)
ČEZ OZ uzavřený investiční fond a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
ČEZ Prodej, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 20, 2017
ČEZ Prodej, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 26, 2019
ČEZ Prodej, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Prodej, a.s.	P3A18000014326	Personal Data Processing Agreement
ČEZ Prodej, a.s.	P3A18000014492	Personal Data Processing Agreement
ČEZ Prodej, a.s.		Agreement on the Provision of Services of December 30, 2005
ČEZ Prodej, a.s.		Comprehensive Gas Supply Agreement of December 22, 2009
ČEZ Prodej, a.s.		Comprehensive Electricity Supply Agreement of August 29, 2008
ČEZ Prodej, a.s.		Electricity Supply Agreement of December 29, 2010
ČEZ Prodej, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Prodej, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Prodej, a.s.		Agreement on the Issuance of Bank Guarantees of October 15, 2009
ČEZ Prodej, a.s.		Agreement on Mutual Credit Facilities (ČSOB) of June 29, 2006
ČEZ Prodej, a.s.		Agreement on the Mutual Credit Facilities Related to the Agreement on Provision of the Multilevel Real Cash Pooling (ČS) of June 29, 2006
ČEZ Prodej, a.s.		Agreement on the Issuance of Guarantees of November 30, 2009
ČEZ Prodej, a.s.	4400038630	Billing Service Agreement
ČEZ Prodej, a.s.	4101514073	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Prodej, a.s.	4101514190	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Prodej, a.s.	4101517292	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Prodej, a.s.	4101512747	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Prodej, a.s.	4101512770	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Prodej, a.s.	4101512782	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Prodej, a.s.	4101512803	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Prodej, a.s.	5600006368	Agreement on the Provision of Electromobility Service
ČEZ Prodej, a.s.	4400038845	Agreement on the Provision of Electromobility Service
ČEZ Prodej, a.s.	4101784666	Electricity Supplies for Electromobility
ČEZ Prodej, a.s.	4101858039	Electricity Supplies for Electromobility
ČEZ Prodej, a.s.	4101860154	Electricity Supplies for Electromobility
ČEZ Prodej, a.s.	4101860157	Electricity Supplies for Electromobility
ČEZ Prodej, a.s.	4101865834	Electricity Supplies for Electromobility
ČEZ Prodej, a.s.	4101833698	Electricity Supplies for Electromobility
ČEZ Prodej, a.s.	4400040118	Agreement on Billing Services
ČEZ Prodej, a.s.	5600009270	Agreement on the Provision of Electromobility Service
ČEZ Prodej, a.s.	4400028061	Electric Vehicle Rental Agreement
ČEZ Prodej, a.s.	5600001485	Service Provision Agreement
ČEZ Prodej, a.s.	56000010200	License Agreement on the Provision of the Right to Use Trademarks
ČEZ Prodej, a.s.	P3A18000001412	Personal Data Processing Agreement
ČEZ Prodej, a.s.	P3A18000014429	Personal Data Processing Agreement
ČEZ Prodej, a.s.	P3A19000008665	Personal Data Processing Agreement
ČEZ Prodej, a.s.		Partial Agreement Confirmation—Virtual Natural Gas Storage with Fixed Capacity of February 5, 2019
ČEZ Prodej, a.s.		Supply Security Standard Agreement for 2019–2020 of August 19, 2019
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of June 5, 2018
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of June 29, 2018
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of January 7, 2019
ČEZ Prodej, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 18, 2019
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of June 19, 2019
ČEZ Prodej, a.s.	4102009662	Security System Delivery
ČEZ Prodej, a.s.	4102100934	Security System Delivery
ČEZ Prodej, a.s.	5600005988	Agreement on Website Services
ČEZ Prodej, a.s.	4400043691	Provision of Service (Electromobility)
ČEZ Prodej, a.s.		Agreement on Coordinated Action in the Award of a Public Contract of May 31, 2016
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract (Active LAN Element Renovation) of 2019
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of July 20, 2018
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of December 20, 2019
ČEZ Prodej, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract (2020 Licenses) of June 28, 2019
ČEZ Prodej, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract (2020–2022 Licenses) of June 28, 2019
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of August 14, 2018
ČEZ Prodej, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of July 4, 2019
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of August 6, 2019
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of October 12, 2018
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of July 3, 2018
ČEZ Prodej, a.s.	P3A19000034180	Personal Data Processing Agreement
ČEZ Prodej, a.s.	P3A20000000529	Personal Data Processing Agreement
ČEZ Prodej, a.s.		General Agreement on Cession of Receivables of June 11, 2020
ČEZ Prodej, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of February 14, 2020
ČEZ Prodej, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of August 5, 2019
ČEZ Prodej, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of January 17, 2020

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Prodej, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of April 12, 2019
ČEZ Prodej, a.s.	4102142615	Project Documentation and Author's Supervision Production
ČEZ Prodej, a.s.	4102246081	Service Provision Agreement
ČEZ Prodej, a.s.	4102135602	Security System Delivery
ČEZ Prodej, a.s.	4102178167	Security System Delivery
ČEZ Prodej, a.s.	4102238549	Security System Delivery
ČEZ Prodej, a.s.	4102278276	Security System Delivery
ČEZ Prodej, a.s.	4102278279	Security System Delivery
ČEZ Prodej, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
ČEZ Prodej, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of May 22, 2020
ČEZ Prodej, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of December 18, 2020
ČEZ Prodej, a.s.	4400048659	Service Provision Agreement
ČEZ Prodej, a.s.	90250768	Electric Power Supply
ČEZ Prodej, a.s.	4400048115	Service Provision Agreement
ČEZ Recyklace, s.r.o.	5600008281	Service Provision Agreement
ČEZ Recyklace, s.r.o.	5600006556	Corporate Website Service Agreement
ČEZ Recyklace, s.r.o.	5600006580	License Agreement on the Provision of the Right to Use Trademarks
ČEZ Recyklace, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Slovensko, s.r.o.		General Agreement on Power Supply and Consumption (EFET) of December 1, 2007
ČEZ Slovensko, s.r.o.		General Agreement on Natural Gas Supply and Consumption (EFET) of June 1, 2010
ČEZ Slovensko, s.r.o.		General Agreement on Power Certificate Supply and Consumption (EFET) of November 21, 2014
ČEZ Slovensko, s.r.o.		Comprehensive Power Supply Agreement of December 22, 2015
ČEZ Slovensko, s.r.o.		Agreement on the Provision of Services in Connection with Power and Natural Gas Wholesale in Slovakia of August 12, 2013
ČEZ Slovensko, s.r.o.		General Agreement on Financial Market Trading (ISDA) of May 11, 2016
ČEZ Slovensko, s.r.o.		Agreement on Access to Virtual Storage and Gas Storage – Flexible Service of December 5, 2017
ČEZ Slovensko, s.r.o.		Mutual Credit Facility Agreement of February 1, 2010 (Agreement Subject: Mutual Credit Facilities)
ČEZ Slovensko, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Slovensko, s.r.o.		Agreement on the Issuance of Guarantees of December 21, 2007
ČEZ Slovensko, s.r.o.	5600003070	Service Provision Agreement
ČEZ Slovensko, s.r.o.		1 Agreement for Single Delivery of Guarantees of Origin
ČEZ Slovensko, s.r.o.		Agreement on Transfer of Rights and Obligations and Settlement (in Connection with Transfer of Gas Supply Contracts in the Slovak Republic) of September 1, 2020
ČEZ Slovensko, s.r.o.		Agreement on Assignment and Assumption of Responsibility for Imbalance of August 31, 2020
ČEZ Slovensko, s.r.o.		Agreement on Access to Storage and Gas Storage – Flexible Service of March 17, 2020
ČEZ Slovensko, s.r.o.		4 Agreements on Transfer of Rights and Obligations of August 31, 2020
ČEZ Teplárenská, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 20, 2017
ČEZ Teplárenská, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 26, 2019
ČEZ Teplárenská, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
ČEZ Teplárenská, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
ČEZ Teplárenská, a.s.	P3A18000014135	Personal Data Processing Agreement
ČEZ Teplárenská, a.s.	5600008870	License Agreement on the Provision of the Right to Use Trademarks
ČEZ Teplárenská, a.s.		General Agreement on Power Supply and Consumption (EFET) of April 1, 2013
ČEZ Teplárenská, a.s.		Allowances Appendix to the General Agreement on Power Supply and Consumption (EFET) of April 1, 2013
ČEZ Teplárenská, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Teplárenská, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Teplárenská, a.s.	4100672987	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Teplárenská, a.s.	4101067636	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Teplárenská, a.s.	4101122809	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Teplárenská, a.s.	4101471845	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Teplárenská, a.s.	4400019297	Service Provision Agreement
ČEZ Teplárenská, a.s.	4400027760	Heating Plant Operation
ČEZ Teplárenská, a.s.	4400027762	Power Plant Equipment Maintenance Management
ČEZ Teplárenská, a.s.	4400028522	Gas Boiler Room Operation
ČEZ Teplárenská, a.s.	4400031149	Feed Water Chemical Analyses
ČEZ Teplárenská, a.s.	5600005275	Agreement on Gas Supply
ČEZ Teplárenská, a.s.	4101705066	Agreement on Drinking Water Sales, and Drainage and Disposal of Sewage Water
ČEZ Teplárenská, a.s.	4400019264	Service Provision Agreement
ČEZ Teplárenská, a.s.	5600009155	Service Provision Agreement
ČEZ Teplárenská, a.s.	4100276773	Electricity Supply Agreement
ČEZ Teplárenská, a.s.	4100297851	Non-Residential Facility Lease
ČEZ Teplárenská, a.s.	4100298692	Non-Residential Facility Lease
ČEZ Teplárenská, a.s.	4100305339	Non-Residential Facility Lease
ČEZ Teplárenská, a.s.	4100470611	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100470617	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100470640	Thermal Energy Supply Agreement

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Teplárenská, a.s.	4100471083	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100471103	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100471110	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100471114	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100471119	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100576636	Electricity Supply Agreement
ČEZ Teplárenská, a.s.	4100664299	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100827117	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100936354	Heat-Exchanger Station Equipment Lease
ČEZ Teplárenská, a.s.	4100984414	Electricity Supply Agreement
ČEZ Teplárenská, a.s.	4100984418	Electricity Supply Agreement
ČEZ Teplárenská, a.s.	4101029346	Lease
ČEZ Teplárenská, a.s.	4101050489	Agreement on Demineralized Water Supply
ČEZ Teplárenská, a.s.	4101050543	Electricity Supply Agreement
ČEZ Teplárenská, a.s.	4101075916	Agreement on Ammonia Water Supply
ČEZ Teplárenská, a.s.	4101092828	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4101097367	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4101102226	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4101103043	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4101123713	Non-Residential Facility Lease
ČEZ Teplárenská, a.s.	4400030836	Agreement on the Provision of Services (Media Services)
ČEZ Teplárenská, a.s.	000265_2017	Agreement on Change to Statutory Servitude Scope
ČEZ Teplárenská, a.s.	000395_2017	Easement Agreement
ČEZ Teplárenská, a.s.	000267_2017	Easement Agreement
ČEZ Teplárenská, a.s.	000266_2017	Easement Agreement
ČEZ Teplárenská, a.s.	000144_2017	Utility Easement Agreement
ČEZ Teplárenská, a.s.	P3A18000014325	Personal Data Processing Agreement
ČEZ Teplárenská, a.s.	P3A19000034181	Personal Data Processing Agreement
ČEZ Teplárenská, a.s.		Agreement on the Transfer of Some of the Employer's Activities of March 28, 2019
ČEZ Teplárenská, a.s.	4101949826	Construction Siting Agreement
ČEZ Teplárenská, a.s.	4102071393	Lease
ČEZ Teplárenská, a.s.	4400019388	Service Provision Agreement
ČEZ Teplárenská, a.s.	4400043033	Mandate Contract
ČEZ Teplárenská, a.s.		Agreement on Coordinated Action in the Award of a Public Contract of May 31, 2016
ČEZ Teplárenská, a.s.	4101988207	Utility Easement Agreement of November 21, 2019
ČEZ Teplárenská, a.s.	000399_2016	Easement Agreement
ČEZ Teplárenská, a.s.	000452_2009	Easement Agreement
ČEZ Teplárenská, a.s.		General Agreement on Cession of Receivables of June 11, 2020
ČEZ Teplárenská, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of February 14, 2020
ČEZ Teplárenská, a.s.	4102233973	Service Provision Agreement
ČEZ Teplárenská, a.s.	4102172569	Securing of Author's Supervision
ČEZ Teplárenská, a.s.	4102172586	Project Documentation Completion
ČEZ Teplárenská, a.s.	4102102952	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102149884	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102224940	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102225665	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102274905	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102119915	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102123871	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102124151	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102128119	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102128161	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102134113	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102136002	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102136003	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102139545	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102140762	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102148946	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102150645	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102160590	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102167245	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102183887	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102188697	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102188700	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102204944	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102207245	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102209909	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102229230	Purchase Agreement (Protective Equipment)



Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Teplárenská, a.s.	4102229262	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102229265	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102229266	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102241993	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102248848	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102248861	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102263007	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102274518	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102139542	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.	4102144149	Purchase Agreement (Protective Equipment)
ČEZ Teplárenská, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
ČEZ Teplárenská, a.s.	4400046905	Lease Agreement
ČEZ Teplárenská, a.s.	4400048882	Air Conditioning System Inspection
ČEZ Teplárenská, a.s.		Agreement on Cooperation in the Performance of a Public Contract of January 5, 2016
Distributie Energie Oltenia S.A.		General Agreement on Power Supply and Consumption (EFET) of June 1, 2014
Distributie Energie Oltenia S.A.		Agreement on the Issuance of Guaranties of April 5, 2013 (Agreement Subject: Provision of Guarantees)
Domat Control System s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of September 16, 2019
Domat Control System s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of September 16, 2019
Elektrárna Dětmorovice, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
Elektrárna Dětmorovice, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
Elektrárna Dětmorovice, a.s.		Contracting Entities' Articles of Association – Contracting Entities Association Agreement of May 30, 2014
Elektrárna Dětmorovice, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 22, 2016
Elektrárna Dětmorovice, a.s.		General Agreement on Power Supply and Consumption (EFET) of December 10, 2012
Elektrárna Dětmorovice, a.s.		Allowances Appendix to the General Agreement on Power Supply and Consumption (EFET) of December 10, 2012
Elektrárna Dětmorovice, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Elektrárna Dětmorovice, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Elektrárna Dětmorovice, a.s.	4100731793	Agreement on Non-Residential Facility Lease
Elektrárna Dětmorovice, a.s.	4100732656	Thermal Energy Supply Agreement
Elektrárna Dětmorovice, a.s.	4400028376	Agreement on the Provision of Psychological Examinations
Elektrárna Dětmorovice, a.s.	4400040068	Agreement on the Provision of Technical Support Services
Elektrárna Dětmorovice, a.s.	4400023052	Service Provision Agreement
Elektrárna Dětmorovice, a.s.	P3A18000014016	Personal Data Processing Agreement
Elektrárna Dětmorovice, a.s.	5600009940	License Agreement on the Provision of the Right to Use Trademarks
Elektrárna Dětmorovice, a.s.		General Agreement on the Provision of Services concerning Transfers of Ancillary Services Agreements of December 17, 2018
Elektrárna Dětmorovice, a.s.		Agreement on Acceptance of Responsibility for Imbalances, Imbalance Payments, and Balancing Energy
Elektrárna Dětmorovice, a.s.		Agreement on Coordinated Action in the Award of a Public Contract of May 31, 2016
Elektrárna Dětmorovice, a.s.	5600006553	Agreement on Website Services
Elektrárna Dětmorovice, a.s.		Agreement on Free Withdrawal of Shares from Circulation of November 4, 2020
Elektrárna Dětmorovice, a.s.		12 Agreements on Technical Substitution for the Provision of Ancillary Services (for 1–3/2020 and 5–11/2020)
Elektrárna Dětmorovice, a.s.		General Agreement on Cession of Receivables of June 11, 2020
Elektrárna Dětmorovice, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of April 6, 2020
Elektrárna Dětmorovice, a.s.	4102254640	Purchase Agreement (Hydraulic and Circulating Oil)
Elektrárna Dětmorovice, a.s.	4102256654	Purchase Agreement (Gear Oil)
Elektrárna Dětmorovice, a.s.	4102259266	Purchase Agreement (Fuse Link)
Elektrárna Dětmorovice, a.s.	4102088305	Natural Gas Supply
Elektrárna Dětmorovice, a.s.	4102090256	Coal Transportation Agreement
Elektrárna Dětmorovice, a.s.	4102135595	Psychodiagnostic Examination
Elektrárna Dětmorovice, a.s.	4102102189	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102105460	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102117058	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102144715	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102178370	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102197863	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102217832	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102114553	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102119849	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102138281	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102138283	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102140963	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102141235	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102178661	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102187393	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102192418	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102194071	Purchase Agreement (Protective Equipment)



Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
Elektrárna Dětmorovice, a.s.	4102209283	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102211188	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102217299	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102227845	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102232686	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102245845	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102250125	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102250129	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102250130	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102250141	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102257229	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102263084	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102271334	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102271337	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102273606	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102273643	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102121377	Purchase Agreement (Metallurgical Material)
Elektrárna Dětmorovice, a.s.	4102203409	Purchase Agreement (Steam Turbine Spare Parts)
Elektrárna Dětmorovice, a.s.	4102275452	Purchase Agreement (Shut-Off Valves)
Elektrárna Dětmorovice, a.s.	4102276955	Purchase of Control System Terminals
Elektrárna Dětmorovice, a.s.	4102130137	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102130140	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102181971	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102257046	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102259769	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.	4102266868	Purchase Agreement (Protective Equipment)
Elektrárna Dětmorovice, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
Elektrárna Dětmorovice, a.s.	4400046394	Provision of Occupational Safety and Health Activities
Elektrárna Dětmorovice, a.s.		Agreement on Cooperation in the Performance of a Public Contract of January 5, 2016
Elektrárna Dukovany II, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of February 2, 2016
Elektrárna Dukovany II, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of September 21, 2016
Elektrárna Dukovany II, a. s.	4101598808	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
Elektrárna Dukovany II, a. s.	4101706830	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
Elektrárna Dukovany II, a. s.	4101486029	Electricity and Heat Supplies, Water/Sewer Fees
Elektrárna Dukovany II, a. s.	4101488233	Non-Residential Facility Lease
Elektrárna Dukovany II, a. s.	4400035963	Service Provision Agreement
Elektrárna Dukovany II, a. s.		Additional Contribution Agreement of June 4, 2018
Elektrárna Dukovany II, a. s.	4101742756	Secured Area Creation and Lease
Elektrárna Dukovany II, a. s.	000533_2017	Agreement on the Access and Use of Geodetic Points
Elektrárna Dukovany II, a. s.	000534_2017	Land Access Agreement
Elektrárna Dukovany II, a. s.	000540_2017	Preliminary Utility Easement Agreement
Elektrárna Dukovany II, a. s.	000538_2017	Preliminary Utility Easement Agreement
Elektrárna Dukovany II, a. s.	000536_2017	Preliminary Utility Easement Agreement
Elektrárna Dukovany II, a. s.	000539_2017	Preliminary Utility Easement Agreement
Elektrárna Dukovany II, a. s.	000322_2019	Lease Agreement
Elektrárna Dukovany II, a. s.	EDU/2017/EE002	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Dukovany Power Plant
Elektrárna Dukovany II, a. s.	69985500_1	Thermal Energy Supply Agreement
Elektrárna Dukovany II, a. s.	69989901_1	Thermal Energy Supply Agreement
Elektrárna Dukovany II, a. s.	4102070770	Preliminary Agreement on Raw Water Supply and the Preparation and Implementation of a Prerequisite Technical Measure
Elektrárna Dukovany II, a. s.	32016069	Bus Transportation Agreement
Elektrárna Dukovany II, a. s.	5600008301	General Agreement on Cession of Receivables
Elektrárna Dukovany II, a. s.		Agreement on the Transfer of a Part of the Employer's Activities of May 29, 2020
Elektrárna Dukovany II, a. s.		Additional Contribution Agreement of May 29, 2020
Elektrárna Dukovany II, a. s.	000244_2020	Preliminary Utility Easement Agreement
Elektrárna Dukovany II, a. s.	000336_2020	Lease Agreement
Elektrárna Dukovany II, a. s.	000337_2020	Preliminary Agreement on the Joint Use of a Siding
Elektrárna Dukovany II, a. s.	000338_2020	Agreement on the Access and Use of Geodetic Points
Elektrárna Dukovany II, a. s.	000339_2020	Land Access Agreement
Elektrárna Dukovany II, a. s.	000340_2020	Preliminary Utility Easement Agreement
Elektrárna Dukovany II, a. s.	000341_2020	Preliminary Utility Easement Agreement
Elektrárna Dukovany II, a. s.	000342_2020	Preliminary Utility Easement Agreement
Elektrárna Dukovany II, a. s.	000343_2020	Preliminary Utility Easement Agreement
Elektrárna Dukovany II, a. s.	000344_2020	Preliminary Utility Easement Agreement
Elektrárna Dukovany II, a. s.	000345_2020	Preliminary Agreement on the Establishment of the Construction Right
Elektrárna Dukovany II, a. s.	000496_2020	Sublease Agreement
Elektrárna Dukovany II, a. s.	000535_2020	Preliminary Lease Agreement

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
Elektrárna Dukovany II, a. s.	000536_2020	Preliminary Area Purchase Agreement
Elektrárna Dukovany II, a. s.	000537_2020	Preliminary Lease Agreement
Elektrárna Dukovany II, a. s.	000528_2017	Preliminary Lease Agreement
Elektrárna Dukovany II, a. s.	000529_2017	Preliminary Lease Agreement
Elektrárna Dukovany II, a. s.	000530_2017	Agreement on the Joint Use of a Private Road
Elektrárna Dukovany II, a. s.	000531_2017	Preliminary Agreement on the Joint Use of a Railway Siding
Elektrárna Dukovany II, a. s.	000532_2017	Preliminary Area Purchase Agreement
Elektrárna Dukovany II, a. s.	000528_2017	Preliminary Lease Agreement
Elektrárna Dukovany II, a. s.	000529_2017	Preliminary Lease Agreement
Elektrárna Dukovany II, a. s.	000530_2017	Agreement on the Joint Use of a Private Road
Elektrárna Dukovany II, a. s.	000535_2017	Preliminary Agreement on the Establishment of the Construction Right
Elektrárna Dukovany II, a. s.	000537_2017	Preliminary Utility Easement Agreement
Elektrárna Dukovany II, a. s.	000560_2017	Lease Agreement
Elektrárna Dukovany II, a. s.		General Agreement on Cession of Receivables of June 11, 2020
Elektrárna Dukovany II, a. s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of April 12, 2019
Elektrárna Dukovany II, a. s.	4102160780	Preliminary Agreement (Mutual Data Exchange)
Elektrárna Dukovany II, a. s.	4102160840	Preliminary Agreement (Media and Service Supply)
Elektrárna Dukovany II, a. s.	4102177744	Agreement on the Preparation and Implementation of a Conditional Technical Measure
Elektrárna Dukovany II, a. s.	4102193915	Agreement on the Preparation and Implementation of a Conditional Technical Measure
Elektrárna Dukovany II, a. s.	4102070842	Preliminary Agreement
Elektrárna Dukovany II, a. s.	4102154197	Preliminary Agreement (Rainwater Discharge)
Elektrárna Dukovany II, a. s.	4102160679	Preliminary Agreement (Implementation of Prerequisite Technical Measures)
Elektrárna Dukovany II, a. s.	4102160761	Agreement on Cooperation
Elektrárna Dukovany II, a. s.	4102232972	Agreement on Cooperation in Contractor Evaluation and Qualification
Elektrárna Dukovany II, a. s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
Elektrárna Dukovany II, a. s.	4400049473	Service Provision Agreement
Elektrárna Dukovany II, a. s.	4400047012	Documentation Preparation for New Nuclear Power Plant Siting Authorization
Elektrárna Dukovany II, a. s.	4102193759	Preliminary Agreement on Raw Water Supply and the Preparation and Implementation of a Prerequisite Technical Measure
Elektrárna Dukovany II, a. s.	4102193128	Preliminary Agreement on Raw Water Supply and the Preparation and Implementation of a Prerequisite Technical Measure
Elektrárna Dukovany II, a. s.		Framework Agreement for Cooperation in the Construction of a New Nuclear Power Plant in Czechia of July 28, 2020
Elektrárna Dukovany II, a. s.		First Implementing Agreement for Cooperation in the Construction of a New Nuclear Power Plant at Dukovany in Czechia of July 28, 2020
Elektrárna Mělník III, a. s.	5600003421	Service Provision Agreement
Elektrárna Mělník III, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Elektrárna Mělník III, a. s.	5600006003	Agreement on the Provision of Services (Website Administration)
Elektrárna Počeradý, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
Elektrárna Počeradý, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
Elektrárna Počeradý, a.s.		Contracting Entities' Articles of Association – Contracting Entities Association Agreement of May 30, 2014
Elektrárna Počeradý, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 22, 2016
Elektrárna Počeradý, a.s.		Agreement on Coordinated Action in the Award of a Public Contract of May 31, 2016
Elektrárna Počeradý, a.s.	P3A18000014322	Personal Data Processing Agreement
Elektrárna Počeradý, a.s.	5600008831	License Agreement on the Provision of the Right to Use Trademarks
Elektrárna Počeradý, a.s.	940074_2013	Agreement on Rework (Agreement Subject: Electricity Generation and Sale)
Elektrárna Počeradý, a.s.		General Agreement on Power Supply and Consumption (EFET) of August 1, 2012
Elektrárna Počeradý, a.s.		Allowances Appendix to the General Agreement on Power Supply and Consumption (EFET) of August 1, 2012
Elektrárna Počeradý, a.s.	940041_2014	Agreement on the Issuance of Guarantees
Elektrárna Počeradý, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Elektrárna Počeradý, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Elektrárna Počeradý, a.s.	4100701057	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
Elektrárna Počeradý, a.s.	4400021652	Service Provision Agreement
Elektrárna Počeradý, a.s.	4400032915	Agreement on the Provision of Website Services
Elektrárna Počeradý, a.s.	4400040035	Agreement on the Provision of Technical Support Services
Elektrárna Počeradý, a.s.	4100653933	Electricity and Heat Supplies, Water/Sewer Fees
Elektrárna Počeradý, a.s.	4100657233	Electricity and Heat Supplies, Water/Sewer Fees
Elektrárna Počeradý, a.s.	4400021319	Activities Associated with the CCGT Cycle
Elektrárna Počeradý, a.s.	4400021372	Electricity and Heat Supplies, Water/Sewer Fees
Elektrárna Počeradý, a.s.	4400021373	Electricity and Heat Supplies, Water/Sewer Fees
Elektrárna Počeradý, a.s.	4100725904	Agreement on Non-Residential Facility Lease
Elektrárna Počeradý, a.s.	P3A18000014017	Personal Data Processing Agreement
Elektrárna Počeradý, a.s.	69966500_1	Thermal Energy Supply Agreement
Elektrárna Počeradý, a.s.	69964801_1	Thermal Energy Supply Agreement
Elektrárna Počeradý, a.s.		General Agreement on the Provision of Services concerning Transfers of Ancillary Services Agreements of December 12, 2018
Elektrárna Počeradý, a.s.	940046_2019	Restricted Fund Management

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
Elektrárna Počerady, a.s.	000521_2017	Easement Agreement – Servitude
Elektrárna Počerady, a.s.		19 Agreements on Technical Substitution for the Provision of Ancillary Services (for 1–11/2020)
Elektrárna Počerady, a.s.		3 Agreements on the Completion of Technical Compensation for the Provision of Power Balance Services (for 12/2020)
Elektrárna Počerady, a.s.		General Agreement on Cession of Receivables of June 11, 2020
Elektrárna Počerady, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of April 6, 2020
Elektrárna Počerady, a.s.	4102131649	Purchase Agreement (Slide Valve)
Elektrárna Počerady, a.s.	4102153277	Purchase Agreement (Seamless Steel Pipe)
Elektrárna Počerady, a.s.	4102188903	Purchase Agreement (Rotor Blades)
Elektrárna Počerady, a.s.	4102215926	Purchase Agreement (Caliper Slide Valve)
Elektrárna Počerady, a.s.	4102235060	Purchase Agreement (Switchboards, Monitors)
Elektrárna Počerady, a.s.	4102254720	Purchase Agreement (Motor and Hydraulic Oil)
Elektrárna Počerady, a.s.	4102276859	Raw Water Supply
Elektrárna Počerady, a.s.	4102278844	Demineralized Water Supply
Elektrárna Počerady, a.s.	4102278849	Filtered Water Supply
Elektrárna Počerady, a.s.	4102103978	Purchase Agreement (Diesel Fuel)
Elektrárna Počerady, a.s.	4102116465	Purchase Agreement (Diesel Fuel)
Elektrárna Počerady, a.s.	4102116493	Purchase Agreement (Diesel Fuel)
Elektrárna Počerady, a.s.	4102121240	Purchase Agreement (Sealing Plates)
Elektrárna Počerady, a.s.	4102139138	Purchase Agreement (Diesel Fuel)
Elektrárna Počerady, a.s.	4102153211	Purchase Agreement (Diesel Fuel)
Elektrárna Počerady, a.s.	4102162418	Purchase Agreement (Hydraulic Oil)
Elektrárna Počerady, a.s.	4102167518	Purchase Agreement (Diesel Fuel)
Elektrárna Počerady, a.s.	4102170313	Purchase Agreement (Steel Drawbar)
Elektrárna Počerady, a.s.	4102179420	Purchase Agreement (Diesel Fuel)
Elektrárna Počerady, a.s.	4102201096	Purchase Agreement (Diesel Fuel)
Elektrárna Počerady, a.s.	4102203442	Purchase Agreement (Steam Turbine Spare Parts)
Elektrárna Počerady, a.s.	4102208726	Purchase Agreement (Diesel Fuel)
Elektrárna Počerady, a.s.	4102214992	Purchase Agreement (Pump Spare Parts)
Elektrárna Počerady, a.s.	4102225258	Purchase Agreement (Diesel Fuel)
Elektrárna Počerady, a.s.	4102246335	Purchase Agreement (Diesel Fuel)
Elektrárna Počerady, a.s.	4102269048	Purchase Agreement (Diesel Fuel)
Elektrárna Počerady, a.s.	4102087996	Limestone Transportation Agreement
Elektrárna Počerady, a.s.	4102087997	Lime Transportation Agreement
Elektrárna Počerady, a.s.	4102090818	Coal Supplies Contract
Elektrárna Počerady, a.s.	4102278466	Electricity Supply Agreement
Elektrárna Počerady, a.s.	4102279043	Thermal Energy Supply Agreement
Elektrárna Počerady, a.s.	4102115760	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102138690	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102149657	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102169257	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102183055	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102190154	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102221587	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102227410	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102229426	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102231606	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102102819	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102112424	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102136599	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102151123	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102180065	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102257023	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102116769	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102117327	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102119568	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102119581	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102131721	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102131723	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102133722	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102147019	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102165394	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102165396	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102190063	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102208659	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102231911	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102249374	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102249378	Purchase Agreement (Protective Equipment)

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
Elektrárna Počerady, a.s.	4102263086	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102271680	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.	4102143402	Purchase Agreement (Protective Equipment)
Elektrárna Počerady, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
Elektrárna Počerady, a.s.		Agreement on Cooperation in the Performance of a Public Contract of January 5, 2016
Elektrárna Temelín II, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of February 2, 2016
Elektrárna Temelín II, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of September 21, 2016
Elektrárna Temelín II, a. s.	4101486083	Electricity and Heat Supplies, Water/Sewer Fees
Elektrárna Temelín II, a. s.	4101488258	Non-Residential Facility Lease
Elektrárna Temelín II, a. s.	4101720237	Deponie Land Lease
Elektrárna Temelín II, a. s.	4400035992	Service Provision Agreement
Elektrárna Temelín II, a. s.	000553_2017	Preliminary Utility Easement Agreement
Elektrárna Temelín II, a. s.	000552_2017	Agreement on the Access and Use of Geodetic Points
Elektrárna Temelín II, a. s.	000555_2017	Land Access Agreement
Elektrárna Temelín II, a. s.	000554_2017	Preliminary Utility Easement Agreement
Elektrárna Temelín II, a. s.	000505_2019	Lease Agreement
Elektrárna Temelín II, a. s.	000669_2019	Easement Agreement
Elektrárna Temelín II, a. s.	EDU/2019/EE005	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Dukovany Power Plant
Elektrárna Temelín II, a. s.	69985600_1	Thermal Energy Supply Agreement
Elektrárna Temelín II, a. s.	4101990325	Lease Agreement
Elektrárna Temelín II, a. s.	4101993198	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
Elektrárna Temelín II, a. s.	4102067509	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
Elektrárna Temelín II, a. s.	5600006881	Service Provision Agreement
Elektrárna Temelín II, a. s.	4102068685	Preliminary Agreement (Grounding Grid Sharing and Interconnection)
Elektrárna Temelín II, a. s.	4102068686	Preliminary Agreement (Exchange of Operating and Radiation Data and Emergency Preparedness Data)
Elektrárna Temelín II, a. s.	4102070561	Preliminary Agreement on Raw Water Supply and the Preparation and Implementation of a Prerequisite Technical Measure
Elektrárna Temelín II, a. s.	4102068875	Preliminary Agreement on the Implementation of Prerequisite Technical Measures
Elektrárna Temelín II, a. s.	4102069176	Preliminary Agreement on Waste and Sludge Disposal at Disposal Sites and Waste Pond
Elektrárna Temelín II, a. s.	4102073043	Loan Agreement for Soil Stockpile Material
Elektrárna Temelín II, a. s.	4101827714	Temelín Area Cooperation Agreement
Elektrárna Temelín II, a. s.	5600008302	General Agreement on Cession of Receivables
Elektrárna Temelín II, a. s.	000667_2020	Lease Agreement
Elektrárna Temelín II, a. s.	000550_2017	Preliminary Agreement on the Joint Use of a Railway Siding
Elektrárna Temelín II, a. s.	000551_2017	Preliminary Purchase Agreement
Elektrárna Temelín II, a. s.	000548_2017	Preliminary Purchase Agreement
Elektrárna Temelín II, a. s.	000549_2017	Agreement on the Joint Use of a Private Road
Elektrárna Temelín II, a. s.		General Agreement on Cession of Receivables of June 11, 2020
Elektrárna Temelín II, a. s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of April 12, 2019
Elektrárna Temelín II, a. s.	4102070476	Preliminary Agreement
Elektrárna Temelín II, a. s.	4102241019	Lease Agreement
Elektrárna Temelín II, a. s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
Elektrárna Temelín II, a. s.	4400040399	Preliminary Agreement on Drinking Water Supply
Elektrárna Temelín II, a. s.	4400040508	Preliminary Agreement on the Use of Waste Water Discharge Equipment of the Provider and the Preparation and Implementation of a Prerequisite Technical Measure
Elektrárna Temelín II, a. s.	4400040420	Preliminary Agreement on the Use of Rainwater and Groundwater Discharge Equipment of the Provider and the Preparation and Implementation of a Prerequisite Technical Measure
Elektrárna Temelín II, a. s.	000697_2016	Preliminary Utility Easement Agreement
Elevion Deutschland Holding GmbH	5600008731	Agreement on Provision of Services (Agreement Subject: Provision of Services)
Elevion Deutschland Holding GmbH		Mutual Credit Facility Agreement of October 4, 2017 (Agreement Subject: Mutual Credit Facilities)
Elevion GmbH	2017/1	Loan Facility Agreement (Agreement Subject: Loan)
Elevion GmbH	2019/1	Loan Facility Agreement (Agreement Subject: Loan)
Elevion GmbH		Rahmenkreditvertrag (Agreement Subject: Guarantee Facility) of October 24, 2018
Elevion GmbH		Compensation Agreement of September 21, 2017 (Agreement Subject: Compensation Agreement on Issued Guarantees)
Elevion Group B.V.	5600007350	Agreement on Provision of Services (Agreement Subject: Provision of Services)
Elevion Group B.V.		Mutual Credit Facility Agreement of June 20, 2016 (Agreement Subject: Mutual Credit Facilities)
Elevion Group B.V.		Agreement on the Transfer of a Part of the Employer's Activities of December 30, 2019
Elevion Group B.V.		Agreement on the Transfer of a Part of the Employer's Activities of January 30, 2020
Elevion Österreich Holding GmbH	2020/2	Loan Facility Agreement (Agreement Subject: Loan)
Energetické centrum s.r.o.	5600009641	License Agreement on the Provision of the Right to Use Trademarks
Energetické centrum s.r.o.	2017/2	Loan Facility Agreement (Agreement Subject: Loan)
Energetické centrum s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Energetické centrum s.r.o.	4101232014	Partial Payment of Vehicle Costs
Energetické centrum s.r.o.	5600007990	Service Provision Agreement
Energetické centrum s.r.o.	P3A2000000013	Personal Data Processing Agreement
Energotrans, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
Energotrans, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
Energotrans, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 22, 2016
Energotrans, a.s.		Agreement on Coordinated Action in the Award of a Public Contract of May 31, 2016
Energotrans, a.s.	5600009650	License Agreement on the Provision of the Right to Use Trademarks
Energotrans, a.s.		General Agreement on Power Supply and Consumption (EFET) of June 1, 2010
Energotrans, a.s.		Allowances Appendix to the General Agreement on Power Supply and Consumption (EFET) of August 1, 2012
Energotrans, a.s.		General Service Agreement concerning the Transfer of Contracts on the Provision of Supporting Services of December 17, 2018
Energotrans, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Energotrans, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Energotrans, a.s.	4101023453	Land Lease
Energotrans, a.s.	4101082607	Electricity and Heat Supplies, Water/Sewer Fees
Energotrans, a.s.	4101107641	Electricity and Heat Supplies, Water/Sewer Fees
Energotrans, a.s.	4101109868	Electricity and Heat Supplies, Water/Sewer Fees
Energotrans, a.s.	4400029382	Service Provision Agreement
Energotrans, a.s.	5600004960	Agreement on the Joint Use of the Dining Facilities
Energotrans, a.s.	4400039887	Service Provision Agreement
Energotrans, a.s.	4101555787	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
Energotrans, a.s.	5600009800	Vehicle Sharing Agreement
Energotrans, a.s.	4400032922	Agreement on Website Services
Energotrans, a.s.	4400040111	Agreement on the Provision of Technical Support Services
Energotrans, a.s.	4400028243	Service Provision Agreement
Energotrans, a.s.	4101749399	Lease Agreement
Energotrans, a.s.	4101681031	Lease Agreement
Energotrans, a.s.	2020	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Mělník Power Plant
Energotrans, a.s.	TETR/20190023	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Trmice Heating Plant
Energotrans, a.s.	001/2013	Thermal Energy Supply Agreement
Energotrans, a.s.	4101963370	Agreement Establishing Rights and Obligations in Information System Operation
Energotrans, a.s.		Agreement on the Cooperation in the Work Preparation and Execution of November 20, 2012
Energotrans, a.s.		Contracting Entities' Articles of Association – Contracting Entities Association Agreement of May 30, 2014
Energotrans, a.s.	P3A20000000011	Personal Data Processing Agreement
Energotrans, a.s.		Agreement on Assignment of Receivables of October 20, 2020
Energotrans, a.s.	69990504_1	Thermal Energy Supply Agreement
Energotrans, a.s.		Agreement on the Contribution of a Part of Commercial Plant of August 17, 2020
Energotrans, a.s.		Agreement on Subscription of Shares of August 17, 2020
Energotrans, a.s.		Agreement on the Transfer of a Part of the Employer's Activities between ČEZ, a. s., and Energotrans, a.s., of September 28, 2020
Energotrans, a.s.		Agreement on the Transfer of a Part of the Employer's Activities between Energotrans, a.s., and ČEZ, a. s., of September 28, 2020
Energotrans, a.s.		Agreement on the Transfer of a Part of the Employer's Activities of December 31, 2020
Energotrans, a.s.	000029_2016	Lease Agreement
Energotrans, a.s.	000542_2020	Preliminary Easement Agreement and Building Right Agreement
Energotrans, a.s.	000761_2020	Agreement on the Joint Use of Premises
Energotrans, a.s.	000598_2014	Easement Agreement
Energotrans, a.s.		Confirmation of Emission Allowance Settlement between Operators of October 1, 2020
Energotrans, a.s.		11 Agreements on Technical Substitution for the Provision of Ancillary Services (for 1–11/2020)
Energotrans, a.s.		General Agreement on Cession of Receivables of June 11, 2020
Energotrans, a.s.		Agreement on Technical Substitution for the Provision of Ancillary Services of January 27, 2021
Energotrans, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of April 6, 2020
Energotrans, a.s.	4102127308	Purchase Agreement (Belts, Boards)
Energotrans, a.s.	4102139387	Provision of Engineering Activities and Services
Energotrans, a.s.	4102213335	Purchase Agreement (Wiper Belt)
Energotrans, a.s.	4102231982	Provision of Engineering Activities and Services
Energotrans, a.s.	4102254894	Material Sale
Energotrans, a.s.	4102216345	Purchase Agreement (Seamless Steel Pipe)
Energotrans, a.s.	4102225402	Purchase Agreement (Pipe)
Energotrans, a.s.	4102274960	Purchase Agreement (Control System Terminals)
Energotrans, a.s.	4102090839	Coal Supplies Contract
Energotrans, a.s.	4102090868	Coal Supplies Contract
Energotrans, a.s.	4102262566	Electricity Supply Agreement
Energotrans, a.s.	4102275440	Thermal Energy Supply Agreement
Energotrans, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
Energotrans, a.s.	4102103241	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102116254	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102229428	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102229468	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102232994	Purchase Agreement (Protective Equipment)



Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
Energotrans, a.s.	4102262836	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102132202	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102144698	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102151942	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102152671	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102222298	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102227349	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102254592	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102263445	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102266457	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102108082	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102108090	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102127763	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102144731	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102157173	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102203574	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102228394	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102230521	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102248132	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4102267093	Purchase Agreement (Protective Equipment)
Energotrans, a.s.	4400049059	Service Provision Agreement
Energotrans, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of January 9, 2020
Energotrans, a.s.	4102255813	Lease Agreement
Energotrans, a.s.	4102263425	Lease Agreement
Energotrans, a.s.		Agreement on Cooperation in the Performance of a Public Contract of January 5, 2016
Energotrans, a.s.	69997201_1	Thermal Energy Supply Agreement
Energotrans, a.s.		Agreement on Responsibility Acceptance and Rebooking of Imbalance Payment of December 5, 2018
ENESA a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of May 16, 2016
ENESA a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of May 16, 2016
ENESA a.s.		Agreement on the Issuance of Guarantees of June 22, 2016
ENESA a.s.		Agreement on the Issuance of Guarantees of August 17, 2015
ENESA a.s.	4101665393	Agreement on the Lease of Land for the Installation and Operation of Electric Vehicle Charging Stations
ENESA SK, organizačná zložka		Mutual Credit Facility Agreement of August 25, 2016 (Agreement Subject: Mutual Credit Facilities)
ETS Engineering Kft.		Agreement on the Issuance of Guarantees of June 14, 2019 (Agreement Subject: Provision of Guarantees)
Free Energy Project Oreshets EAD	4102049671	Agreement on Provision of Information (Agreement Subject: Provision of Information)
High-Tech Clima S.A.		Agreement on the Issuance of Guarantees of December 12, 2018 (Agreement Subject: Provision of Guarantees)
HORMEN CE a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of April 9, 2018
HORMEN CE a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of April 9, 2018
in PROJEKT LOUNY ENGINEERING s.r.o.	5600008350	Agreement on the Provision of Corporate Compliance Services
in PROJEKT LOUNY ENGINEERING s.r.o.	4102061267	Contract for Work (Preparation of Tender Documentation for Fire Shutter Reconstruction)
in PROJEKT LOUNY ENGINEERING s.r.o.	4102064772	Contract for Work (Technical Assistance in the Preparation of a Road Reconstruction Project for Stabilized Product Transportation)
in PROJEKT LOUNY ENGINEERING s.r.o.	4400044298	Contract for Work (Technical Assistance Consisting of the Preparation of Background Technical Documents and Drawings for Conceptual Negotiations over Storage Premises for Coal Combustion Products)
in PROJEKT LOUNY ENGINEERING s.r.o.	4102072341	Author's Supervision
in PROJEKT LOUNY ENGINEERING s.r.o.	4102248674	Preparation of Information System Project Documentation
in PROJEKT LOUNY ENGINEERING s.r.o.	4102244347	Preparation of Award Documentation
in PROJEKT LOUNY ENGINEERING s.r.o.	4102110879	Preparation of Tender Documentation
in PROJEKT LOUNY ENGINEERING s.r.o.	4102113982	Preparation of Project Documentation
in PROJEKT LOUNY ENGINEERING s.r.o.	4102120495	Preparation of Award Documentation
in PROJEKT LOUNY ENGINEERING s.r.o.	4102124192	Preparation of Documentation for Joint Building Permits and Land Use Proceeding
in PROJEKT LOUNY ENGINEERING s.r.o.	4102124195	Preparation of Documentation for Joint Building Permits and Land Use Proceeding
in PROJEKT LOUNY ENGINEERING s.r.o.	4102126472	Preparation of Project Documentation
in PROJEKT LOUNY ENGINEERING s.r.o.	4102127234	Preparation of Documentation for Joint Building Permits and Land Use Proceeding
in PROJEKT LOUNY ENGINEERING s.r.o.	4102132382	Securing of Author's Supervision



Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
in PROJEKT LOUNY ENGINEERING s.r.o.	4102146778	Preparation of Project Documentation
in PROJEKT LOUNY ENGINEERING s.r.o.	4102181189	Author's Supervision
in PROJEKT LOUNY ENGINEERING s.r.o.	4102207482	Preparation of Documentation for Construction Implementation
in PROJEKT LOUNY ENGINEERING s.r.o.	4102207816	Preparation of Reclamation Plan and Implementation of Pedological Survey
in PROJEKT LOUNY ENGINEERING s.r.o.	4102267573	Author's Supervision
in PROJEKT LOUNY ENGINEERING s.r.o.	4400047183	Technical Assistance
in PROJEKT LOUNY ENGINEERING s.r.o.	4400049371	Preparation of the Waterworks Handling Rules
Inven Capital, SICAV, a.s.		Agreement on Subscription, Issuance, and Buyback of Shares of February 21, 2018
Inven Capital, SICAV, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Inven Capital, SICAV, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Inven Capital, SICAV, a.s.	5600005989	Agreement on the Provision of Services – Media Services (Websites)
Inven Capital, SICAV, a.s.	5600008710	Service Provision Agreement
Inven Capital, SICAV, a.s.	5600011270	License Agreement on the Provision of the Right to Use Trademarks
Inven Capital, SICAV, a.s.	5600009180	Individual Delegation Contract
Inven Capital, SICAV, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
Jadrová energetická spoločnosť Slovenska, a. s.	5600001570	Service Provision Agreement
KART TZB, spol. s r.o.		Agreement on the Issuance of Guarantees of January 28, 2019 (Agreement Subject: Provision of Guarantees)
KART TZB, spol. s r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of February 20, 2019
KART TZB, spol. s r.o.	4102116533	Urinal Supply
KART, spol. s r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of September 18, 2017
KART, spol. s r.o.	4102148251	Purchase Agreement (Air Filter)
Kofler Energies Energieeffizienz GmbH	DE2018/5	Loan Facility Agreement (Agreement Subject: Loan)
Kofler Energies Ingenieurgesellschaft mbH	DE2018/5	Loan Facility Agreement (Agreement Subject: Loan)
Kofler Energies International GmbH	DE2018/5	Loan Facility Agreement (Agreement Subject: Loan)
Kofler Energies Systems GmbH	DE2018/5	Loan Facility Agreement (Agreement Subject: Loan)
Kongresové centrum Praha, a.s.	4102273037	Provision of Services
Kongresové centrum Praha, a.s.	4102274199	Accommodation
LOMY MOŘINA spol. s r.o.	4101292997	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4101292999	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4101293020	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4102093234	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4102093370	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4102093391	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4102093393	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4102095998	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4102132927	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4102150668	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4102157987	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4102204988	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4102217721	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4102232589	Agreement on Limestone Supplies
M.W. Team Invest S.R.L.		Agreement on the Issuance of Guarantees of March 8, 2019 (Agreement Subject: Provision of Guarantees)
MARTIA a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
MARTIA a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
MARTIA a.s.		Agreement on the Issuance of Guarantees of June 17, 2010
MARTIA a.s.	4400024993	Pump Station Operation
MARTIA a.s.	4400027337	Provision of Logical Unit Repair and Maintenance
MARTIA a.s.	4400028640	Equipment Repair and Maintenance
MARTIA a.s.	4400032201	Operating Mechanics Activities
MARTIA a.s.	4400032307	Operating Mechanics Activities
MARTIA a.s.	4400032347	Operating Mechanics Activities
MARTIA a.s.	4400033366	Maintenance and Repair
MARTIA a.s.	4400033368	Equipment Repair and Maintenance
MARTIA a.s.	4400033369	Equipment Repair and Maintenance
MARTIA a.s.	4400033391	Equipment Repair and Maintenance
MARTIA a.s.	4400033392	Equipment Repair and Maintenance

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
MARTIA a.s.	4400034300	Completion of Inspections, Checks, and Revisions of Restricted Electrical Equipment and Lightning Conductors
MARTIA a.s.	4400036252	Equipment Repair and Maintenance
MARTIA a.s.	4400036253	Equipment Repair and Maintenance
MARTIA a.s.	4101634929	Modernization of the Control System and Protection of the Kamyk Power Plant
MARTIA a.s.	4101656662	Modernization of Substations and Low Voltage Distributions in the Kamyk Power Plant
MARTIA a.s.	4101656681	Supply and Replacement of Stationary Transformers for the Kamyk Power Plant's Internal Consumption
MARTIA a.s.	4101632945	Handling
MARTIA a.s.	4400036655	General Contract for Work (Provision of Maintenance)
MARTIA a.s.	4400036661	General Contract for Work (Provision of Maintenance)
MARTIA a.s.	4400040001	Agreement on the Provision of Services (Handling and Cleaning Works)
MARTIA a.s.	4400040604	Contract for Work (Short Coupling Replacement)
MARTIA a.s.	4400040694	Agreement on the Provision of Services (Handling and Cleaning Works)
MARTIA a.s.	4400040695	Agreement on the Provision of Services (Handling Works)
MARTIA a.s.		Agreement on the Transfer of Some of the Employer's Activities of December 31, 2019
MARTIA a.s.	ELE/20160097	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Ledvice Power Plant
MARTIA a.s.	TETR/20130008	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Trmice Heating Plant
MARTIA a.s.	EHO/2017/010	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Hodonín Power Plant
MARTIA a.s.	EPO/2017/002	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Poříčí Power Plant
MARTIA a.s.	69976800_1	Heat and Hot Water Supply Agreement
MARTIA a.s.	69976900_1	Thermal Energy Supply Agreement
MARTIA a.s.	69983600_1	Heat Supply Agreement
MARTIA a.s.	69977401_1	Thermal Energy Supply Agreement
MARTIA a.s.	69972103_1	Thermal Energy Supply Agreement
MARTIA a.s.	69981300_1	Thermal Energy Supply Agreement
MARTIA a.s.	69972903_1	Thermal Energy Supply Agreement
MARTIA a.s.	69982800_1	Thermal Energy Supply Agreement
MARTIA a.s.	69984600_1	Thermal Energy Supply Agreement
MARTIA a.s.	4101666085	Field Suppressor and Electric Braking Circuitry Upgrade
MARTIA a.s.	4102026111	Project Documentation
MARTIA a.s.	4102039604	Provision of Power Supply for Turbine Generator Emergency Pumps
MARTIA a.s.	4102086969	Contract for Work (Implementation of Risk Reduction Measures at Coaling Logical Unit)
MARTIA a.s.	4102096015	Construction of Backup Electric Steam Boiler Plant
MARTIA a.s.	4102096435	Overhaul of Pump Station Computers and Automatic Machinery
MARTIA a.s.	4102096671	Maintenance and Repair
MARTIA a.s.	4400044536	Unit Switchboard Repair
MARTIA a.s.	4400045631	Partial Repair of Fluidized Bed Boiler
MARTIA a.s.	4400046177	Control System Servicing and Maintenance
MARTIA a.s.	5600008040	Service Provision Agreement
MARTIA a.s.	205434	Psychological Examination
MARTIA a.s.	207820	Psychological Examination
MARTIA a.s.	69997300_1	Thermal Energy Supply Agreement
MARTIA a.s.		Employers' Agreement on Temporary Employee Assignment pursuant to Section 43a of the Labor Code between ČEZ, a. s., and MARTIA a.s., of August 10, 2020
MARTIA a.s.	200604	Calibration of Gauges
MARTIA a.s.	000865_2020	Lease Agreement
MARTIA a.s.	000079_2016	Lease Agreement
MARTIA a.s.	000579_2014	Lease Agreement
MARTIA a.s.	000724_2015	Lease Agreement
MARTIA a.s.	000861_2018	Lease Agreement
MARTIA a.s.	000870_2015	Lease Agreement
MARTIA a.s.	001191_2014	Lease Agreement
MARTIA a.s.	001200_2013	Lease Agreement
MARTIA a.s.	001229_2014	Lease Agreement
MARTIA a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
MARTIA a.s.	4102190605	Preparation of the Pilot Photovoltaic Power Plant Project
MARTIA a.s.	4102253687	Wrench Outlet Addition
MARTIA a.s.	4102262589	System Strengthening Against Electric Shocks
MARTIA a.s.	4102145225	Agreement on the Preparation of Preliminary Work for the Subsequent Reconstruction of the Cable Trunking
MARTIA a.s.	4102147321	Air Heater Reconstruction
MARTIA a.s.	4102148777	Slag Belt Modernization
MARTIA a.s.	4102149789	Modification of the Commercial Metering Switchboard
MARTIA a.s.	4102164997	Control System Upgrade
MARTIA a.s.	4102170299	Test Wireless Diagnostic Kit Installation
MARTIA a.s.	4102192442	Meteorological Station Supply and Installation
MARTIA a.s.	4102204130	Cooling Station Reconstruction
MARTIA a.s.	4102223419	Analyzer Supply and Installation
MARTIA a.s.	4102227474	Replacement of the Turbine Generator Information System and Substation Control System
MARTIA a.s.	4102231207	Installation of Shut-Off Valves at the Hot Water Pipe Inlets and Outlets

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
MARTIA a.s.	4102233990	Creation and Installation of Continuous Emission Measurement
MARTIA a.s.	4102239383	Optimization of Smoke Ventilator Control Connection
MARTIA a.s.	4102247441	Flow Meter Supply and Installation
MARTIA a.s.	4102248834	Temperature Measuring Cabling Modification
MARTIA a.s.	4102249478	Lighting Reconstruction
MARTIA a.s.	4102252750	Purchase Agreement (Demineralized Water Particulate Filter)
MARTIA a.s.	4102256657	Control System Upgrade
MARTIA a.s.	4102260054	Block Transformer Bushing Monitoring
MARTIA a.s.	4102262481	Supply and Installation of Monitoring Equipment for Partial Discharge of Generators
MARTIA a.s.	4102276322	Installation of Generator Switch From the Generator Outlet
MARTIA a.s.	4102143270	Regular Inspection of Machines and Appliances
MARTIA a.s.	4102170871	Washing Box Inspection
MARTIA a.s.	4102179938	Electrical Work and Inspection
MARTIA a.s.	4102258264	Lightning Conductor Installation Inspection
MARTIA a.s.	4102151974	Training
MARTIA a.s.	4102247872	Training
MARTIA a.s.	4102252976	Training
MARTIA a.s.	4102263967	Training
MARTIA a.s.	4400047656	Inspection
MARTIA a.s.	4400047745	Inspection
MARTIA a.s.	4400046607	Generator Repair
MARTIA a.s.	4400047029	Unit Switchboard Repair
MARTIA a.s.	4400047317	Generator Repair
MARTIA a.s.	4400048315	Installation and Repair of Encapsulated Conductors
MARTIA a.s.	4400048638	Inspection of High Voltage Substations
MARTIA a.s.	4400048758	Revisions and Medium Repairs of Generator Switches
MARTIA a.s.	4400049116	Inspection of High Voltage Switches
MARTIA a.s.	4400049277	Fluid Boiler Superheater Coil Replacement
MARTIA a.s.	4400048110	Generator Inspection
Moser & Partner Ingenieurbüro GmbH	2020/2	Loan Facility Agreement (Agreement Subject: Loan)
OEM Energy sp. z o.o.		Agreement on the Issuance of Guarantees of April 13, 2018 (Agreement Subject: Provision of Guarantees)
OSC, a.s.	4101847713	Contract for Work (Gas Panel Upgrade)
OSC, a.s.	4400042037	Equipment Repair Agreement
OSC, a.s.	4400042431	Contract for Work (Preparation of Operational Analyses for Simulator Operation)
OSC, a.s.	4102008945	Contract for Work (Full-Scale Simulator Modification)
OSC, a.s.	4102092501	Display Simulator Licensing Agreement
OSC, a.s.	4102092850	Full-Scale Simulator Licensing Agreement
OSC, a.s.	4101923397	Contract for Work (Documentation Preparation and Implementation of Changes in a New Simulator Model)
OSC, a.s.	4101963267	Contract for Work (Heating Water Heater Part Replacement)
OSC, a.s.	4102007868	Contract for Work (Modification of Safety Valve Terminal Units)
OSC, a.s.	4400042026	Provision of System Servicing and Technical Support
OSC, a.s.	4400042036	Performance of Repairs and Provision of System Technical Support
OSC, a.s.	4400042038	Performance of Repairs and Provision of System Technical Support
OSC, a.s.	4400043822	Performance of Diagnostics and Adjustment of Measurement and Regulation Circuits
OSC, a.s.	4102129249	Reconstruction of Terminal Measurement Control
OSC, a.s.	4102131001	System Reimplementation
OSC, a.s.	4102144930	Contract for Work (Comprehensive Upgrade of the Simulator Models)
OSC, a.s.	4102181643	Full-Range Simulator Modification
OSC, a.s.	4102211048	Disconnected Sensor Disassembly
OSC, a.s.	4102211050	Adjustment of Block Information System Display Range
OSC, a.s.	4102211095	Device Blockage Removal
OSC, a.s.	4102211920	Transport of Measurements
OSC, a.s.	4102212267	Alarming Optimization
OSC, a.s.	4102212517	Software Supply, Documentation Preparation
OSC, a.s.	4102212589	Measurement of Motor Currents
OSC, a.s.	4102212600	Flow Meter Replacement
OSC, a.s.	4102212610	Data Implementation
OSC, a.s.	4102212656	Modifications in the Operation of Low-Pressure Regeneration
OSC, a.s.	4102212662	Modification of Sequential Machines
OSC, a.s.	4102215185	Turbine Generator Outage
OSC, a.s.	4102248860	System Reimplementation
OSC, a.s.	4102264457	Agreement on Work (Verification on Display Simulator)
OSC, a.s.	4102120648	Frequency Recovery Process Certification
OSC, a.s.	4102140527	Ancillary Service Certification
OSC, a.s.	4102148829	Commercial Metering Upgrade
OSC, a.s.	4102157687	Certification Test of the Power Balance Service
OSC, a.s.	4102168460	Ancillary Service Certification Execution
OSC, a.s.	4102183638	Certification Measuring of the Power Balance Service

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
OSC, a.s.	4102189994	Preparation of Operational Feasibility Study
OSC, a.s.	4102192880	Communication Between the Electric Boiler and the Dispatching System and Related Supplies
OSC, a.s.	4102248062	Power Balance Service Certification
OSC, a.s.	4102272400	Additional Measurement of the Power Balance Service Certification Test
OSC, a.s.	4102229683	Training
OSC, a.s.	4102269709	Training
OSC, a.s.	4400046913	Technical Assistance With Software Terminal Modification
OSC, a.s.	4400048987	Time Switchboard Repair
Ovidiu Development S.A.	CZWOD5007	General Agreement on Power Supply and Consumption (EFET)
Ovidiu Development S.A.		General Agreement on Financial Market Trading (ISDA) of December 20, 2013
Ovidiu Development S.A.		Agreement on the Issuance of Guarantees of April 10, 2013 (Agreement Subject: Provision of Guarantees)
PRODECO, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
PRODECO, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
PRODECO, a.s.		Agreement on the Issuance of Guarantees of September 1, 2013
PRODECO, a.s.	P3A18000014022	Personal Data Processing Agreement
PRODECO, a.s.	5600003577	Service Provision Agreement
PRODECO, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
PRODECO, a.s.	4102140088	Purchase Agreement (Sampler Spare Parts)
Revitrans, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
Revitrans, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Revitrans, a.s.	000032_2009	Easement Agreement
Revitrans, a.s.	5600008682	Agreement on Surface Water Sale
Revitrans, a.s.	P3A18000014021	Personal Data Processing Agreement
Revitrans, a.s.	4100831696	Subsequent Reclamation of the Letiště Dump
Revitrans, a.s.	5600003576	Service Provision Agreement
Revitrans, a.s.	P3A20000000177	Personal Data Processing Agreement
Revitrans, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
Revitrans, a.s.	5600005760	Purchase Agreement (Diesel Fuel)
Sakarya Elektrik Dağıtım A.Ş.		Compensation Agreement of May 20, 2016 (Agreement Subject: Reward for Provided Guarantee)
Sakarya Elektrik Perakende Satış A.Ş.		Compensation Agreement of May 20, 2016 (Agreement Subject: Reward for Provided Guarantee)
SD - Kolejová doprava, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
SD - Kolejová doprava, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
SD - Kolejová doprava, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
SD - Kolejová doprava, a.s.	4100660503	Agency Agreement for Coordination of Coal and Sorbent Transportation to ČEZ, a. s., Power Plants
SD - Kolejová doprava, a.s.	4101341606	Measuring of the Coal and Limestone Supplies
SD - Kolejová doprava, a.s.	4400000386	Mandate Agreement – Railway Operation
SD - Kolejová doprava, a.s.	4400004994	Siding Operation and Maintenance
SD - Kolejová doprava, a.s.	4400013836	Fuel Storage Site Thermography Measuring
SD - Kolejová doprava, a.s.	4400016432	Operating a Railway and Railway Transportation, Coal Handling, Fuel Storage Site, and Other Activities
SD - Kolejová doprava, a.s.	4400017554	Fuel Storage Site Thermography Measuring
SD - Kolejová doprava, a.s.	4400017901	Agreement on the Operation of Railway and Train Transportation
SD - Kolejová doprava, a.s.	4400020004	Agreement on Railway Goods Transportation
SD - Kolejová doprava, a.s.	4400027228	Operating a Railway and Railway Transportation, Coal Handling, Fuel Storage Site, and Other Activities
SD - Kolejová doprava, a.s.	5600001981	Agreement on the Transport Road Use
SD - Kolejová doprava, a.s.	4400036636	Provision of Powder Limestone and Burnt Lime Barreling
SD - Kolejová doprava, a.s.	4101691473	Advertising Partnership Agreement (Locomotives)
SD - Kolejová doprava, a.s.	4101916375	Easement Agreement
SD - Kolejová doprava, a.s.	4400041721	Siding Operation
SD - Kolejová doprava, a.s.	5600001542	Service Provision Agreement
SD - Kolejová doprava, a.s.	5600009206	Purchase Agreement for Diesel Fuel
SD - Kolejová doprava, a.s.	5600009202	Purchase Agreement for Diesel Fuel
SD - Kolejová doprava, a.s.	69936101_1	Heat Supply Agreement
SD - Kolejová doprava, a.s.	EPO/2011/021	Electricity Supply Agreement
SD - Kolejová doprava, a.s.	69958300_1	Heat Supply Agreement
SD - Kolejová doprava, a.s.	69959500_1	Heat Supply Agreement
SD - Kolejová doprava, a.s.	TETR/20180020	Electricity Supply Agreement
SD - Kolejová doprava, a.s.	69992200_1	Heat Supply Agreement
SD - Kolejová doprava, a.s.	000730_2018	Lease Agreement
SD - Kolejová doprava, a.s.	P3A18000014023	Personal Data Processing Agreement
SD - Kolejová doprava, a.s.	69964900_1	Heat and Hot Water Supply Agreement
SD - Kolejová doprava, a.s.	4101966490	Advertising Partnership Agreement
SD - Kolejová doprava, a.s.	000222_2018	Utility Easement Agreement
SD - Kolejová doprava, a.s.	001129_2010	Easement Agreement
SD - Kolejová doprava, a.s.	P3A20000000151	Personal Data Processing Agreement
SD - Kolejová doprava, a.s.	000231_2017	Utility Easement Agreement

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
SD - Kolejová doprava, a.s.	000452_2017	Utility Easement Agreement
SD - Kolejová doprava, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
SD - Kolejová doprava, a.s.	4102214684	Fuel Tipper Track Reconstruction
SD - Kolejová doprava, a.s.	4102231303	Siding Track Reconstruction
SD - Kolejová doprava, a.s.	4102173404	Coal Transportation Agreement
SD - Kolejová doprava, a.s.	4102256490	Coal Transportation Agreement
SD - Kolejová doprava, a.s.	4102199283	Advertising Partnership Agreement
SD - Kolejová doprava, a.s.	4400047544	Siding Operation and Limestone Unloading
SD - Kolejová doprava, a.s.	4400048611	Siding Operation and Limestone Unloading
SD - Kolejová doprava, a.s.	69943200_2	Thermal Energy Supply Agreement
SD - Kolejová doprava, a.s.	000204_2020	Lease Agreement
Severočeské doly a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
Severočeské doly a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
Severočeské doly a.s.		Contracting Entities' Articles of Association—Contracting Entities Association Agreement of May 30, 2014
Severočeské doly a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 22, 2016
Severočeské doly a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Severočeské doly a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Severočeské doly a.s.	2018/1	Loan Facility Agreement (Agreement Subject: Loan)
Severočeské doly a.s.	2018/2	Loan Facility Agreement (Agreement Subject: Loan)
Severočeské doly a.s.	4100038885	Subsequent Restoration of the Dump
Severočeské doly a.s.	4100314894	Electricity and Heat Supplies, Water/Sewer Fees
Severočeské doly a.s.	4100670482	Electricity and Heat Supplies, Water/Sewer Fees
Severočeské doly a.s.	4100979534	IT and Telecommunications Services Agreement
Severočeské doly a.s.	4400027605	Electricity and Heat Supplies, Water/Sewer Fees
Severočeské doly a.s.	4400037008	Establishment of a Shared Fire Protection Brigade
Severočeské doly a.s.	4400031844	Mid-Term Purchase Agreement (Coal)
Severočeské doly a.s.	4400040045	Lease Agreement
Severočeské doly a.s.	5600002203	Agreement on the Co-Financing and Cooperation during the Rented Land Restoration
Severočeské doly a.s.	5600006920	Wastewater Drainage and Disposal
Severočeské doly a.s.	5600007141	Purchase Agreement for Surface Water
Severočeské doly a.s.	5600005510	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
Severočeské doly a.s.	4400027900	Land Lease Agreement
Severočeské doly a.s.	000369_2017	Lease Agreement
Severočeské doly a.s.	000311_2018	Easement Agreement
Severočeské doly a.s.	5600001494	Service Provision Agreement
Severočeské doly a.s.		Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Ledvice Power Plant, of December 20, 2018
Severočeské doly a.s.		Agreement on Power Supply of November 29, 2018
Severočeské doly a.s.	P3A18000014020	Personal Data Processing Agreement
Severočeské doly a.s.	000520_2019	Easement Agreement
Severočeské doly a.s.	69906125_1	Thermal Energy Supply Agreement
Severočeské doly a.s.	4100981693	Lease Agreement
Severočeské doly a.s.	5600005063	Preliminary Sales Agreement for Coal Combustion Products
Severočeské doly a.s.	5600010250	Power Supply Operation and Minor Maintenance
Severočeské doly a.s.		Agreement on Cooperation in the Performance of a Public Contract of August 14, 2018
Severočeské doly a.s.		Agreement on Cooperation in the Performance of a Public Contract of July 3, 2018
Severočeské doly a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 26, 2019
Severočeské doly a.s.		Restricted Fund Asset Management Agreement of September 24, 2019
Severočeské doly a.s.	000001_2012	Easement Agreement
Severočeské doly a.s.	000681_2016	Utility Easement Agreement
Severočeské doly a.s.	5600007644	Conduct of Audit
Severočeské doly a.s.	000326_2018	Utility Easement Agreement
Severočeské doly a.s.	000673_2019	Utility Easement Agreement
Severočeské doly a.s.		Purchase and Easement Agreement of March 12, 2007
Severočeské doly a.s.	000464_2009	Easement Agreement
Severočeské doly a.s.	000492_2013	Easement Agreement
Severočeské doly a.s.	P3A20000000178	Personal Data Processing Agreement
Severočeské doly a.s.	000202_2020	Lease Agreement
Severočeské doly a.s.	000290_2020	Agreement on the Sale and Purchase of Real Estate with Utility Easement
Severočeské doly a.s.	000567_2020	Easement Agreement
Severočeské doly a.s.	000846_2019	Lease Agreement
Severočeské doly a.s.	000031_2009	Easements Agreement
Severočeské doly a.s.	000144_2016	Preliminary Utility Easement Agreement
Severočeské doly a.s.	000610_2012	Easement Agreement
Severočeské doly a.s.	000845_2019	Utility Easement Agreement
Severočeské doly a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of February 14, 2020
Severočeské doly a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of April 22, 2020

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
Severočeské doly a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
Severočeské doly a.s.	4102090702	Coal Supplies Contract
Severočeské doly a.s.	4102090745	Coal Supplies Contract
Severočeské doly a.s.	4102090747	Coal Supplies Contract
Severočeské doly a.s.	4102090749	Coal Supplies Contract
Severočeské doly a.s.	4102090756	Coal Supplies Contract
Severočeské doly a.s.	4102090774	Coal Supplies Contract
Severočeské doly a.s.	4102090803	Coal Supplies Contract
Severočeské doly a.s.	4102090808	Utilization of Coal Combustion Products
Severočeské doly a.s.	4102090815	Coal Supplies Contract
Severočeské doly a.s.	4102091220	Coal Supplies Contract
Severočeské doly a.s.	4102090726	Coal Supplies Contract
Severočeské doly a.s.	4102091845	Coal Supplies Contract
Severočeské doly a.s.	4102091861	Coal Supplies Contract
Severočeské doly a.s.	4102108403	Purchase Agreement (Entrance Chip Cards)
Severočeské doly a.s.	4102277975	Lease Agreement
Severočeské doly a.s.	4102212597	Training
Severočeské doly a.s.	4102219293	Training
Severočeské doly a.s.	5600012339	Cartridge Sales
Severočeské doly a.s.	4102105788	Licensing
Severočeské doly a.s.	5600007575	Agreement on Surface Water Supply and Consumption
Severočeské doly a.s.	410194325	Coal Combustion Products Supply
Severočeské doly a.s.	410194326	Coal Combustion Products Supply
Severočeské doly a.s.	ETU/2019/EE003	Electricity Supply Agreement
Severočeské doly a.s.		Agreement on Bill Trading and Bill Deposits of August 17, 2007
Severočeské doly a.s.	OMT45134555	Face Mask Supply
Severočeské doly a.s.	002893_2007	Easement Agreement
Severočeské doly a.s.		Agreement on Bill Trading and Bill Deposits of April 6, 2010
Solární servis, s.r.o.		Mutual Credit Facility Agreement based on the Multi-Level Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of March 21, 2016
Solární servis, s.r.o.	4102128540	Charging Station Delivery
Solární servis, s.r.o.	4102183498	Purchase of Electric Car Charging Stations
Solární servis, s.r.o.	4102204921	Electric Car Stickers and Transport
Syneco tec GmbH	2020/2	Loan Facility Agreement (Agreement Subject: Loan)
ŠKODA PRAHA a.s.	4400041478	Agreement on the Provision of Services (Engineering-Consulting Services in the Power Supply Area)
ŠKODA PRAHA a.s.	001079_2014	Lease Agreement
ŠKODA PRAHA a.s.	000394_2017	Lease Agreement
ŠKODA PRAHA a.s.	69932100_1	Thermal Energy Supply Agreement
ŠKODA PRAHA a.s.	69932101_1	Thermal Energy Supply Agreement
ŠKODA PRAHA a.s.	69993401_1	Thermal Energy Supply Agreement
ŠKODA PRAHA a.s.	69993402_1	Thermal Energy Supply Agreement
ŠKODA PRAHA a.s.	4400046175	Restoration of Býšov Retention Basin Capacity
ŠKODA PRAHA a.s.	4400046187	Contract for Work (Býšov Retention Basin Capacity Enhancement)
ŠKODA PRAHA a.s.	5600001492	Service Provision Agreement
ŠKODA PRAHA a.s.	4100493455	Contract for Work—Construction General Completion
ŠKODA PRAHA a.s.	4100268641	Contract for Work—Construction General Completion
ŠKODA PRAHA a.s.	4400005534	Contract for Work—Construction General Completion
ŠKODA PRAHA a.s.	000580_2014	Lease Agreement
ŠKODA PRAHA a.s.	000039_2014	Lease Agreement
ŠKODA PRAHA a.s.	4101977993	Contract for Work (Technological Optimization of Failure Reporting)
ŠKODA PRAHA a.s.	000455_2017	Lease Agreement
ŠKODA PRAHA a.s.	001034_2008	Lease Agreement
ŠKODA PRAHA a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
ŠKODA PRAHA a.s.		Nondisclosure and Restricted Use Agreement of August 25, 2017 (Agreement Subject: Information Protection)
ŠKODA PRAHA a.s.	4100813391	Reconstruction of the Raw Water Supply Systems
ŠKODA PRAHA a.s.	4101424051	Replacement of Defective Piping Segments
ŠKODA PRAHA a.s.	4400005523	Project Reserves Utilization
ŠKODA PRAHA a.s.	4100901491	Contract for Work
ŠKODA PRAHA a.s.	4100757023	Contract for Work
ŠKODA PRAHA a.s.	4100849024	Contract for Work
ŠKODA PRAHA a.s.	4100418916	Contract for Work
ŠKODA PRAHA a.s.	4400047138	Steam Pipeline Reconstruction
ŠKODA PRAHA a.s.	4102182069	Contract for Work
ŠKODA PRAHA a.s.	4400047271	Feasibility Study
ŠKODA PRAHA a.s.	4102209818	Contract for Work
ŠKODA PRAHA a.s.	4102250684	Contract for Work
ŠKODA PRAHA a.s.	4102265392	Service Provision Agreement
ŠKODA PRAHA a.s.	4102275356	Contract for Work

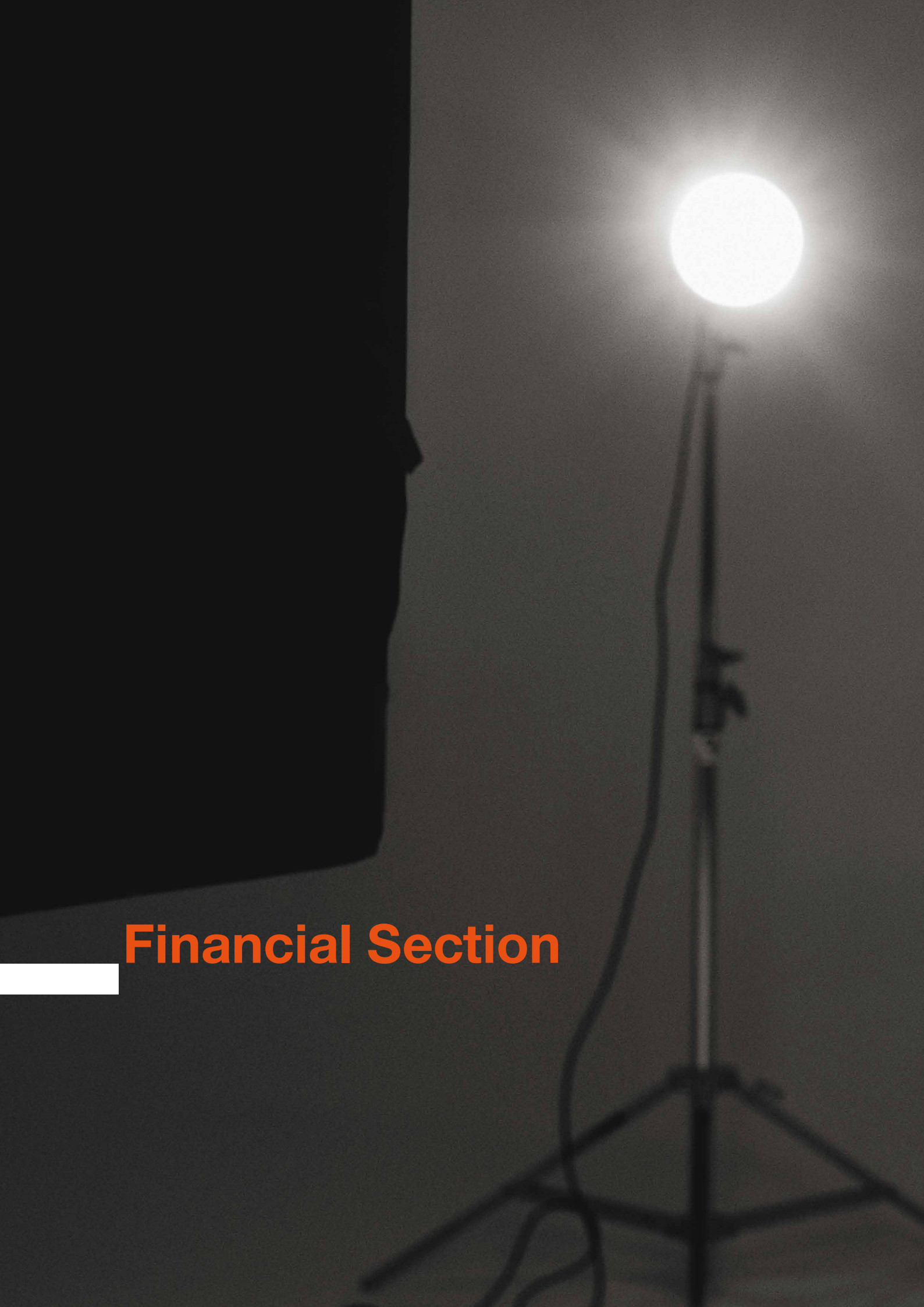


Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
Telco Infrastructure, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of September 16, 2019
Telco Infrastructure, s.r.o.	5600011131	Service Provision Agreement
Telco Infrastructure, s.r.o.	5600011812	License Agreement on the Provision of the Right to Use Trademarks
Telco Pro Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
Telco Pro Services, a. s.		Agreement on Coordinated Action in the Award of a Public Contract (Servicing, Development, and Renovation of Telecommunications Access and Transmission Network with SDH/TDM/MPLS Equipment and Appropriate Monitoring Systems) of 2019
Telco Pro Services, a. s.		Agreement on Coordinated Action in the Award of a Public Contract (Power Supply Systems for Telecommunications Equipment) of 2018
Telco Pro Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Active LAN Element Renovation) of 2019
Telco Pro Services, a. s.	P3A18000014318	Personal Data Processing Agreement
Telco Pro Services, a. s.	5600008760	License Agreement on the Provision of the Right to Use Trademarks
Telco Pro Services, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Telco Pro Services, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Telco Pro Services, a. s.		Mutual Credit Facility Agreement of July 29, 2013 (Agreement Subject: Mutual Credit Facilities)
Telco Pro Services, a. s.	4400039928	Lease Agreement
Telco Pro Services, a. s.	4400023736	Service Provision Agreement
Telco Pro Services, a. s.	4400024013	Lease Agreement for Land
Telco Pro Services, a. s.	4400031250	Agreement on Website Services
Telco Pro Services, a. s.	4101756925	Non-Residential Facility Lease
Telco Pro Services, a. s.	4101838378	Agreement on Information Technology and Telecommunications Services
Telco Pro Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of June 5, 2018
Telco Pro Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of January 7, 2019
Telco Pro Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Active WAN Telecommunications Access Network Element Renovation) of 2018
Telco Pro Services, a. s.	000541_2017	Preliminary Easement Agreement
Telco Pro Services, a. s.	000629_2013	Lease Agreement
Telco Pro Services, a. s.		General Agreement on Cession of Receivables of June 11, 2020
Telco Pro Services, a. s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
Telco Pro Services, a. s.	4102212307	Purchase Agreement (Protective Equipment)
Telco Pro Services, a. s.	4102217323	Purchase Agreement (Protective Equipment)
Telco Pro Services, a. s.	5A6550SM01-17000023	Personal Data Processing Agreement
Telco Pro Services, a. s.	5A6550SM01-17000024	Agreement on Personal Data Processing for the Sales Division
Telco Pro Services, a. s.	4102096602	Security System Delivery
Telco Pro Services, a. s.	4100765357	Lease
Telco Pro Services, a. s.	4101624083	Heat Supply
TENAUR, s.r.o.		Agreement on Mutual Credit Facilities Related to the Agreement on Provision of Multilevel Real Cash Pooling (ČS) of March 22, 2019
TENAUR, s.r.o.	4102189375	Science and Research (Creation of Universal Connector Prototype)
TENAUR, s.r.o.	4102203786	Science and Research (Aggregator Services)
TENAUR, s.r.o.	4102274507	Science and Research (Community Electricity Sharing)
TENAUR, s.r.o.	4102189375	Science and Research (IoT Box)
Tepló Klášterec s.r.o.	5600008660	Service Provision Agreement
Tepló Klášterec s.r.o.	000280_2017	Easement Agreement
Tepló Klášterec s.r.o.	5600011620	Reprographic Services
TMK Hydroenergy Power S.R.L.		General Agreement on Power Supply and Consumption (EFET) of November 28, 2014
TMK Hydroenergy Power S.R.L.		Agreement on the Issuance of Guarantees of July 25, 2017 (Agreement Subject: Provision of Guarantees)
Tomis Team S.A.	CZWTT6714	General Agreement on Power Supply and Consumption (EFET)
Tomis Team S.A.		General Agreement on Financial Market Trading (ISDA) of December 20, 2013
Tomis Team S.A.		Agreement on the Issuance of Guarantees of April 10, 2013 (Agreement Subject: Provision of Guarantees)
ÚJV Řež, a. s.	000153_2019	Lease Agreement
ÚJV Řež, a. s.	4101303571	Agreement on Cooperation in the Area of Joint Supplier Audit Completion
ÚJV Řež, a. s.	4101548387	Selectivity Database Update
ÚJV Řež, a. s.	4101650278	Provision of Work of the Engineering Solutions Group
ÚJV Řež, a. s.	4101714800	Resealing of the Compensation Box Node
ÚJV Řež, a. s.	4101599335	McSAFE Project Horizon2020 Program
ÚJV Řež, a. s.	4100534338	Contract for Work (Technical Assistance in Additional Cask Procurement)
ÚJV Řež, a. s.	4101282678	Contract for Work (Technical Assistance for Casks)
ÚJV Řež, a. s.	4101774371	Transfer of Results from the International Halden Reactor Project
ÚJV Řež, a. s.	4101787595	Contract for Work (Additional Pipe Labeling and Creation of a Piping Register, including the Addition of Selected Attributes and Links to Selected Welded Joints, Pipe Hangers, and Supports and Checkpoints)
ÚJV Řež, a. s.	4101790413	Contract for Work (Reconstruction of Essential Service Water Piping, Project Documentation Preparation)
ÚJV Řež, a. s.	4101810174	Nondisclosure Agreement
ÚJV Řež, a. s.	4101836876	Contract for Work (Fuel Rod Evaluation Methodology Preparation)
ÚJV Řež, a. s.	4101899067	Lease Agreement
ÚJV Řež, a. s.	4101913330	Electricity Supply for Electromobility

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ÚJV Řež, a. s.	4400033725	Contract for Work (Steam Generator Stand Maintenance)
ÚJV Řež, a. s.	4400040300	Contract for Work (Development and Updating of Operating Diagrams and Creation and Updating of Alphanumeric Equipment Data)
ÚJV Řež, a. s.	4400042278	Contract for Work (Reduction of the Concentrations of Hazardous Substances from Large Industrial Sources)
ÚJV Řež, a. s.	18SML127	Nondisclosure Agreement of November 1, 2018
ÚJV Řež, a. s.	18SML113	Nondisclosure Agreement
ÚJV Řež, a. s.		Agreement on the Issuance of Guarantees of July 1, 2019 (Agreement Subject: Provision of Guarantees)
ÚJV Řež, a. s.		Nondisclosure Agreement of September 3, 2019
ÚJV Řež, a. s.	69992700_1	Thermal Energy Supply Agreement
ÚJV Řež, a. s.	69906361_1	Thermal Energy Supply Agreement
ÚJV Řež, a. s.	90017899	Contract for Work (SCORPIO Software Maintenance)
ÚJV Řež, a. s.	4400045004	Technical Assistance Agreement (Preparation of Supporting Documents and Data)
ÚJV Řež, a. s.	4400045527	Repair of Defects of Tensometric Measurements of the Containment Pretensioning System at the Temelin Nuclear Power Plant
ÚJV Řež, a. s.	4400046138	Technical Assistance Agreement (Data Analysis)
ÚJV Řež, a. s.	4102055630	Contract for Work (Project Reserve Utilization)
ÚJV Řež, a. s.	4101950483	Technical Assistance Agreement (Preparation of Selected Documentations and Provision of Expert Technical Assistance)
ÚJV Řež, a. s.	4101954269	Technical Assistance Agreement (Provision of Project Documentation and Author's Supervision for Future Construction)
ÚJV Řež, a. s.	4101961984	Technical Assistance Agreement (Documentation Preparation)
ÚJV Řež, a. s.	4102078276	Technical Assistance Agreement (Technical Assessment)
ÚJV Řež, a. s.	4102093760	Technical Assistance Agreement (Functional System Analyses)
ÚJV Řež, a. s.	4102093839	Technical Assistance Agreement (Design Base Reconstitution)
ÚJV Řež, a. s.	4102094006	Technical Assistance Agreement (Design Base Reconstitution)
ÚJV Řež, a. s.	4102052086	Assessment of the Trial Application of a Film-Forming Product in the Steam System of the Počerady CCGT Unit
ÚJV Řež, a. s.	4102080207	Technical Support in the Implementation of a New Type of Fuel at the Dukovany Nuclear Power Plant
ÚJV Řež, a. s.	4400032881	Agreement on the Provision of Technical Assistance for 2015–2020
ÚJV Řež, a. s.	20ON00025	Training
ÚJV Řež, a. s.	20NO00153	Calibration of Gauges
ÚJV Řež, a. s.	000967_2013	Lease Agreement
ÚJV Řež, a. s.	001361_2012	Lease Agreement
ÚJV Řež, a. s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of September 30, 2019
ÚJV Řež, a. s.	4102126659	Science and Research (Software Tool Development)
ÚJV Řež, a. s.	4102149839	Complementary Experiments to the Study of Fuel Assembly Management
ÚJV Řež, a. s.	4102156665	Data and Tools for Analyses of Melt Flow and Storability When Watered From Above
ÚJV Řež, a. s.	4102103109	Restoration of Protective Envelope Response Measurement
ÚJV Řež, a. s.	4102132299	Contract for Work
ÚJV Řež, a. s.	4102139796	Determination of Functional Parameters of the Filtered Ventilation System
ÚJV Řež, a. s.	4102151674	Project Work
ÚJV Řež, a. s.	4102152406	Expansion of Bicycle and Motorcycle Parking Capacities
ÚJV Řež, a. s.	4102157609	Solution for Layout and Modernization of Workshops
ÚJV Řež, a. s.	4102162330	Type Qualification Test Execution
ÚJV Řež, a. s.	4102209257	Project Work
ÚJV Řež, a. s.	4102209994	Software Upgrade
ÚJV Řež, a. s.	4102223753	Project Work
ÚJV Řež, a. s.	4102228419	Protection Check
ÚJV Řež, a. s.	4102228421	Selectivity Calculation
ÚJV Řež, a. s.	4102234512	Provision of Packaging Files
ÚJV Řež, a. s.	4102276074	Selectivity Database Update
ÚJV Řež, a. s.	4102127809	Purchase Agreement (Sealants)
ÚJV Řež, a. s.	4102132532	Purchase Agreement (Sealing)
ÚJV Řež, a. s.	4102134551	Purchase Agreement (Pressure Sensor)
ÚJV Řež, a. s.	4102169055	Purchase Agreement (Reagent)
ÚJV Řež, a. s.	4102184211	Purchase Agreement (Sealants and Glues)
ÚJV Řež, a. s.	4102201516	Purchase Agreement (Sealing)
ÚJV Řež, a. s.	4102205585	Preparation of Building Permit Documentation
ÚJV Řež, a. s.	4102214388	Preparation of Project Documentation
ÚJV Řež, a. s.	4102237422	Purchase Agreement (Sealants)
ÚJV Řež, a. s.	4102268565	Purchase Agreement (Sealants)
ÚJV Řež, a. s.	4102056235	Transfer of Results from the International Studsvik Cladding Integrity Project
ÚJV Řež, a. s.	4102179608	Decommissioning Plan Update
ÚJV Řež, a. s.	4102221046	Training
ÚJV Řež, a. s.	4102165356	Provision of Expert Opinion
ÚJV Řež, a. s.	4102173892	Training
ÚJV Řež, a. s.	4102198611	Consulting Services
ÚJV Řež, a. s.	4400046777	Prestressing System Check
ÚJV Řež, a. s.	4400046857	Transport of Samples, Verification of the Occurrence of Cracks in Critical Components Locations
ÚJV Řež, a. s.	4400046920	Technical Assistance

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ÚJV Řež, a. s.	4400046921	Technical Assistance
ÚJV Řež, a. s.	4400046980	Execution of Steel Wire Stock Tests
ÚJV Řež, a. s.	4400047215	Spectrometric Material Verification
ÚJV Řež, a. s.	4400047279	Technical Support for the Program of Aging Management of Swimming Pools and Shafts
ÚJV Řež, a. s.	4400047311	Analysis of Pipe Thermal Fatigue
ÚJV Řež, a. s.	4400047350	Spectrometer Measurement
ÚJV Řež, a. s.	4400047451	Evaluation of the Computational Program for Nuclear Facility Safety Assessment
ÚJV Řež, a. s.	4400047495	Contract for Work (Technical Assistance in Feasibility Study Processing for the Steam Generator Conservation)
ÚJV Řež, a. s.	4400047605	Sampling from the Surface of Heat Exchange Tubes in the Steam Generator
ÚJV Řež, a. s.	4400047669	Technical Assistance
ÚJV Řež, a. s.	4400048121	Securing Readiness to Provide Emergency Assistance
ÚJV Řež, a. s.	4400048344	Comprehensive Verification of the Thermal Stability of the Product Treatment Process
ÚJV Řež, a. s.	4400048345	Radiochemical Analysis Execution
ÚJV Řež, a. s.	4400048442	Technical Assistance
ÚJV Řež, a. s.	4400048472	Service for the Middle Part of the Fuel Cycle
ÚJV Řež, a. s.	4400048540	Contract for Work (Material Analysis of Welded Vessel Samples)
ÚJV Řež, a. s.	4400048562	Static Assessment and Proposal for Securing a Broken Guide
ÚJV Řež, a. s.	4400048563	Analysis of the Condition of the Generator Hydrogen Cooling Pipe
ÚJV Řež, a. s.	4400048604	Static Assessment and Proposal for Securing a Broken Guide
ÚJV Řež, a. s.	4400048622	Decomposition Processing for Three Selected Devices
ÚJV Řež, a. s.	4400048625	Technical Assistance
ÚJV Řež, a. s.	4400048668	Evaluation of the Computational Programs for Nuclear Facility Safety Assessment
ÚJV Řež, a. s.	4400048690	Technical Assistance
ÚJV Řež, a. s.	4400048742	Technical Assistance
ÚJV Řež, a. s.	4400048859	Steam Generator Expert Team Support
ÚJV Řež, a. s.	4400048900	Static Assessments and Proposals for Securing the System Beams
ÚJV Řež, a. s.	4400049136	Study for Rain Sewer Collector Repair
ÚJV Řež, a. s.	4400049143	Procedure Design for Identification, Evaluation, and Minimization of Boric Acid Solution Leakage with Influence on Reactor Materials in the Upper Reactor Block Area
ÚJV Řež, a. s.	4400049242	General Agreement on Technical Assistance
ÚJV Řež, a. s.	4400049398	Agreement on Database Processing
ÚJV Řež, a. s.	4400049434	Technical Assistance
ÚJV Řež, a. s.	4400049442	Verification of the Functionality of the Dismantled Air Lock Sealing Material
ÚJV Řež, a. s.	4400049470	Document and Data Preparation
ÚJV Řež, a. s.	4400049484	Analysis of the Condition of the Generator Hydrogen Cooling Pipe
ÚJV Řež, a. s.	4400049497	Technical Assistance
ÚJV Řež, a. s.	4400049540	Problem of Replacing Inaccessible Circuit Breakers on Switchboards
ÚJV Řež, a. s.	5600011290	General Agreement for Technical Support of the Future Operator
ÚJV Řež, a. s.	5600011570	Agreement on Gauge Calibration Verification
ÚJV Řež, a. s.	5600011467	Reprographic Services
ÚJV Řež, a. s.	4102211994	Loader and Seal Cover Supply
ÚJV Řež, a. s.	4102217764	Report Assessment
Ústav aplikované mechaniky Brno, s.r.o.	4100142728	Expert Assessment of the Boilers' Residual Lifetime
Ústav aplikované mechaniky Brno, s.r.o.	4101320144	Project Documentation Preparation
Ústav aplikované mechaniky Brno, s.r.o.	4101630450	Creation of New Software Tools
Ústav aplikované mechaniky Brno, s.r.o.	4101684024	Completion of Measurements of Material Properties
Ústav aplikované mechaniky Brno, s.r.o.	4101707506	Processing of Evidential Documentation for Individual Selected Machine System Equipment
Ústav aplikované mechaniky Brno, s.r.o.	4101869023	Contract for Work (Computational Assessment of the Actual Condition of a Joining Piece after Dissimilar Metal Weld Repair)
Ústav aplikované mechaniky Brno, s.r.o.	4400045596	Contract for Work for Sensor Installation and Temperature Measurement
Ústav aplikované mechaniky Brno, s.r.o.	4400041319	Contract for Work
Ústav aplikované mechaniky Brno, s.r.o.	4400045285	Expert Technical Assistance in Dealing with Plant Failure Conditions and Performance of Expert Technical Assessments
Ústav aplikované mechaniky Brno, s.r.o.	95/2020	Calibration of Gauges
Ústav aplikované mechaniky Brno, s.r.o.	4102124690	Technical Assistance
Ústav aplikované mechaniky Brno, s.r.o.	4400046824	Measurement of Characteristics of Pumps With Modified Impeller
Ústav aplikované mechaniky Brno, s.r.o.	4400046825	Control Valve Operating Characteristics
Ústav aplikované mechaniky Brno, s.r.o.	5600011468	Reprographic Services
Ústav aplikované mechaniky Brno, s.r.o.	4400046342	Technical Assistance Agreement

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
Výzkumný a zkušební ústav Plzeň s.r.o.	4100970009	Equipment Material Diagnostics
Výzkumný a zkušební ústav Plzeň s.r.o.	4102113956	Agreement on the Utilization of Results Achieved under a Research and Development Project of December 27, 2019
Výzkumný a zkušební ústav Plzeň s.r.o.	4400042837	Contract for Work (Technical Support in Vibration Diagnostic Measurement Durability and Reliability, Material Diagnostics, Stressing, and Noise Measurement)
Výzkumný a zkušební ústav Plzeň s.r.o.	4400044311	Inspection Agreement (Performance of Heat Exchanger Diagnostic Inspections)
Výzkumný a zkušební ústav Plzeň s.r.o.	4400045136	Experimental Verification of Fatigue Strength of Turbine Generator Cover Bolts
Výzkumný a zkušební ústav Plzeň s.r.o.	4102105697	Analysis of Turbine Generator Bolts
Výzkumný a zkušební ústav Plzeň s.r.o.	4102157197	Heat Spray of the Upper Part of the Suction Cup
Výzkumný a zkušební ústav Plzeň s.r.o.	4400047023	Measurement of Noise and Evaluation of the Internal Vibrations in Generators
Výzkumný a zkušební ústav Plzeň s.r.o.	4400047128	Band and Gauge Calibration
Výzkumný a zkušební ústav Plzeň s.r.o.	4400048607	End Gauge Calibration
Výzkumný a zkušební ústav Plzeň s.r.o.	4400049365	Technical Assistance, Expert Support



**Financial Section**

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## CEZ Group Consolidated Balance Sheet as of December 31, 2020

In CZK Millions

ASSETS:	Note	2020	2019
Plant in service		827,652	865,106
Less accumulated depreciation and impairment		(451,033)	(469,476)
<b>Net plant in service</b>		<b>376,619</b>	<b>395,630</b>
Nuclear fuel, at amortized cost		13,697	14,250
Construction work in progress, net		20,056	18,208
<b>Total property, plant and equipment</b>	3	<b>410,372</b>	<b>428,088</b>
Investments in associates and joint-ventures	9	4,075	3,283
Restricted financial assets, net	4	21,424	20,732
Other non-current financial assets, net	5	11,002	10,923
Intangible assets, net	6	24,244	37,429
Deferred tax assets	35	828	1,481
<b>Total other non-current assets</b>		<b>61,573</b>	<b>73,848</b>
<b>Total non-current assets</b>		<b>471,945</b>	<b>501,936</b>
Cash and cash equivalents, net	10	6,064	9,755
Trade receivables, net	11	63,648	65,030
Income tax receivable		664	707
Materials and supplies, net	12	9,898	8,889
Fossil fuel stocks, net		1,220	1,764
Emission rights	13	37,833	27,029
Other current financial assets, net	5	61,894	61,114
Other current assets, net	14	8,919	11,070
Assets classified as held for sale	15	40,373	17,280
<b>Total current assets</b>		<b>230,513</b>	<b>202,638</b>
<b>TOTAL ASSETS</b>		<b>702,458</b>	<b>704,574</b>
<b>EQUITY AND LIABILITIES:</b>	<b>Note</b>	<b>2020</b>	<b>2019</b>
Stated capital		53,799	53,799
Treasury shares		(2,845)	(2,885)
Retained earnings and other reserves		182,917	199,847
<b>Total equity attributable to equity holders of the parent</b>	16	<b>233,871</b>	<b>250,761</b>
Non-controlling interests	9	4,692	4,603
<b>Total equity</b>		<b>238,563</b>	<b>255,364</b>
Long-term debt, net of current portion	17	122,102	142,570
Provisions	20	105,326	89,512
Other long-term financial liabilities	21	9,414	9,700
Deferred tax liability	35	19,383	20,626
Other long-term liabilities		34	31
<b>Total non-current liabilities</b>		<b>256,259</b>	<b>262,439</b>
Short-term loans	22	984	4,260
Current portion of long-term debt	17	28,741	25,063
Trade payables		73,189	66,244
Income tax payable		555	628
Provisions	20	13,665	14,253
Other short-term financial liabilities	21	72,114	63,187
Other short-term liabilities	23	6,759	7,544
Liabilities associated with assets classified as held for sale	15	11,629	5,592
<b>Total current liabilities</b>		<b>207,636</b>	<b>186,771</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>702,458</b>	<b>704,574</b>

The accompanying notes are an integral part of these consolidated financial statements.

## CEZ Group Consolidated Statement of Income for the Year Ended December 31, 2020

In CZK Millions

	Note	2020	2019
Sales of electricity, heat, gas and coal		138,015	130,418
Sales of services and other revenues		71,507	71,363
Other operating income		4,215	4,411
<b>Total revenues and other operating income</b>	25	<b>213,737</b>	<b>206,192</b>
Gains and losses from commodity derivative trading	26	6,122	7,610
Purchase of electricity, gas and other energies	27	(56,335)	(55,545)
Fuel and emission rights	28	(23,262)	(21,357)
Services	29	(30,147)	(31,231)
Salaries and wages	30	(30,855)	(28,820)
Material and supplies		(10,576)	(10,262)
Capitalization of expenses to the cost of assets and change in own inventories		3,450	2,986
Depreciation and amortization	3, 6	(28,284)	(29,016)
Impairment of property, plant and equipment and intangible assets	7	(24,062)	(4,860)
Impairment of trade and other receivables		(544)	(386)
Other operating expenses	31	(6,659)	(8,882)
<b>Income before other income (expenses) and income taxes</b>		<b>12,585</b>	<b>26,429</b>
Interest on debt		(5,269)	(5,473)
Interest on provisions		(1,955)	(1,893)
Interest income	32	377	403
Share of profit (loss) from associates and joint-ventures	9	188	18
Impairment of financial assets		(433)	(921)
Other financial expenses	33	(962)	(813)
Other financial income	34	3,375	661
<b>Total other income (expenses)</b>		<b>(4,679)</b>	<b>(8,018)</b>
<b>Income before income taxes</b>		<b>7,906</b>	<b>18,411</b>
Income taxes	35	(2,438)	(3,911)
<b>Net income</b>		<b>5,468</b>	<b>14,500</b>
Net income attributable to:			
Equity holders of the parent		5,438	14,373
Non-controlling interests		30	127
Net income per share attributable to equity holders of the parent (CZK per share):	38		
Basic		10.2	26.9
Diluted		10.2	26.8

The accompanying notes are an integral part of these consolidated financial statements.

## CEZ Group Consolidated Statement of Comprehensive Income for the Year Ended December 31, 2020

In CZK Millions

	Note	2020	2019
<b>Net income</b>		<b>5,468</b>	<b>14,500</b>
Change in fair value of cash flow hedges		(8,198)	10,891
Cash flow hedges reclassified to statement of income		2,916	8,253
Change in fair value of debt instruments		277	326
Disposal of debt instruments		(1)	(7)
Translation differences – subsidiaries		980	(1,337)
Translation differences – associates and joint-ventures		191	21
Disposal of translation differences		3	–
Share on other equity movements of associates and joint-ventures		(5)	(8)
Deferred tax related to other comprehensive income	35	954	(3,696)
<b>Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods</b>		<b>(2,883)</b>	<b>14,443</b>
Change in fair value of equity instruments		(1,046)	(347)
Re-measurement gains (losses) on defined benefit plans		(46)	(48)
Deferred tax related to other comprehensive income	35	199	70
<b>Net other comprehensive income not to be reclassified from equity in subsequent periods</b>		<b>(893)</b>	<b>(325)</b>
<b>Total other comprehensive income, net of tax</b>		<b>(3,776)</b>	<b>14,118</b>
<b>Total comprehensive income, net of tax</b>		<b>1,692</b>	<b>28,618</b>
Total comprehensive income attributable to:			
Equity holders of the parent		1,542	28,538
Non-controlling interests		150	80

The accompanying notes are an integral part of these consolidated financial statements.

## CEZ Group Consolidated Statement of Changes in Equity for the Year Ended December 31, 2020

In CZK Millions

	Note	Attributable to equity holders of the parent							Total	Non-controlling interests	Total equity
		Stated capital	Treasury shares	Translation difference	Cash flow hedge reserve	Debt instruments	Equity instruments and other reserves	Retained earnings			
<b>Balance as at January 1, 2019</b>		53,799	(3,534)	(11,565)	(18,337)	388	113	213,857	234,721	4,560	239,281
Net income		-	-	-	-	-	-	14,373	14,373	127	14,500
Other comprehensive income		-	-	(1,269)	15,506	260	(280)	(52)	14,165	(47)	14,118
<b>Total comprehensive income</b>		-	-	(1,269)	15,506	260	(280)	14,321	28,538	80	28,618
Dividends		-	-	-	-	-	-	(12,806)	(12,806)	(25)	(12,831)
Sale of treasury shares		-	649	-	-	-	-	(400)	249	-	249
Share options	30	-	-	-	-	-	38	-	38	-	38
Exercised and forfeited share options		-	-	-	-	-	(31)	31	-	-	-
Acquisition of subsidiaries	8	-	-	-	-	-	-	-	-	3	3
Acquisition of non-controlling interests		-	-	(1)	-	-	-	(92)	(93)	29	(64)
Put options held by non-controlling interests		-	-	(2)	-	-	-	116	114	(44)	70
<b>Balance as at December 31, 2019</b>		53,799	(2,885)	(12,837)	(2,831)	648	(160)	215,027	250,761	4,603	255,364
Net income		-	-	-	-	-	-	5,438	5,438	30	5,468
Other comprehensive income		-	-	1,056	(4,279)	226	(847)	(52)	(3,896)	120	(3,776)
<b>Total comprehensive income</b>		-	-	1,056	(4,279)	226	(847)	5,386	1,542	150	1,692
Dividends		-	-	-	-	-	-	(18,163)	(18,163)	(36)	(18,199)
Sale of treasury shares		-	40	-	-	-	-	(25)	15	-	15
Exercised and forfeited share options		-	-	-	-	-	(15)	15	-	-	-
Contribution from owners of non-controlling interests		-	-	-	-	-	-	-	-	13	13
Acquisition of non-controlling interests	8	-	-	-	-	-	-	(309)	(309)	(766)	(1,075)
Put options held by non-controlling interests		-	-	4	-	-	-	21	25	728	753
<b>Balance as at December 31, 2020</b>		53,799	(2,845)	(11,777)	(7,110)	874	(1,022)	201,952	233,871	4,692	238,563

The accompanying notes are an integral part of these consolidated financial statements.

## CEZ Group Consolidated Statement of Cash Flows for the Year Ended December 31, 2020

In CZK Millions

	Note	2020	2019
<b>OPERATING ACTIVITIES:</b>			
Income before income taxes		7,906	18,411
<b>Adjustments of income before income taxes to cash generated from operations:</b>			
Depreciation and amortization	3, 6	28,284	29,016
Amortization of nuclear fuel	3	4,197	4,096
(Gains) and losses on non-current asset retirements		(252)	(165)
Foreign exchange rate loss (gain)		(1,244)	315
Interest expense, interest income and dividend income		4,879	4,929
Provisions		2,834	2,858
Impairment of property, plant and equipment and intangible assets	7	24,062	4,860
Valuation allowances and other non-cash expenses and income		(10,495)	8,630
Share of (profit) loss from associates and joint-ventures	9	(188)	(18)
<b>Changes in assets and liabilities:</b>			
Receivables and contract assets		(2,032)	6,695
Materials, supplies and fossil fuel stocks		(1,095)	(742)
Receivables and payables from derivatives		13,306	(15,528)
Other assets		4,458	(14,935)
Trade payables		7,072	3,570
Other liabilities		(503)	(50)
<b>Cash generated from operations</b>		<b>81,189</b>	<b>51,942</b>
Income taxes paid		(3,748)	(4,136)
Interest paid, net of capitalized interest		(5,649)	(5,426)
Interest received		342	403
Dividends received		23	148
<b>Net cash provided by operating activities</b>		<b>72,157</b>	<b>42,931</b>
<b>INVESTING ACTIVITIES:</b>			
Acquisition of subsidiaries, associates and joint-ventures, net of cash acquired	8	(1,347)	(3,529)
Disposal of subsidiaries, associates and joint-ventures, net of cash disposed of		59	187
Additions to non-current assets, including capitalized interest		(31,558)	(29,802)
Proceeds from sale of non-current assets		467	2,550
Loans made		(1,160)	(264)
Repayment of loans		221	41
Change in restricted financial assets		(405)	(1,546)
<b>Total cash used in investing activities</b>		<b>(33,723)</b>	<b>(32,363)</b>
<b>FINANCING ACTIVITIES:</b>			
Proceeds from borrowings		158,320	210,765
Payments of borrowings		(178,869)	(204,416)
Payments of lease liabilities	24	(852)	(787)
Proceeds from other long-term liabilities		211	80
Payments of other long-term liabilities		(102)	(834)
Dividends paid to Company's shareholders		(18,116)	(12,836)
Dividends paid to non-controlling interests		(23)	(25)
Sale of treasury shares		15	249
Acquisition of non-controlling interests		(1,097)	(15)
<b>Total cash used in financing activities</b>		<b>(40,513)</b>	<b>(7,819)</b>
Net effect of currency translation and allowances in cash		342	(88)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(1,737)</b>	<b>2,661</b>
Cash and cash equivalents at beginning of period		11,906	9,245
Cash and cash equivalents at end of period	10	10,169	11,906
Supplementary cash flow information:			
Total cash paid for interest		5,952	5,686

The accompanying notes are an integral part of these consolidated financial statements.

# CEZ Group

## Notes to Consolidated Financial Statements as of December 31, 2020

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## 1. The Company

ČEZ, a. s. (ČEZ or the Company), company reg. no. 45274649, is a Czech Republic joint-stock company, owned 69.8% (70.1% of voting rights) at December 31, 2020 by the Czech Republic represented by the Ministry of Finance. The remaining shares of the Company are held by legal persons and individuals. The address of the Company's registered office is Duhová 2/1444, Praha 4, 140 53, Czech Republic.

The Company is a parent company of the CEZ Group (the Group, see Note 9). Main business of the Group is the production, distribution, trade and sale of electricity and heat, trade and sale of natural gas, provision of complex energy services and coal mining. ČEZ is an electricity generation company, which in 2020 generated approximately 61% of the electricity in the Czech Republic. In the Czech Republic the Company operates two nuclear plants, sixteen hydroelectric plants, one combined cycle gas turbine plant and eight fossil fuel plants. The Company also operates through its subsidiaries several power plants (fossil fuel, hydro, wind, solar, gas, biogas, biomass) in the Czech Republic, eleven wind power plants in Germany, two fossil fuel plants and two hydroelectric plants in Poland, one solar plant in Bulgaria and a wind farm and a complex of hydroelectric plants in Romania. Further the Group also owns certain electricity distribution companies in the Czech Republic, Bulgaria and Romania. The average number of employees of the Company and its consolidated subsidiaries was 31,704 and 31,572 in 2020 and 2019, respectively.

Responsibility for public administration in the energy sector is exercised by the Ministry of Industry and Trade, the Energy Regulatory Office and the State Energy Inspection Board.

The Ministry of Industry and Trade, as the central public administration body for the energy sector, issues state approval to construct new energy facilities in accordance with specified conditions, develops the energy policy of the state and ensures fulfillment of obligations resulting from international treaties binding on the Czech Republic or obligations resulting from membership in international organizations.

The Energy Regulatory Office was established as the administrative office to exercise regulation in the energy sector of the Czech Republic, to support economic competition and to protect consumers' interests in sectors where competition is not possible. The Energy Regulatory Office issues licenses, imposes the obligation to supply beyond the scope of the license, the obligation to let another license holder use energy facilities in cases of emergency for payment, to exercise the supply obligation beyond the scope of the license and regulates prices based on special legal regulations. The State Energy Inspection Board supervises the functioning of the energy sector. All customers have the opportunity to buy electricity from any supplier.

## 2. Summary of Significant Accounting Policies

### 2.1. Financial Statements

These consolidated financial statements of the CEZ Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The financial statements are based on a historical cost approach, except where IFRS require a different measurement basis as disclosed in the description accounting policies below.

#### Explanation Added for Translation into English

These financial statements represent a translation of financial statements originally issued in Czech.

### 2.2. Consolidation Method

#### 2.2.1. Group Structure

The consolidated financial statements of the CEZ Group include data of ČEZ, a. s., and its subsidiaries, associates and joint-ventures included in the consolidation unit (see Note 9).

#### 2.2.2. Subsidiaries

Subsidiaries included in the consolidation unit are those entities which the CEZ Group controls. The Group controls an investee if, and only if, the Group:

- Has power over the investee (i.e. the Group has existing rights that give it the current ability to direct the activities of the entity that significantly affect its revenues)
- Is exposed to risk associated with or entitled to variable returns from its involvement with the investee
- Is able to use its power over the investee to affect the amount of the Group's returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's existing voting rights and potential voting rights

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method. The cost of a business combination is the sum of the consideration transferred, measured at fair value at acquisition date, and the amount of any non-controlling interests in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are recognized directly in profit or loss.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. Among other things, the Group considers the separation of embedded derivatives from host contracts.

If the business combination is achieved in stages, the Group, as the acquirer, remeasures, through profit or loss, previously held equity interests in the acquiree to fair value at the acquisition date.

Any contingent consideration is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability are recognized in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Contingent consideration classified as equity is not remeasured.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired ("negative goodwill"), then the Group first reassesses the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination. Any excess remaining after the reassessment is recognized immediately in the income statement and is presented in the line Impairment of property, plant and equipment and intangible assets.

A change in the ownership interest of a subsidiary, without loss of control, is accounted as an equity transaction.

Losses within a subsidiary incurred are attributed to the non-controlling interest even if that results in a deficit balance.

Put options held by non-controlling interests are recorded as a derecognition of non-controlling interest and recognition of a liability at the end of the reporting period. The liability is recognized at the present value of the amount payable on exercise of the option. Any difference between the amount of non-controlling interest derecognized and this liability is accounted for within equity. Subsequent changes to the present value of liability are recorded directly in equity.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are eliminated unless transaction indicates impairment of the asset transferred. Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the policies adopted by the CEZ Group.

### 2.2.3. Associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Investments in associates are included in the consolidated financial statements using the equity method of accounting. Under this method the Group's share of the post-acquisition profits or losses of associates is recognized in the income statement. The Group's share of other post-acquisition movements in equity of associates is recognized in other comprehensive income against the cost of the investment. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group's investment in associates includes goodwill (net of accumulated impairment losses) on acquisition.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognize further losses. In such a case, the Group recognizes its full share on profit or loss and its share on other comprehensive income only to the extent to recognize nil interest in an associate. This amount is included in the item Translation differences – associates and joint-ventures in the statement of comprehensive income, then the Group discontinues of using equity method of accounting. However, additional losses are provided for, and a liability is recognized on the balance sheet in the item Other long-term liabilities, after the Group's interest is reduced to zero, only to the extent that the Group has incurred legal or constructive obligations (e.g. provided guarantees) or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

#### 2.2.4. Joint-ventures

A joint-venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to its net assets. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary considerations to determine control over subsidiaries. The Group recognizes its interest in the joint-venture using the equity method of accounting (see Note 2.2.3).

The financial statements of the joint-venture and parent company are prepared as of the same date. Adjustments are made where necessary to bring the accounting policies into line with those of the Group. Unrealized gains and losses on transactions between the Group and joint-ventures are eliminated to the extent of the Group's interest in those joint-ventures. Losses on transactions are recognized immediately if the loss provides evidence of a reduction in the net realizable value of current assets or an impairment of the asset.

#### 2.2.5. Transactions Involving Entities under Common Control of Majority Owner

Acquisitions of subsidiaries from entities under common control are recorded using a method similar to pooling of interests.

The assets and liabilities of the acquired subsidiaries are included in the Group's consolidated financial statements at their book values. The difference between the cost of acquisition of subsidiaries from entities under common control and the share of net assets acquired in book values is recorded directly in equity.

### 2.3. Changes in Accounting Policies

#### 2.3.1. Adoption of New IFRS Standards in 2020

The accounting policies adopted are consistent with those of the previous financial year, except for as follows. The Group has adopted the following new or amended standards and interpretations endorsed by European Union as of January 1, 2020:

##### Conceptual Framework in IFRS Standards

The IASB issued the revised Conceptual Framework for Financial Reporting on March 29, 2018, which newly comprehensively revises the concepts of financial reporting and the process of adopting accounting standards, provides guidance to preparers of consolidated financial statements to help ensure consistency of accounting policies, and assistance to other users of standards, their analysis and interpretation. Separately, the IASB issued an accompanying document (Amendments to References to the Conceptual Framework in IFRS Standards), which is set of harmonization amendments to affected standards reflecting changes to the Conceptual Framework. The purpose of these harmonization amendments is to support transition to the revised Conceptual Framework for entities that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For entities that apply accounting principles based on the Conceptual Framework, the revised framework is effective for annual periods beginning on or after January 1, 2020. The application of the revision did not have significant impact to the Group's financial statements.

##### Amendment IFRS 3: Business Combinations

The IASB issued Amendment in Definition of a Business (Amendment to IFRS 3) aimed at resolving the difficulties in practice that arise when an entity determines whether it has acquired a business or a group of assets. The Amendment is effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after January 1, 2020, respectively to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. The application of the amendment did not have significant impact to the Group's financial statements.

##### Amendments IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform

The amendments are effective for annual periods beginning on or after January 1, 2020, must be applied retrospectively and may have been applied by entities before the above date. In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7. This concludes phase one of its work, which responds to the impact of the reform of reference Interbank Offered Rates (IBOR) on financial reporting. The IASB is currently working on phase two of this project and is addressing issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR). The amendments published deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark for a new risk-free rate and the implications for hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis. The amendments contain temporary reliefs applicable to all hedging relationships that are directly affected by the reform. Thanks to this exception, it will be possible to use hedge accounting until the existing reference interest rates are replaced by a new risk-free rate (RFR). Related amendment to IFRS 7 Financial Instruments: Disclosures specifies the information that entities are required to disclose in their financial statements about the uncertainty arising from the reform of reference interest rates. The application of the amendments did not have a significant effect on the Group's financial statements.

**IFRS 16 Leases: Covid-19 Related Rent Concessions (Amendment)**

The amendment was approved by the European Union on October 9, 2020 and is effective retrospectively from the accounting period beginning on July 1, 2020, earlier application is permitted, including in financial statements not yet authorized for issue at May 28, 2020.

IASB amended the standard to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment provides a practical expedient for the lessee to account for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change was not a lease modification, only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before June 30, 2021.
- There is no substantive change to other terms and conditions of the lease.

The Group applied this amendment retrospectively as at January 1, 2020. The amendment did not have a significant effect on the Group's financial statements.

**Amendments IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material'**

The Amendments are effective for annual periods beginning on or after January 1, 2020 with earlier application permitted. The Amendments clarify the definition of the term "material" and its application. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved and the amendments ensure consistency of definition in all IFRS standards. The application of the amendments did not have significant impact to the Group's financial statements.

**2.3.2. Adoption of New IFRS Standards in 2019**

In 2019, The Group has adopted the new accounting standard IFRS 16 Leases. Other changes in accounting policies in 2019, which are described in more details in the consolidated financial statements as at December 31, 2019, did not have material impact on the Group's financial statements.

The Group applied IFRS 16 using the modified retrospective approach, under which the comparative information presented for 2018 is not restated. The Group elected to use a transition practical expedient and applied the standard only to contracts that were previously identified as leases in accordance with IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

On transition to IFRS 16, the Group recognized right-of-use assets in the amount of CZK 5,786 million and lease liabilities in the amount of CZK 5,618 million, restoration provision in the amount of CZK 82 million and derecognized prepayments related to the leased assets in the amount of CZK 88 million. As of the date of application of IFRS 16, the Group also incurred investment in finance lease due to the sublease of right-of-use assets in the amount of CZK 2 million. The application of IFRS 16 did not have impact to the Group's equity.

**2.3.3. New IFRS Standards and IFRIC Interpretations either not yet Effective or not yet Adopted by EU**

The Group is currently assessing the potential impacts of the new and revised standards and interpretations that will be effective or adopted by the EU from January 1, 2021 or later. In 2020, the Group decided to apply the amendment to IFRS 16 Leases: Covid-19 Related Rent Concessions before its binding date, as set out in Note 2.3.1. Standards and interpretations most relevant to the Group's activities, which are not obligatory for the Group and have not yet been applied by the Group, are detailed below:

**Amendments IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint-ventures:****Sale or Contribution of Assets between an Investor and its Associate or Joint-venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint-venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. These amendments are not expected to have a material effect on the Group's financial statements.

**IFRS 17 Insurance Contracts**

The standard is effective for annual periods beginning on or after January 1, 2021 with earlier application permitted if both IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have also been applied. In its March 2020 meeting the Board decided to defer the effective date to 2023. IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity. The standard has not been yet endorsed by the EU. This standard is not expected to have a material effect on the Group's financial statements.

**Amendments IFRS 17: Insurance Contracts and IFRS 4: Insurance Contracts**

The amendments to IFRS 17 are effective, retrospectively, for annual periods beginning on or after January 1, 2023, with earlier application permitted. The amendments aim at helping companies implement the Standard. In particular, the amendments are designed to reduce costs by simplifying some requirements in the Standard, make financial performance easier to explain and ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying IFRS 17 for the first time. The amendments to IFRS 4 change the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after January 1, 2023. The Amendments to IFRS 17 have not yet been endorsed by the EU. These amendments are not expected to have a material effect on the Group's financial statements.

**Amendment IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the covid-19 pandemic, the Board has deferred the effective date by one year, i.e. 1 January 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendment aims to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendment affects the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendment clarifies the classification requirements for debt which may be settled by the company issuing own equity instruments. The amendments have not yet been endorsed by the EU. This amendment is not expected to have a material effect on the Group's financial statements.

**Amendments IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018–2020**

The amendments are effective for annual periods beginning on or after January 1, 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

- IFRS 3 Business Combinations (Amendments) update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- IAS 16 Property, Plant and Equipment (Amendments) prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments) specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
- Annual Improvements 2018–2020 make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

These amendments have not yet been endorsed by the EU. These amendments are not expected to have a material effect on the Group's financial statements.

**Amendments IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2**

In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. Furthermore, the amendments to IFRS 4 are designed to allow insurers who are still applying IAS 39 to obtain the same reliefs as those provided by the amendments made to IFRS 9. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods. These amendments are not expected to have a material effect on the Group's financial statements.

The Group does not expect early adoption of any of the above-mentioned standards, improvements or amendments.

#### 2.4. Estimates

The preparation of financial statements in accordance with IFRS requires Group management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date, the disclosure of information on contingent assets and contingent liabilities, and the amounts of revenues and expenses reported for a reporting period. Actual results may differ from such estimates. A description of key assumptions for significant estimates is included in the relevant sections of the Notes. The Group makes significant estimates when determining the recoverable amounts of property, plant and equipment and intangible assets (see Note 7), accounting for the nuclear provisions (see Note 20.1), provisions for reclamation of mines, mining damages and waste storage reclamation (see Note 20.2), unbilled electricity and gas (see Note 2.6), fair value of commodity contracts (see Notes 2.16 and 18), financial derivatives (see Notes 2.15 and 18) and incremental borrowing rate and lease terms to measure lease liability (see Notes 2.27 and 24).

#### 2.5. Revenues

Revenue is recognized, when the Group has satisfied a performance obligation and the amount of revenue can be reliably measured. The Group recognizes revenue at the amount of estimated consideration (less estimated discounts) that it expects to receive for goods transferred or services provided to the customer.

To apply this basic principle, the Group uses a five-level model:

1. Identify the contract(s) with a customer,
2. Identify the performance obligations arising from the contract,
3. Determine the transaction price,
4. Allocate the transaction price to the performance obligations arising from the contract,
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The Group recognizes revenue from sales of electricity, heat, gas and coal based on contract terms. Any differences between contracted amounts and actual supplies for electricity and gas are settled through the market operator.

Sales are recognized net of value added tax.

Revenue from the sale of assets is recognized as soon as the delivery takes place and risks and associated benefits, as applicable, are transferred to the buyer.

Contract revenues and incurred costs associated with the construction contracts are recognized as revenue and expenses respectively by reference to the stage of completion of the contract activity. The percentage of completion is determined as the share of incurred costs to total expected full contract costs. However, if a loss is expected from the contract, it is recognized in full immediately regardless of the percentage of completion of such a construction contract.

Connection fees received from customers and related payments for power consumption and end-user transfers are recognized in income in the period when this performance obligation is satisfied.

Government and similar grants related to income are recognized in the income statement in the period in which the Group recognizes related expenses to be offset by the grant and is presented in the line Other operating income.

#### 2.6. Unbilled Electricity and Gas

The change of unbilled electricity and gas is determined monthly on the basis of an estimate. The estimate of monthly change in unbilled electricity and gas is based on deliveries in a given month after deduction of invoiced amounts and estimated grid losses. The estimate of total unbilled balance is verified by extrapolation of consumption in the last measured period for individual locations. The ending balance of contract assets and liabilities is disclosed net in the balance sheet after deduction of advances received from customers and is included in the line item of Other current assets, net or Other short-term liabilities.

#### 2.7. Fuel Costs

Fuel is recognized as costs when it is consumed. Fuel costs include the depreciation of nuclear fuel (see Note 2.10).

#### 2.8. Interest

The Group capitalizes, as the cost of non-current assets, all interest associated with its investing activities that it would not have incurred if it did not pursue such investing activities. Interest is only capitalized for assets constructed or acquired over a substantial period of time.



## 2.9. Property, Plant and Equipment

Property, plant, and equipment are measured at cost less accumulated depreciation and impairments. The cost of property, plant, and equipment comprises the purchase price and the related cost of materials and labor and the cost of debt financing used in the construction. The cost also includes the estimated cost of dismantling and removing a tangible asset to the extent specified by IAS 37, Provisions, Contingent Liabilities, and Contingent Assets. Government grants and similar subsidies received for the acquisition of property, plant, and equipment decrease the cost.

Self-constructed property, plant, and equipment are measured at the cost of constructing them. Expenditures on the repair, maintenance, and replacement of minor asset items are recognized as repair and maintenance expenses in the period when such repair is carried out. Improvements are capitalized. When an item of property, plant, and equipment or a part thereof is sold or disposed of, its cost, relevant accumulated depreciation, and any impairments are derecognized in the balance sheet. Any gains or losses arising from the sale or disposal of property, plant, and equipment are included in profit or loss.

At each reporting date, the Group assesses whether there are any indicators that an asset may have been impaired. Where there are such indicators of impairment, the Group checks whether the recoverable amount of the item of property, plant, and equipment is less than its depreciated cost. The recoverable amount is the higher of the fair value less costs to sell and the value in use. Any impairment of property, plant, and equipment is recognized in profit or loss and presented in the line item Impairments of property, plant, and equipment and intangible assets.

At each reporting date, the Group assesses whether there are any indicators that previously recognized impairments of assets are no longer justified or should be decreased. If there are such indicators, the Group determines the recoverable amount of non-current assets. A previously recognized impairment is recognized as an expense only if there has been a change in the assumptions used to estimate the non-current asset's recoverable amount since the last recognition of the impairment. If that is the case, the depreciated cost of the asset including the impairment is increased to the new recoverable amount. The new depreciated cost may not exceed the current carrying amount, less accumulated depreciation, that would be determined had no impairment been recognized in the past. A reversal of previously recognized impairment is recognized in profit or loss and presented in the line item Impairments of property, plant, and equipment and intangible assets.

The Group depreciates the cost of property, plant, and equipment less their residual value using the straight-line method over their estimated useful life. Each part of an item of property, plant, and equipment that is significant in relation to the total amount of the asset is recognized and depreciated separately. The estimated useful life of property, plant, and equipment is determined as follows:

	Useful lives (years)
Buildings and structures	20–60
Machinery and equipment	4–37
Vehicles	8–25
Furniture and fixtures	4–15

Depreciation periods, residual values, and depreciation methods are annually reviewed and adjusted as appropriate. In 2020, the expected useful life of the main assets of nuclear power plants was extended by 10 years.

## 2.10. Nuclear Fuel

The Group recognizes nuclear fuel as part of property, plant, and equipment because the period for which it is used for electricity generation exceeds 1 year. Nuclear fuel is measured at cost less accumulated depreciation and, if applicable, impairments. Nuclear fuel includes a capitalized portion of the provision for interim storage of nuclear fuel. The depreciation of nuclear fuel in a reactor is determined on the basis of the amount of energy generated and presented in the statement of profit or loss in the line item Fuel and emission rights. The depreciation of nuclear fuel includes additions to the provision for interim storage of spent nuclear fuel.

## 2.11. Intangible Assets

Intangible assets are measured at costs, including the purchase price and related expenses. Non-current intangible assets are amortized using the straight-line method over their estimated useful life, which ranges from 3 to 25 years. Amortization periods, residual values, and amortization methods are annually reviewed and adjusted as appropriate. Improvements are capitalized.

At each reporting date, the Group assesses whether there are any indicators that a non-current intangible asset may have been impaired (for goodwill see Note 2.12). Non-current intangible assets under development are tested for possible impairment annually regardless of whether there are indicators of possible impairment. Any impairment of non-current intangible assets is recognized in profit or loss and presented in the line item Impairments of property, plant, and equipment and intangible assets.

At each reporting date, the Group assesses whether there are any indicators that previously recognized impairments of assets excluding goodwill are no longer justified or should be decreased. If there are such indicators, the Group determines the recoverable amount of non-current assets. A previously recognized impairment is recognized as an expense only if there has been a change in the assumptions used to estimate the non-current asset's recoverable amount since the last recognition of the impairment. If that is the case, the amortized cost of the asset including the impairment is increased to the new recoverable amount. The new amortized cost may not exceed the current carrying amount, less accumulated amortization, that would be determined had no impairment been recognized in the past. A reversal of previously recognized impairment is recognized in profit or loss and presented in the line item Impairment of property, plant, and equipment and intangible assets.

### 2.12. Goodwill

Goodwill is initially measured at the amount of the difference between the consideration transferred plus the value of any non-controlling interest and the net amount of the identifiable assets acquired and liabilities assumed (see Note 2.2). Goodwill arising on the acquisition of subsidiaries is included in intangible assets. Goodwill relating to associates and joint-ventures is recognized in the balance sheet as part of investments in associates and joint-ventures. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. The recognized goodwill is tested for possible impairment. The test is performed at least once a year or more frequently if there are indicators of possible impairment of goodwill.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the synergies arising from the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets. Impairment of goodwill is determined by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where recoverable amount of the cash-generating unit is lower than the carrying amount, an impairment loss is recognized. Recognized impairment losses of goodwill cannot be reversed in subsequent periods. In the event of a partial sale of a cash-generating unit to which goodwill has been allocated, the carrying amount of goodwill relating to the sold part is included in the gain or loss on sale. The amount of goodwill disposed is measured on the basis of the ratio of the value of the sold part of the cash-generating unit to the value of the part that remains in the ownership of the Group.

### 2.13. Emission Rights

The greenhouse gas emission right (hereinafter the emission right) represents the right of the operator of a facility that emits greenhouse gases in the course of its operation to release the equivalent of a ton of carbon dioxide to the air in a given calendar year. Operators of such facilities are required to determine and report the amount of greenhouse gases produced by its facilities in every calendar year and this amount must be audited by an accredited person. Some Group companies as operators of such facilities were allocated a certain amount of emission rights based on the National Allocation Plan.

The Group is required to remit the number of emission rights corresponding to its actual amount of greenhouse gas emissions in the previous calendar year by no later than April 30 of the next calendar year.

Allocated emission rights are measured at nominal, i.e., zero value in financial statements. Purchased emission rights are measured at cost (except for emission allowances held for trading). The Group makes a provision for covering released emissions corresponding to the difference between the actually released amount of emissions and its inventory of allocated emission rights. The provision is measured primarily at the cost of emission rights and credits that were purchased with the intention of covering greenhouse gas emissions in the reporting period. The provision for released emissions exceeding such rights and credits is measured at the market price effective at the end of the reporting period. Emission rights purchased for use in the next year are recognized as current assets in the line item Emission rights. Emission rights with a later planned time of use are recognized as part of non-current intangible assets.

The Group also purchases emission rights and credits for the purpose of trading. The portfolio of emission rights and credits held for trading is measured at fair value at the end of the reporting period, with any changes in fair value recognized in profit or loss and presented in the line item Gains and losses from commodity derivative trading. Emission rights and credits purchased for the purpose of trading are recognized as current assets in the line item Emission rights.

At each reporting date, the Group assesses whether there are any indicators that emission allowances may have been impaired. Where there are such indicators, the Group checks whether the recoverable amount of cash-generating units that the emission rights were allocated to is less than their depreciated cost. Any impairment of emission rights is recognized in profit or loss and presented in the line item Other operating expenses.

Sale and repurchase agreements concerning emission rights are accounted for as collateralized loans.

Allocated green and similar certificates are initially recognized at fair value and subsequently treated similarly to purchased emission rights.

## 2.14. Classification of Financial Instruments

Financial assets comprise primarily cash, equity instruments of another entity, or a contractual right to receive cash or another financial asset.

Financial liabilities are primarily contractual obligations to deliver cash or another financial asset.

Financial liabilities and assets are presented as current or non-current. Financial assets are classified as current if the Group intends to realize them within 12 months of the end of the reporting period or if there is not reasonable assurance that the Group will hold the financial assets for more than 12 months after the end of the reporting period.

Financial liabilities are presented as current if they are payable within 12 months of the end of the reporting period. Assets and liabilities held for trade are also presented as current assets and liabilities.

Financial assets and financial liabilities are offset and the resulting net amount is presented in the balance sheet if there is a legally enforceable right to set off the recognized amounts and the Group intends to settle on a net basis or to realize the financial assets and settle the financial liabilities simultaneously.

### 2.14.1. Financial Assets

Financial assets are classified into the categories of at amortized cost, at fair value depending on whether the financial assets are held for sale or whether they are held under a business model whose objective is to hold the assets to collect contractual cash flows, and at cost.

The Group classifies assets into the following categories:

#### a) Financial asset measurement at amortized cost

This category comprises financial assets for which the Group's strategy is to hold them to collect contractual cash flows, consisting of both principal and interest. Examples of such financial assets include loans, securities held to maturity, trade receivables.

Expected credit losses, exchange differences, and interest revenue are recognized in profit or loss.

#### b) Financial asset measurement at fair value through other comprehensive income

This category comprises financial assets where the Group's strategy is both to collect contractual cash flows and to sell the financial assets. This model differentiates between two types of accounting treatment:

##### – Without future transfer to profit or loss – used for equity financial assets

Impairments are neither calculated nor recognized. Changes in fair value are recognized in other comprehensive income. When a financial asset is sold, no gain or loss is recognized in profit or loss, so it never affects profit or loss. If an equity financial asset is sold, the accumulated revaluation amount is transferred to retained earnings. Exchange differences are recognized in other comprehensive income as part of the revaluation amount. Dividends on such financial assets are recognized in profit or loss provided that the payment of such dividends does not reduce the value of the investment.

##### – With future transfer to profit or loss – used for debt financial assets

Additions to impairment are recognized in profit or loss. Changes in fair value are recognized in other comprehensive income. On the disposal of a financial asset, the gain or loss is recognized in profit or loss (the gain/loss is transferred from other comprehensive income to profit or loss). Exchange differences in relation to revaluation surplus are recognized in other comprehensive income. Exchange differences in relation to impairment are recognized in profit or loss. Interest revenue is recognized in profit or loss.

#### c) Financial asset measurement at fair value through profit or loss

A category of financial assets for which the Group's strategy is to actively trade the asset. The collection of contractual cash flows is not the main objective of the strategy. Examples of such financial assets are securities held for trading and non-hedging derivatives. Impairments are neither calculated nor recognized. Changes in fair value and exchange differences are recognized in profit or loss.

Changes in the fair value of financial investments at fair value through profit or loss are recognized in Other financial expenses or Other financial income.

#### 2.14.2. Financial Liabilities

Financial liabilities are classified into two core categories of at amortized cost and at fair value through profit or loss. Classification into those categories is determined analogously to financial assets.

For fair value option financial liabilities, i.e., those measured at fair value through profit or loss, a change in fair value that is attributable to changes in credit risk is presented in other comprehensive income; the remaining amount is presented in profit or loss. However, if the treatment of changes in fair value that are attributable to credit risk created or enlarged an accounting mismatch in profit or loss, the entity would present all gains or losses on such a liability in profit or loss.

#### 2.14.3. Derivatives

Derivatives are a special category of financial assets and liabilities. The manner of recognizing gains or losses from the revaluation of derivatives to fair value depends on whether a derivative is classified as a hedging instrument and on the nature of the item being hedged. More information on the reporting of derivatives can be found in Note 2.15.

#### 2.14.4. Impairment of Financial Assets

Following the application of the IFRS 9 approach, the impairment of financial assets is based on a model of expected credit losses (ECL), which applies to the following financial assets:

- a) debt assets at amortized cost (trade receivables, loans, debt securities),
- b) debt assets at fair value through other comprehensive income,
- c) lease receivables,
- d) contract assets and financial guarantee contracts,
- e) bank accounts and term deposits.

An impairment analysis of receivables is performed by the Group at each reporting date on an individual basis for significant specific receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively where the individual approach is not applicable.

The Group accounts for either 12-month expected credit losses or lifetime expected credit losses depending on whether there has been a significant increase in credit risk since initial recognition (or since the commitment was made or the guarantee was provided). The Group has used a simplified approach for some receivables, under which lifetime expected credit losses are always accounted for.

The portfolio of financial assets is broken down into 3 categories for the purposes of ECL calculation. At the date of initial recognition, financial assets are included in Category 1 with the lowest impairment, which is determined as a percentage of historically unpaid receivables. They are subsequently reclassified as Category 2 and 3 as the debtor's credit risk increases. If a financial asset is bearing interest, interest revenue in Category 3 is calculated from the net amount of the asset.

#### 2.15. Derivatives

The Group uses financial derivatives, such as interest rate swaps and foreign exchange contracts, to hedge risks associated with interest rate and exchange rate fluctuations. Derivatives are measured at fair value. They are recognized as part of non-current and current other financial assets and liabilities in the balance sheet.

The manner of recognizing gains or losses from the revaluation of derivatives to fair value depends on whether a derivative is classified as a hedging instrument and on the nature of the item being hedged.

For hedge accounting purposes, hedging transactions are classified either as fair value hedges where the risk of change in the fair value of a balance sheet asset or liability is hedged or as cash flow hedges where the Group is hedged against the risk of changes in cash flows attributable to a balance sheet asset or liability or to a highly probable forecast transaction.

At the inception of a hedge, the Group prepares documents identifying the hedged item and the hedging instrument used and documenting the risk management objectives and strategy for various hedging transactions. At the inception and throughout the duration of a hedge, the Group documents whether the hedging instruments used are highly effective in relation to changes in the fair values or cash flows of hedged items.

**2.15.1. Fair Value Hedging Derivatives**

Changes in the fair values of fair value hedging derivatives are recognized in expenses or income, as appropriate, together with the relevant change in the fair value of the hedged asset or liability that is related to the hedged risk. Where an adjustment to the carrying amount of a hedged item is made for a debt financial instrument, the adjustment is amortized in profit or loss over time until the maturity of such a financial instrument.

**2.15.2. Cash Flow Hedging Derivatives**

Changes in the fair values of derivatives hedging expected cash flows are initially recognized in other comprehensive income. The gain or loss attributable to the ineffective portion is presented in the statement of profit or loss in the item Other financial expenses or Other financial income.

Amounts accumulated in equity are recognized in profit or loss in the period when the expenses or income associated with the hedged items are accounted for.

When a hedging instrument expires or a derivative is sold or it no longer meets the criteria for hedge accounting, the cumulative gain or loss recognized in equity remains in equity until the forecast transaction is closed and then recognized in the statement of profit or loss. If a forecast transaction is no longer likely to occur, the cumulative gain or loss, originally recognized in other comprehensive income, is transferred to profit or loss.

**2.15.3. Other Derivatives**

Some derivatives are not intended for hedge accounting. A change in the fair value of such derivatives is recognized directly in profit or loss.

**2.16. Commodity Contracts**

According to IFRS 9, certain commodity contracts are considered to be financial instruments and accounted for in accordance with the standard. Most commodity purchases and sales carried out by the Group assume physical delivery of the commodity in amounts intended for use or sale in the course of the Group's ordinary activities. Therefore, such contracts (so-called "own-use" contracts) are not within the scope of IFRS 9.

Forward purchases and sales with physical delivery of energy are not within the scope of IFRS 9 as long as the contract is made in the course of the Group's ordinary activities. This is true if all of the following conditions are met:

- Physical delivery of the commodity takes place under the contract;
- The amount of the commodity purchased or sold under the contract corresponds to the Group's operating requirements;
- The contract does not represent a sold option as defined by IFRS 9. In the specific case of electricity sales contracts, the contracts are substantially equivalent to firm forward sales or can be considered sales of generation capacity.

The Group considers transactions entered into with the aim of balancing electricity amounts purchased and sold to be part of an integrated energy group's ordinary activities; therefore, such contracts are not within the scope of IFRS 9.

Commodity contracts that are within the scope of IFRS 9 are revalued to fair value, with changes in fair value recognized in profit or loss. The Group presents revenue and expenses related to trading in electricity and other commodities in the statement of profit or loss item Gains and losses from commodity derivative trading.

**2.17. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, current accounts with banks, and short-term financial deposits with maturity of no more than 6 months.

**2.18. Restricted Financial Assets**

Cash and other financial assets that are recognized as restricted funds (see Note 4) are intended for the funding of nuclear decommissioning, for mining reclamation and damages, for the restoration and rehabilitation of waste dumps, or are cash guarantees given to counterparties. Such funds are classified as non-current assets due to the time at which they are expected to be released for the Group's purposes.

**2.19. Contract Assets and Liabilities**

Contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the Group's future performance).

Contract liability is the Group's obligation to transfer goods or provide services to a customer for which the Group has received consideration from the customer.

For work in progress, costs incurred and recognized gains are presented on the balance sheet net of any issued invoices and advances received as an asset or a liability.

Contract assets and liabilities are presented in the line Other current assets, net and Other short-term liabilities.

## 2.20. Materials and Supplies

Purchased inventories are measured at actual cost, using the weighted average cost method. The costs of purchased inventories include all costs of purchase, including transport costs. Upon use, they are recognized in expenses or capitalized as non-current assets. Work in progress is measured at actual cost. The costs include, primarily, direct material and labor costs. Obsolete inventories are written down using impairments recognized in expenses.

## 2.21. Fossil Fuel Stocks

Inventories of fossil fuels are measured at actual cost, determined on a weighted average cost basis.

## 2.22. Income Taxes

The amount of income taxes is determined in compliance with the tax regulations of the states of residence of the Group companies and is based on the profit or loss determined in accordance with local accounting regulations and adjusted for permanently or temporarily nondeductible expenses and untaxed income. Income taxes are calculated on an individual company basis as the Czech tax laws do not permit consolidated tax returns. For companies located in the Czech Republic income taxes are provided at a rate of 19% for the years ended December 31, 2020 and 2019, respectively, from income before income taxes after adjustments for certain items which are not deductible, or taxable, for taxation purposes. The Czech corporate income tax rate enacted for 2021 and on is 19%.

Deferred tax is calculated on the basis of the liability method based on a balance sheet approach. Deferred tax is calculated from temporary differences between accounting measurement and measurement for the purposes of determining the income tax base. Deferred tax is determined using rates and laws that have been enacted by the end of the reporting period and are expected to apply when the deferred tax asset is realized, or the deferred tax liability is settled.

A deferred tax asset or liability is recognized regardless of when the temporary difference is likely to be reversed. A deferred tax asset or liability is not discounted. A deferred tax liability is recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by parent and it is probable that the temporary differences will not be realized in the foreseeable future.

Deferred tax asset is recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax asset is recognized to the extent that it is probable that sufficient taxable profit will be available in the future against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be claimed, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the reported profit after tax nor taxable profit or loss,
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint-ventures, when it is probable, that the temporary differences will not be reversed and there will not be sufficient taxable profit against which the deductible temporary differences can be applied.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and, if necessary, the carrying amount of the deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

Deferred tax assets and liabilities of Group companies are not offset in the balance sheet.

If the current and deferred tax relate to items that are charged or credited directly to equity in the same or a different tax period, the tax is also recognized directly in equity.

Changes in the deferred tax due to a change in tax rates is recognized in profit or loss, except for items charged or credited directly to equity in the same or a different tax period, for which such a change is also recognized directly in equity.



**2.23. Long-term Debt**

Debt is initially measured at the amount of proceeds from the issue of the debt, less transaction costs. It is then carried at amortized cost, which is determined using the effective interest rate. The difference between the nominal amount and the initial measurement of debt is recognized in profit or loss as interest expense over the period of debt.

Transaction costs comprise commission paid to advisers, agents, and brokers and levies by regulatory agencies and securities exchanges.

For long-term debt that is hedged with derivatives hedging against changes in fair value, the measurement of hedged debt is adjusted for changes in fair value. Changes in the fair value of such debt are recognized in profit or loss and reported in the statement of profit or loss in Other financial expenses or Other financial income. The adjustment to the carrying amount of hedged long-term debt is subsequently recognized in profit or loss using the effective interest rate.

**2.24. Nuclear Provisions**

The Group makes a provision for nuclear decommissioning, a provision for interim storage of spent nuclear fuel and other radioactive waste, and a provision for the funding of subsequent permanent disposal of spent nuclear fuel and irradiated reactor components (see Note 20.1).

The provisions made correspond to the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The estimate, expressed at the price level at the date of estimate, is discounted using an estimated long-term real interest rate of 0.4% and 0.7% per annum as at December 31, 2020 and 2019, respectively, so as to take into account the timing of expenditure. Initial discounted costs are capitalized as part of property, plant, and equipment and then amortized for the duration of time for which nuclear power plants will generate electricity. The provision is increased by the estimated inflation and real interest rate annually. Such expenses are recognized in the statement of profit or loss in the line item Interest expense on provisions. The effect of the expected rate of inflation is estimated at 1.5% as at December 31, 2020 and 2019.

The process of nuclear power plant decommissioning is estimated to continue for approximately 50 years after the termination of electricity generation. It is assumed that a permanent repository for spent nuclear fuel will commence operation in 2065 and the process of disposing of stored spent nuclear fuel at the repository will continue until approximately 2090. Although the Group has made the best estimate of the amount of nuclear provisions, potential changes in technology, changes in safety and environmental requirements, and changes in the duration of such activities may result in actual costs varying considerably from the Group's current estimates.

Changes in estimates concerning the provisions for nuclear decommissioning and permanent disposal of spent nuclear fuel resulting from new estimates of the amount or timing of cash flows required to settle these obligations or from a change in the discount rate are added to, or deducted from, the amount recognized as an asset in the balance sheet. Should the amount of the asset be negative, i.e., should the deducted amount exceed the amount of the asset, the difference is recognized directly in profit or loss.

**2.25. Provisions for Decommissioning and Reclamation of Mines and Mining Damages**

The Group has recognized provisions for obligations to decommission and reclaim (see Note 20.2). The provisions recognized represent the best estimate of the expenditures required to settle the present obligation at the current balance sheet date. Such estimate, expressed at current price levels, are discounted at December 31, 2020 and 2019, using an estimated long-term real interest rate to take into account the timing of payments in amount of 0.4% and 0.7% per annum, respectively. The initial discounted cost amounts are capitalized as part of property, plant and equipment and are depreciated over the lives of the mines. Each year, the provision is increased to reflect the accretion of discount and to accrue an estimate for the effects of inflation. These expenses are presented in the income statement on the line Interest on provisions. At December 31, 2020 and 2019, the estimate for the effect of expected inflation rate is 1.5%.

Changes in a decommissioning liability that result from a change in the current best estimate of timing and/or amount of cash flows required to settle the obligation or from a change in the discount rate are added to (or deducted from) the amount recognized as the related asset. However, to the extent that such a treatment would result in a negative asset, the effect of the change is recognized directly in profit or loss.

**2.26. Exploration for and Evaluation of Mineral Resources**

Expenditures on exploration for and evaluation of mineral resources are charged to expense when incurred.

**2.27. Leases**

Determining whether a contract is, or contains, a lease is based on the economic substance of the transaction and requires an assessment of whether the fulfillment of the contractual obligation is dependent on the use of a specific asset or assets and whether the contract conveys a right to use the asset.

The Group does not apply the standard IFRS 16 to leases of intangible assets, but the Group has identified contracts for which an intangible asset from a right-of-use have been recognized. These are the cases where the Group acquires the right to place advertising on a building or on other tangible asset.

### 2.27.1. Group as a Lessee

The Group uses a consistent approach to the reporting and measurement of all leases, except for short-term leases and leases of low-value assets. The Group accounts for future lease payments as lease liabilities and recognizes right-of-use assets that represent the right to use the underlying assets. Lease payments for short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

#### a) Lease Liability

At the commencement date of a lease, the Group recognizes lease liabilities measured at the present value of the lease payments that are to be made over the lease term. Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers those payments occurs.

When calculating the present value of lease payments, the Group uses an incremental interest rate at the commencement date of the lease because the interest rate implicit in the lease cannot be readily determined. After the commencement date, the amount of lease liabilities is increased by accrued interest and decreased by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a lease modification, i.e., a change in the lease term, a change in lease payments (e.g., changes in future payments resulting from a change in an index or a rate used to determine the amount of the lease payment), or a change in the assessment of the option to purchase the underlying asset.

The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group estimates the incremental interest rate using observable inputs, such as market interest rates.

The Group uses judgment to determine the expected lease term for contracts made for an indefinite time.

#### b) Right-of-use Assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date when the underlying assets are available for use). Right-of-use assets are measured at cost less accumulated amortization and impairment losses and adjusted for any reassessment of lease liabilities. The cost of right-of-use assets comprises the amount of recognized lease liabilities, initial direct costs, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are amortized using the straight-line method over the lease term or the estimated life of the assets as follows:

	Depreciation period (years)
Lands	4–34
Buildings	1–37
Vehicles, machinery and equipment	1–12
Inventory and other tangible assets	8–10

### 2.27.2. Group as a Lessor

The Group leases out its tangible assets including own tangibles and right-of-use assets. The Group has classified the leases as financial or operating leases. Operating leases are the leases, in which the Group does not transfer substantially all the risk and rewards incidental to ownership of an assets.

Lease income from operating leases is recognized on a straight-line basis over the lease term and included as income in profit or loss due to their operating nature.

For the leases classified as financial leases the Group recognizes net investment in the lease measured at the present value of lease payments to be made over the lease term. In calculating the present value of net investment in the lease, the Group uses the interest rate implicit in the lease. In the case of a sublease, if the interest rate implicit in the sublease is not readily determined, the Group uses the discount rate used for the head lease.

### 2.28. Treasury Shares

Treasury shares are reported in the balance sheet as an item reducing equity. The acquisition of treasury shares is recognized in the statement of changes in equity as a deduction from equity. No gain or loss is recognized in the statement of profit or loss on the sale, issue, or cancellation of treasury shares. Consideration received is recognized in financial statements as a direct increase in equity.

### 2.29. Share Options

Members of the Board of Directors and selected managers have been granted options to purchase common shares of the Company. Expenses related to the stock option plan were measured at the signing date of the option contract and are based on the fair value of the options granted. The expense determined at the signing date of the option contract accrues over the period for which the relevant beneficiaries must work for the Company, or the Group, to be entitled to exercise the options granted. The expense recognized in this manner reflects the expected number of options for which the relevant conditions will be met, and the beneficiaries will become entitled to exercise the options.

### 2.30. Translation of Foreign Currencies

The consolidated financial statements are presented in Czech crowns (CZK), which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured and reported using that functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when they arise in connection with a liability classified as effective cash flow hedges. Such exchange differences are recognized directly in equity.

Exchange differences on financial assets are described in paragraph 2.14.1.

The assets and liabilities of foreign subsidiaries are translated at the rate of exchange valid at the balance sheet date. The costs and revenues of foreign subsidiaries are translated at average exchange rates for the given year. The exchange differences arising on the retranslation are taken directly to other comprehensive income. On disposal of a foreign entity, accumulated exchange differences are recognized in the income statement as a component of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign operation and are translated at the closing exchange rate.

The Group used the following exchange rates to translate assets and liabilities in foreign currencies at December 31, 2020 and 2019:

	2020	2019
CZK per 1 EUR	26.245	25.410
CZK per 1 USD	21.387	22.621
CZK per 1 PLN	5.755	5.970
CZK per 1 BGN	13.417	12.992
CZK per 1 RON	5.391	5.313
CZK per 100 JPY	20.747	20.844
CZK per 1 TRY	2.880	3.805
CZK per 1 GBP	29.190	29.866
CZK per 100 HUF	7.211	7.688

### 2.31. Assets Held for Sale

Assets and disposal groups of assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and groups of assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is considered met only if the sale is highly probable and the asset or group of assets is available for immediate sale in its present condition. Group management must take steps toward the sale of the asset or group of assets so as to complete the sale within one year from the date of the classification of the assets or group of assets as held for sale.

Property, plant, and equipment and non-current intangible assets classified as held for sale are not depreciated or amortized.

### 3. Property, Plant and Equipment

The overview of property, plant and equipment, net at December 31, 2020 is as follows (in CZK millions):

	Buildings	Plant and equipment	Land and other	Total plant in service	Nuclear fuel	Construction work in progress	Total
Cost at January 1, 2020	306,290	548,137	10,679	865,106	23,606	20,469	909,181
Additions	500	527	72	1,099	75	27,917	29,091
Disposals	(626)	(4,403)	(21)	(5,050)	(4,208)	(1,350)	(10,608)
Bring into use	9,788	11,177	187	21,152	3,173	(24,325)	–
Transfer to assets held for sale	(22,171)	(32,003)	(452)	(54,626)	–	(793)	(55,419)
Acquisition of subsidiaries	28	106	96	230	–	4	234
Disposal of subsidiaries	(3,517)	(13,221)	(82)	(16,820)	–	(444)	(17,264)
Change in capitalized part of provisions	163	15,438	366	15,967	–	(2)	15,965
Reclassification and other	(40)	(8)	49	1	–	(2)	(1)
Currency translation differences	187	393	13	593	–	36	629
Cost at December 31, 2020	290,602	526,143	10,907	827,652	22,646	21,510	871,808
Accumulated depreciation and impairment at January 1, 2020	(137,261)	(330,882)	(1,333)	(469,476)	(9,356)	(2,261)	(481,093)
Depreciation and amortization of nuclear fuel <sup>1)</sup>	(8,005)	(18,108)	(278)	(26,391)	(3,801)	–	(30,192)
Net book value of assets disposed	(59)	(266)	(8)	(333)	–	–	(333)
Disposals	626	4,403	11	5,040	4,208	1,270	10,518
Transfer to assets held for sale	9,800	21,907	44	31,751	–	–	31,751
Disposal of subsidiaries	3,020	13,168	5	16,193	–	48	16,241
Reclassification and other	(8)	17	4	13	–	–	13
Impairment losses recognized	(3,172)	(4,319)	(529)	(8,020)	–	(542)	(8,562)
Impairment losses reversed	79	10	2	91	–	19	110
Currency translation differences	86	10	3	99	–	12	111
Accumulated depreciation and impairment at December 31, 2020	(134,894)	(314,060)	(2,079)	(451,033)	(8,949)	(1,454)	(461,436)
<b>Total property, plant and equipment at December 31, 2020</b>	<b>155,708</b>	<b>212,083</b>	<b>8,828</b>	<b>376,619</b>	<b>13,697</b>	<b>20,056</b>	<b>410,372</b>

<sup>1)</sup> The amortization of nuclear fuel also includes charges in respect of additions to the accumulated provision for interim storage of spent nuclear fuel in the amount of CZK 396 million.

The overview of property, plant and equipment, net at December 31, 2019 is as follows (in CZK millions):

	Buildings	Plant and equipment	Land and other	Total plant in service	Nuclear fuel	Construction work in progress	Total
Cost at December 31, 2019	292,301	530,045	8,609	830,955	23,121	18,121	872,197
Recognition of right-of-use asset on application of IFRS 16	3,700	759	1,291	5,750	–	–	5,750
Cost at January 1, 2019	296,001	530,804	9,900	836,705	23,121	18,121	877,947
Additions	813	798	29	1,640	–	26,366	28,006
Disposals	(584)	(3,330)	(35)	(3,949)	(3,141)	(456)	(7,546)
Bring into use	10,550	9,584	60	20,194	3,626	(23,820)	–
Acquisition of subsidiaries	102	246	2	350	–	280	630
Change in capitalized part of provisions	187	11,363	749	12,299	–	–	12,299
Reclassification and other	54	(37)	(3)	14	–	(5)	9
Currency translation differences	(833)	(1,291)	(23)	(2,147)	–	(17)	(2,164)
Cost at December 31, 2019	306,290	548,137	10,679	865,106	23,606	20,469	909,181
Accumulated depreciation and impairment at January 1, 2019	(129,180)	(315,590)	(1,156)	(445,926)	(8,694)	(1,669)	(456,289)
Depreciation and amortization of nuclear fuel <sup>1)</sup>	(8,151)	(18,983)	(176)	(27,310)	(3,803)	–	(31,113)
Net book value of assets disposed	10	(75)	(3)	(68)	–	–	(68)
Disposals	584	3,330	4	3,918	3,141	–	7,059
Reclassification and other	(49)	57	4	12	–	–	12
Impairment losses recognized	(1,389)	(890)	(12)	(2,291)	–	(593)	(2,884)
Impairment losses reversed	565	486	5	1,056	–	–	1,056
Currency translation differences	349	783	1	1,133	–	1	1,134
Accumulated depreciation and impairment at December 31, 2019	(137,261)	(330,882)	(1,333)	(469,476)	(9,356)	(2,261)	(481,093)
<b>Total property, plant and equipment at December 31, 2019</b>	<b>169,029</b>	<b>217,255</b>	<b>9,346</b>	<b>395,630</b>	<b>14,250</b>	<b>18,208</b>	<b>428,088</b>

<sup>1)</sup> The amortization of nuclear fuel also includes charges in respect of additions to the accumulated provision for interim storage of spent nuclear fuel in the amount of CZK 293 million.

As at December 31, 2020 and 2019, a composite depreciation rate of Plant in service was 3.1% and 3.2%, respectively.

As at December 31, 2020 and 2019, capitalized interest costs amounted to CZK 277 million and CZK 261 million, respectively, and the interest capitalization rate was 3.5% and 3.9%, respectively.

Group's plant in service pledged as security for liabilities at December 31, 2020 and 2019, is CZK 13,510 million and CZK 14,045 million, respectively.

Construction work in progress contains mainly refurbishments performed on nuclear plants, including the acquisition of nuclear fuel, and investment in the electricity distribution network of subsidiary ČEZ Distribuce, a. s. As of December 31, 2020, the construction work in progress includes the preparation of new nuclear power sources of CZK 2,978 million.

The Group drew in 2020 and 2019 grants related to the property, plant and equipment in the amount of CZK 862 million and CZK 204 million, respectively.

#### Group as a Lessee

Set out below are the carrying amounts and other information at December 31, 2020 and for the year ended 2020, respectively, about right-of-use assets recognized in total property, plant and equipment (in CZK millions):

	2020			
	Buildings	Plant and equipment	Land and other	Total plant in service
Additions of right-of-use assets	367	243	51	661
Depreciation charge for right-of-use assets	(473)	(228)	(83)	(784)
Transfer to assets held for sale	(735)	(40)	(257)	(1,032)
Carrying amount as at December 31	2,649	488	988	4,125

Set out below are the carrying amounts and other information at December 31, 2019 and for the year ended 2019, respectively, about right-of-use assets recognized in total property, plant and equipment (in CZK millions):

	2019			
	Buildings	Plant and equipment	Land and other	Total plant in service
Additions of right-of-use assets	136	158	78	372
Depreciation charge for right-of-use assets	(456)	(240)	(82)	(778)
Carrying amount as at December 31	3,581	728	1,243	5,552

#### Group as a Lessor

The carrying amounts of property, plant and equipment that are subject to an operating lease (in CZK millions):

	Buildings	Plant and equipment	Land and other	Total plant in service
Carrying amount as at December 31, 2020	651	80	751	1,482
Carrying amount as at December 31, 2019	716	54	646	1,416

## 4. Restricted Financial Assets, Net

The overview of restricted financial assets, net at December 31, 2020 and 2019, is as follows (in CZK millions):

	2020	2019
Czech government bonds	19,206	16,119
Cash in banks, net	2,218	4,613
Total restricted financial assets, net	21,424	20,732

The Czech government bonds are measured at fair value through other comprehensive income. The restricted financial assets contain in particular restricted financial assets to cover the costs of nuclear decommissioning, to cover the costs for mine reclamation and mining damages and for waste storage reclamation.

## 5. Other Financial Assets, Net

The overview of other financial assets, net at December 31, 2020 and 2019, is as follows (in CZK millions):

	2020			2019		
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total
Term deposits	–	2,755	2,755	–	3	3
Other financial receivables	1,786	987	2,773	688	56	744
Receivables from sale of subsidiaries, associates and joint-ventures	2,349	2,012	4,361	–	–	–
Investment in finance lease	261	51	312	305	48	353
Debt financial assets	–	10	10	10	–	10
<b>Total financial assets at amortized cost</b>	<b>4,396</b>	<b>5,815</b>	<b>10,211</b>	<b>1,003</b>	<b>107</b>	<b>1,110</b>
Equity financial assets – investments in Inven Capital, SICAV, a.s.	1,750	–	1,750	1,468	–	1,468
Commodity and other derivatives	224	55,694	55,918	908	59,540	60,448
<b>Total financial assets at fair value through profit or loss</b>	<b>1,974</b>	<b>55,694</b>	<b>57,668</b>	<b>2,376</b>	<b>59,540</b>	<b>61,916</b>
Veolia Energie ČR, a.s.	1,394	–	1,394	2,444	–	2,444
Other financial assets	374	–	374	267	–	267
Total equity financial assets	1,768	–	1,768	2,711	–	2,711
Fair value of cash flow hedge derivatives	2,864	284	3,148	4,732	1,064	5,796
Debt financial assets	–	101	101	101	403	504
<b>Total financial assets at fair value through other comprehensive income</b>	<b>4,632</b>	<b>385</b>	<b>5,017</b>	<b>7,544</b>	<b>1,467</b>	<b>9,011</b>
<b>Total</b>	<b>11,002</b>	<b>61,894</b>	<b>72,896</b>	<b>10,923</b>	<b>61,114</b>	<b>72,037</b>

Derivatives balance comprises mainly the positive fair values of commodity trading contracts.

ČEZ, a. s. concluded two put option agreements with Vršanská uhelná a.s. in March 2013. Under these contracts the Company has the right to transfer 100% of the shares of its subsidiary Elektrárna Počerady, a.s. to Vršanská uhelná a.s. First option for the year 2016 was not exercised, second option could be exercised in 2024 for cash consideration of CZK 2 billion. The option agreement could have been inactivated until December 31, 2019, which the Group did not apply. The contracts represent derivatives that would be settled by the delivery of unquoted equity instrument. Elektrárna Počerady, a.s. is not quoted on any market. There is significant variability in the range of reasonable fair values for this equity instrument (there is no similar power plant in the Czech Republic for sale and also no similar transaction has taken place) and thus it is difficult to reasonably assess the probabilities of various estimates. As a result, the fair value cannot be reliably measured. Consequently, the put option is measured at cost. No option premium was paid when the contracts were concluded and therefore the cost of these instruments is zero. The second put option expired on the exercise of the sale on December 31, 2020 (see 8.1.4).

Movements in impairment provisions of other financial receivables (in CZK millions):

	2020	2019
Balance as at January 1	(2)	(196)
Additions	(140)	(1)
Reversals	28	1
Derecognition of financial assets	–	188
Currency translation differences	–	6
<b>Balance as at December 31</b>	<b>(114)</b>	<b>(2)</b>

Derecognition of financial assets in 2019 represents in particular the value of impairment provision to the loan provided to the company Akcež Enerji A.S., which was derecognized during the year 2019. In 2020, the impairment provisions were created mainly for loans granted in connection with the Socrates project, which was to be a joint-venture with the company Holt Holding GmbH for the construction of wind farms in Germany.



Debt financial assets at December 31, 2020 are contracted to mature in the following periods after the balance sheet date (in CZK millions):

	Debt financial assets at fair value through other comprehensive income	Debt financial assets at amortized cost	Receivables from sale of subsidiaries, associates and joint-ventures	Investment in finance lease	Other financial receivables
Due in 2021	101	10	2,012	51	987
Due in 2022	–	–	–	50	800
Due in 2023	–	–	2,349	44	46
Due in 2024	–	–	–	40	712
Thereafter	–	–	–	127	228
<b>Total</b>	<b>101</b>	<b>10</b>	<b>4,361</b>	<b>312</b>	<b>2,773</b>

Debt financial assets at December 31, 2019 are contracted to mature in the following periods after the balance sheet date (in CZK millions):

	Debt financial assets at fair value through other comprehensive income	Debt financial assets at amortized cost	Investment in finance lease	Other financial receivables
Due in 2020	403	–	48	56
Due in 2021	101	10	49	263
Due in 2022	–	–	44	67
Due in 2023	–	–	82	60
Thereafter	–	–	130	298
<b>Total</b>	<b>504</b>	<b>10</b>	<b>353</b>	<b>744</b>

Debt financial assets at December 31, 2020 have following effective interest rate structure (in CZK millions):

	Debt financial assets at fair value through other comprehensive income	Debt financial assets at amortized cost	Receivables from sale of subsidiaries, associates and joint-ventures	Investment in finance lease	Other financial receivables
Less than 2.00% p. a.	101	10	2,012	1	1,948
2.00% to 2.99% p. a.	–	–	2,349	7	408
3.00% to 3.99% p. a.	–	–	–	234	264
4.00% to 4.99% p. a.	–	–	–	7	40
5% p. a. and more	–	–	–	63	113
<b>Total</b>	<b>101</b>	<b>10</b>	<b>4,361</b>	<b>312</b>	<b>2,773</b>

Debt financial assets at December 31, 2019 have following effective interest rate structure (in CZK millions):

	Debt financial assets at fair value through other comprehensive income	Debt financial assets at amortized cost	Investment in finance lease	Other financial receivables
Less than 2.00% p. a.	504	10	1	470
2.00% to 2.99% p. a.	–	–	7	103
3.00% to 3.99% p. a.	–	–	266	6
4.00% to 4.99% p. a.	–	–	10	9
5% p. a. and more	–	–	69	156
<b>Total</b>	<b>504</b>	<b>10</b>	<b>353</b>	<b>744</b>

The following table analyses the debt financial assets at December 31, 2020 by currency (in CZK millions):

	Debt financial assets at fair value through other comprehensive income	Debt financial assets at amortized cost	Receivables from sale of subsidiaries, associates and joint-ventures	Investment in finance lease	Other financial receivables
CZK	101	10	4,356	84	871
EUR	–	–	5	228	1,902
<b>Total</b>	<b>101</b>	<b>10</b>	<b>4,361</b>	<b>312</b>	<b>2,773</b>

The following table analyses the debt financial assets at December 31, 2019 by currency (in CZK millions):

	Debt financial assets at fair value through other comprehensive income	Debt financial assets at amortized cost	Investment in finance lease	Other financial receivables
CZK	504	10	93	434
EUR	–	–	260	310
<b>Total</b>	<b>504</b>	<b>10</b>	<b>353</b>	<b>744</b>

## 6. Intangible Assets, Net

The overview of intangible assets, net at December 31, 2020 is as follows (in CZK millions):

	Software	Rights and other	Emission rights, green and similar certificates	Goodwill	Intangibles in progress	Total
Cost at January 1, 2020	15,219	12,670	12,079	14,566	905	55,439
Additions	53	532	451	–	1,106	2,142
Disposals	(606)	(6)	(7,338)	–	(42)	(7,992)
Bring to use	903	51	–	–	(954)	–
Acquisition of subsidiaries	3	56	–	192	–	251
Disposal of subsidiaries	(19)	(1)	–	–	–	(20)
Impairment of goodwill	–	–	–	(2,041)	–	(2,041)
Transfer to assets held for sale	(849)	(199)	(2,527)	(807)	(75)	(4,457)
Reclassification and other	4	(49)	(1)	–	1	(45)
Currency translation differences	20	(29)	37	208	1	237
Cost at December 31, 2020	14,728	13,025	2,701	12,118	942	43,514
Accumulated amortization and impairment at January 1, 2020	(12,601)	(5,409)	–	–	–	(18,010)
Amortization	(1,158)	(735)	–	–	–	(1,893)
Net book value of assets disposed	(2)	–	–	–	–	(2)
Disposals	606	6	–	–	–	612
Disposal of subsidiaries	17	1	–	–	–	18
Transfer to assets held for sale	721	157	–	–	–	878
Reclassification and other	(8)	4	–	–	–	(4)
Impairment losses recognized	(8)	(929)	–	–	(3)	(940)
Currency translation differences	(9)	80	–	–	–	71
Accumulated amortization and impairment at December 31, 2020	(12,442)	(6,825)	–	–	(3)	(19,270)
<b>Net intangible assets at December 31, 2020</b>	<b>2,286</b>	<b>6,200</b>	<b>2,701</b>	<b>12,118</b>	<b>939</b>	<b>24,244</b>

The overview of intangible assets, net at December 31, 2019 is as follows (in CZK millions):

	Software	Rights and other	Emission rights, green and similar certificates	Goodwill	Intangibles in progress	Total
Cost at December 31, 2018	14,319	11,889	7,164	13,815	733	47,920
Recognition of right-of-use asset on application of IFRS 16	-	36	-	-	-	36
Cost at January 1, 2019	14,319	11,925	7,164	13,815	733	47,956
Additions	32	80	10,224	-	1,138	11,474
Disposals	(291)	(70)	(5,214)	-	(2)	(5,577)
Bring to use	855	105	-	-	(960)	-
Acquisition of subsidiaries	328	680	-	2,450	1	3,459
Impairment of goodwill	-	-	-	(1,544)	-	(1,544)
Reclassification and other	5	-	-	-	(3)	2
Currency translation differences	(29)	(50)	(95)	(155)	(2)	(331)
Cost at December 31, 2019	15,219	12,670	12,079	14,566	905	55,439
Accumulated amortization and impairment at January 1, 2019	(11,863)	(4,930)	-	-	-	(16,793)
Amortization	(1,047)	(659)	-	-	-	(1,706)
Net book value of assets disposed	(4)	(5)	-	-	-	(9)
Disposals	291	70	-	-	-	361
Reclassification and other	(3)	-	-	-	-	(3)
Impairment losses recognized	-	(19)	-	-	-	(19)
Impairment losses reversed	2	118	-	-	-	120
Currency translation differences	23	16	-	-	-	39
Accumulated amortization and impairment at December 31, 2019	(12,601)	(5,409)	-	-	-	(18,010)
<b>Net intangible assets at December 31, 2019</b>	<b>2,618</b>	<b>7,261</b>	<b>12,079</b>	<b>14,566</b>	<b>905</b>	<b>37,429</b>

Research and development costs, net of grants and subsidies received, that are not eligible for capitalization have been expensed in the period incurred and amounted to CZK 507 million in 2020 and CZK 482 million in 2019.

Group's intangible assets, net pledged as security for liabilities at December 31, 2020 and 2019, is CZK 250 million and CZK 261 million, respectively.

The net book value of intangible assets under the right-of-use assets at December 31, 2020 and 2019, is CZK 25 million and CZK 30 million, respectively.

At December 31, 2020 and 2019, goodwill allocated to cash-generating units is as follows (in CZK millions):

	2020	2019
Companies of Elevation Deutschland Holding Group excluding Hermos	3,930	3,800
Czech distribution	2,200	2,200
Energotrans	1,675	1,675
Companies of ČEZ ESCO Group	1,160	1,143
Hermos	1,119	1,084
Euroklimat	802	832
Companies of Kofler Energies Group	634	614
Metrolog	114	118
Companies of Elevation Österreich Holding Group	99	5
Companies of Telco Pro Services Group	95	-
CEZ Chorzów	-	949
Romanian distribution	-	781
Romanian sale	-	495
Severočeské doly	-	292
TMK Hydroenergy Power	-	260
Other	290	318
<b>Total</b>	<b>12,118</b>	<b>14,566</b>

## 7. Impairment of Property, Plant and Equipment and Intangible Assets

The following table summarizes the impairments of property, plant and equipment and intangible assets by cash-generating units in 2020 (in CZK millions):

	Impairment losses				Impairment losses on assets held for sale				Impairment reversals	Total
	Goodwill	Intangible assets other than goodwill	Property plant and equipment, nuclear fuel and investments	Total	Goodwill	Intangible assets other than goodwill	Property plant and equipment, nuclear fuel and investments	Total	Property plant and equipment, nuclear fuel and investments	
Romanian power plants	–	(4)	(997)	(1,001)	–	(934)	(3,872)	(4,806)	–	(5,807)
Romanian distribution	(802)	–	(40)	(842)	–	–	(4,769)	(4,769)	20	(5,591)
CEZ Chorzów	(947)	(876)	(2,882)	(4,705)	–	–	–	–	–	(4,705)
Severočeské doly	(292)	(5)	(3,007)	(3,304)	–	–	–	–	34	(3,270)
Bulgarian distribution	–	–	–	–	–	–	(1,810)	(1,810)	–	(1,810)
CEZ Skawina	–	(55)	(964)	(1,019)	–	–	–	–	–	(1,019)
Romanian sale	–	–	–	–	(509)	–	–	(509)	–	(509)
TMK Hydroenergy Power	–	–	–	–	(268)	–	(203)	(471)	1	(470)
Elektrárna Dětmarovice	–	–	(341)	(341)	–	–	–	–	1	(340)
CEZ Romania	–	–	–	–	(30)	–	(252)	(282)	–	(282)
Elektrárna Počeradý	–	–	(216)	(216)	–	–	–	–	–	(216)
Other	–	–	(115)	(115)	–	–	–	–	72	(43)
<b>Total</b>	<b>(2,041)</b>	<b>(940)</b>	<b>(8,562)</b>	<b>(11,543)</b>	<b>(807)</b>	<b>(934)</b>	<b>(10,906)</b>	<b>(12,647)</b>	<b>128</b>	<b>(24,062)</b>

The following table summarizes the impairments of property, plant and equipment and intangible assets by cash-generating units in 2019 (in CZK millions):

	Impairment losses				Total	Impairment reversals			Total
	Goodwill	Intangible assets other than goodwill	Property, plant and equipment	Property, plant and equipment held for sale		Intangible assets other than goodwill	Property, plant and equipment	Total	
Bulgarian distribution	–	–	–	(1,589)	(1,589)	–	–	–	(1,589)
CEZ Skawina	(222)	–	(1,159)	–	(1,381)	–	–	–	(1,381)
Romanian distribution	(995)	–	(172)	–	(1,167)	–	4	4	(1,163)
Romanian wind power farms	–	–	(53)	–	(53)	120	993	1,113	1,060
Elektrárna Dětmarovice	–	–	(708)	–	(708)	–	–	–	(708)
ČEZ Teplárenská	(66)	(15)	(606)	–	(687)	–	–	–	(687)
Energetické centrum	(261)	(4)	(35)	–	(300)	–	–	–	(300)
ČEZ	–	–	(114)	–	(114)	–	–	–	(114)
Other	–	–	(37)	–	(37)	–	59	59	22
<b>Total</b>	<b>(1,544)</b>	<b>(19)</b>	<b>(2,884)</b>	<b>(1,589)</b>	<b>(6,036)</b>	<b>120</b>	<b>1,056</b>	<b>1,176</b>	<b>(4,860)</b>

In 2020 and 2019, the Group performed impairment tests of goodwill and tests of other non-current assets where there was an indication that the carrying amounts could be impaired.

The Group recognized impairment loss of property, plant and equipment and intangible assets of cash-generating unit Romanian power plants in the amount of CZK 1,001 million in 2020 especially due to the expected decrease in electricity prices on the market in future and the expected decrease in gross margin from electricity generation compared to the previous long-term assumptions.

The recognized impairment of goodwill and property, plant and equipment of cash-generating unit Romanian distribution in the amount of CZK 842 million in 2020 was caused mainly by an increase in the risk of the impact of regulation on the next regulatory period.

The recognized impairment of goodwill and property, plant and equipment of cash-generating unit CEZ Chorzów in 2020 was caused mainly by a decrease in the expected gross margin from electricity and heat generation due to the change in expected market prices of emission rights and electricity and due to reduced expected useful life of the power plant with respect to the government's coal mine closure schedule.

The recognized impairment of goodwill and property, plant and equipment of cash-generating unit Severočeské doly in 2020 was caused mainly by a shortening of the expected period of coal mining up to the year 2038.

The recognized impairment of property, plant and equipment of cash-generating unit CEZ Skawina in 2020 was caused mainly by a decrease in the expected gross margin from electricity and heat generation due to the change in expected market prices of emission rights.

The impairment loss of property, plant and equipment of the cash-generating unit Elektrárna Dětmarovice related to investments made due to the renewal of equipment after the fire in 2017 financed by income from property insurance, and also with regard to a decrease in the outlook for expected profitability of the generation source over its useful life in the region especially due to increase in market prices of emission rights.

The recognized impairment of property, plant and equipment of cash-generating unit Elektrárna Počerady in 2020 occurred with regard to fact that sale price indicated the impairment of property, plant and equipment (see Note 8.1.4).

The Group classifies assets of cash-generating units Romanian power plants, Romanian distribution, Romanian sale, TMK Hydroenergy Power and CEZ Romania as assets held for sale (Note 15) while this constitutes a single sale transaction. The Group determined the total impairment loss of intangible assets and property, plant and equipment of all these cash-generating units as of December 31, 2020 in the amount of CZK 10,837 million with regard to the contractual sale price stated in EUR (arranged as so called "locked box"). The impairment loss was allocated to the remaining goodwill at first and then based on relative carrying amount of intangible assets and property, plant and equipment of the cash-generating units being sold.

The impairment loss of property, plant and equipment of cash-generating unit Bulgarian distribution in 2020 and 2019 was recognized with regard to the fact that the assets are classified as held for sale (Note 15) and the contractual sale price is fixed and denominated in EUR (so-called "locked box") and the carrying amount of assets being sold and associated liabilities as of the December 31, 2020 and 2019, respectively, exceeded the contractual sale price.

Recognized impairment of goodwill and property, plant and equipment of cash-generating unit CEZ Skawina in 2019 was caused mainly by decrease in planned profitability especially due to increase of market prices of emission rights and due to increase of the rate for discounting of the cash flows from 5.2% in 2018 to 5.8% in 2019.

Recognized impairment of goodwill and property, plant and equipment of cash-generating unit Romanian distribution in 2019 was caused mainly by the increase of the rate for discounting of the cash flows from 6.2% in 2018 to 6.4% in 2019, by increased amounts for expected renewal investments and by overall decrease in expected cash flows. The Group reversed impairment of the property, plant and equipment and intangible assets of the cash-generating unit Romanian wind power farms in 2019 mainly due to increase in market prices of electricity and due to positive effect of the development of RON/EUR exchange rate to the green certificates classified as intangible assets.

Recognized impairment of property, plant and equipment of cash-generating unit Elektrárna Dětmarovice in 2019 was caused mainly by the decrease in the outlook for the expected profitability of the generation source over its useful life in the region especially due to the increase in market prices of emission rights.

Recognized impairment of goodwill and property, plant and equipment of cash-generating unit ČEZ Teplárenská in 2019 was caused mainly by the decrease in the expected profitability from the sale of heat as the cost of heat production increased.

Recognized impairment of goodwill and property, plant and equipment of cash-generating unit Energetické centrum in 2019 was caused mainly by the decrease in the expected profitability from the sale of heat.

#### **Description of selected parameters related to testing and determination of recoverable amounts**

The impairment test involves determining the recoverable amount of the cash-generating unit, which corresponds to the value in use except for Bulgarian distribution and Bulgarian sale as at December 31, 2020 and 2019, and also except for Romanian wind power farms, Romanian distribution, Romanian sale, TMK Hydroenergy Power, CEZ Romania and Elektrárna Počerady as at December 31, 2020, when fair value less costs of disposal was used. Value in use is the present value of the future cash flows expected to be derived from a cash-generating unit and is internally assessed by the company's management.

Values in use are determined based on a complex projection of cash flows or on the medium-term budget for a period of 5 years and on the anticipated development of the expected cash flows in the long-term, which is valid when the impairment test is performed. These budgets are based on the past experience, as well as on the anticipated future market trends and on the macroeconomic development of the respective region.

**a. The value in use based on complex projection of cash flows of respective companies for the period covering remaining useful life of tested assets was used for determination of the recoverable amounts of the following cash-generating units:**

ČEZ, a. s. generation assets are tested for any possible impairment as a single cash-generating unit with the exception of specific assets, e.g. the CCGT plant in Počeradý. Company's cash-generating unit of generation assets is characterized by portfolio management in the deployment and maintenance of various power plants and the cash flows generated from these activities.

As part of testing the recoverable value of fixed assets of the cash-generating unit of ČEZ, a. s. (hereinafter the ČEZ value), we performed a sensitivity analysis of the test results to changes in certain key parameters of the used model – changes in wholesale power prices (hereinafter the EE prices), changes in the discount rate used in the calculation of the present value of future cash flows and changes in CZK/EUR exchange rate.

The development of commodity prices and, in particular, the development of wholesale power prices in Germany (as German power prices have a major impact on the development of wholesale power prices in the Czech Republic) are the key assumptions used for the ČEZ value model. The developments of wholesale prices are primarily determined by the EU political decisions, the development of global demand and supply of commodities and the technological progress.

The development of EE price is influenced by a number of external factors, including, in particular, changes in the structure and availability of generation capacity in the Czech Republic and neighboring countries, the macroeconomic development of the Central European region and the regulation of the energy sector in the EU and Germany (fundamental impacts of premature decommissioning of German nuclear power plants by 2022 and impacts of the EU approved climate and energy targets for 2030). The model was constructed for a period adequate to the useful life of the power plants, i.e. for a period that significantly exceeds the period for which commodities, including wholesale power price contracts, are traded on public liquid markets. In addition, the power market is subject to structural changes (the Market Design) and major industry regulation; consequently, complete abandonment of market-based power pricing mechanisms and implementation of alternative, centrally regulated payments for the availability and supply of power plants within the period of useful life of the power plants is actually possible.

With respect to the fact that we are using a long-term model, there are certain internal factors and assumptions that affect the ČEZ value sensitivity to the development of power prices, such as varying deployment of the generation portfolio depending on the development of power prices, emission allowances and variable generation costs and, in a longer perspective, also the development of fixed costs reflecting the development of the power plants gross margin.

The sensitivity test results reflect expert estimates of the status and development of the above factors in the period of the model and the status of commercial securing of the generation portfolio as at December 31, 2020.

The test is based on the business plan of CEZ Group for 2021–2025 and on the assumptions of long-term development of relevant electricity prices. The plan was prepared in the fourth quarter 2020 whereas the plan was based on the active market parameters observed in August and September 2020 (power prices on EEX energy exchange in Germany, prices on PXE energy exchange in the Czech Republic, price of CO<sub>2</sub> emission rights, FX rate CZK/EUR, interest rates etc.). There is a liquidity for power contracts traded on EEX for the period covering the horizon of the business plan and with regard to links between German and Czech power transmission network, the EEX prices are basic market price indicator for EE prices in the Czech Republic. For the purposes of the sensitivity analysis, the input EE prices, emission rights prices and foreign exchange rates were applied to the relevant opened positions of the Company.

A change of the assumed EE prices as per the models by 1%, with other parameters remaining unchanged, has an impact of approximately CZK 9 billion on the ČEZ value test result. Future cash flows of the model were discounted using a 4.0% rate. A change of 0.1 percentage point in the discount rate, with other parameters remaining unchanged, would change the ČEZ value by approximately CZK 7 billion. A 1% change in the CZK/EUR exchange rate, with other parameters remaining unchanged, would result in a change of approximately CZK 8 billion in the ČEZ value. Such changes in ČEZ value would not lead to an impairment.

The generation sources in Poland – power plants Chorzów and Skawina – also belong among tested non-current assets where cash flow projections covering remaining useful life were used and the future cash flows were discounted using rate of 6.5%.

The discount rate of 3.8% was used for cash-generating unit Energotrans. For testing of Energotrans, the assumptions from “EGT site strategy” approved in October 2020 were used. The model assumes change in the long-term contract for heat supply to Prague and its prolongation until 2050. The supply of heat by 2028 is assumed from one or two new combined cycle power plants of specific design.

The cash flow projections covering expected remaining useful life were used for determination of the recoverable amount of the cash-generating unit Severočeské doly. Future cash flows were discounted using increased rate of 5.9%, the discount rate risk premium was applied with regard to risks arising from the premature date of termination of coal mining in Czech Republic and from potential changes in legislation.

The discount rate of 4.0% was used for cash-generating unit Elektrárna Dětmarovice.



- b. The value in use derived from the projection of cash flows based on financial budget for a period of 5 years and on the expected future development of cash flows generated from the respective assets was applied when determining the recoverable amount of the following cash-generating units:

The discount rate of 3.2% was used for Czech distribution. Cash flows beyond the five-year period for Czech distribution were based on the terminal value of regulatory asset base.

The discount rate of 3.6% was used for cash-generating unit ČEZ Teplárenská. There is no growth rate considered for cash flows beyond five-year period.

The discount rate of 3.6% was used for cash-generating unit Energetické centrum. Cash flows beyond the five-year period are extrapolated using 2.0% growth rate.

The discount rate of 5.1% was used for companies of Elevion Deutschland Holding Group (including Hermos) and Kofler Energies Group. There is no growth rate considered for cash flows beyond five-year period.

- c. The calculations of value in use for all cash-generating units are most sensitive to the following assumptions:

Gross margins – Gross margins are based on experience from historical trends in the preceding periods, current outlook of market and non-market parameters, eventually with regard to operational efficiency improvements. Gross margins are affected especially by wholesale electricity prices, prices of emission rights and prices of green and similar certificates.

Raw materials price inflation – Estimates are obtained from published indices for the countries from which materials are sourced, as well as data relating to specific commodities. Forecast figures are used if data is available, otherwise past actual raw material price movements have been used as an indicator of future price movements.

Discount rate – Discount rates reflect management's estimate of the risk specific to each unit. The basis used to determine the value assigned is weighted average cost of capital (WACC) of the related subsidiaries.

Estimated growth rate – The basis used to determine the value assigned to estimated growth rate is the anticipated future development of the market, gross domestic product, nominal wages and interest rates and the forecast of regulatory environment, where subsidiaries conduct the business.

The above assumptions and expected cash flows of all tested assets took into account estimates of the impact of the covid-19 pandemic, which was considered an indicator of a possible impairment of the Group's assets in 2020. According to the current evaluation of the impacts of the covid-19 pandemic, the existence of no Group company is endangered and, in general, the pandemic has a relatively limited impact on the Group. However, the reliability of the estimate of the long-term effects of the covid-19 pandemic on the Group is considerably limited due to the uncertainty of the extent of the effects of the pandemic itself and of countries' countermeasures on economic growth, unemployment and debt growth in relevant European countries.

The negative impact on the Group's operations is assessed to a relatively limited extent in the order of percentage units on EBITDA in 2020. The greatest negative impact of covid-19 was on the Sales segment, where there was a reduction in providing energy services, a reduction in the margin on the sale of commodities to corporate customers and a deterioration in customers' solvency. In the Distribution segment, the overall impact of covid-19 is relatively limited with regard to regulation, however, there was a decrease in the volume of electricity distributed in 2020. The covid-19 has a negative effect on the Generation – Traditional Energy and Mining segments, especially as a factor causing a decline in consumption, and thus in market electricity prices. On the other hand, there has been a significant increase in market prices of emission rights due to increased ambitions to reduce CO<sub>2</sub> emissions within the EU, which has led to an increase in market electricity prices. Therefore, the covid-19 combined with effect of the increase in prices of emission rights have a negative effect on the lower use of coal-based generation sources, and thus on the decline in demand for coal and on the decline in margins of mining companies. From the point of view of the medium-term economic outlook of the Generation – Traditional Energy segment, the negative impact of the covid-19 is limited due to the high level of cash flow hedging. As of December 31, 2020, approximately 89% of expected generation for 2021 has already been contracted, for 2022 approximately 56% has been contracted and for 2023 approximately 26%. Along with these presales of electricity, the emission rights for emission sources have been contracted.

The impact of the covid-19 in the coming years will depend mainly on the measures taken in individual countries and their impact on the overall development of the economy in Europe.

## 8. Changes in the Group Structure

### 8.1. Changes in the Group Structure in 2020

The following table summarizes the cash flows related to acquisitions in 2020 (in CZK millions):

Cash outflow on acquisitions of the subsidiaries	285
Cash outflow on investments in joint-ventures	792
Payments of payables from acquisitions in previous periods	318
Less: Cash and cash equivalents acquired	(48)
<b>Total cash outflows on acquisitions</b>	<b>1,347</b>

#### 8.1.1. Acquisitions of Subsidiaries in 2020

Through new acquisitions, the Group is following strategic plan for developing of energy and telecommunications services in the Czech Republic and Slovakia and in foreign markets close to the Czech Republic, primarily in Germany, northern Italy and Poland.

On April 9, 2020, the Group acquired a 100% interest in Austrian company Moser & Partner Ingenieurbüro GmbH, which focuses on building engineering services and energy saving projects.

On October 29, 2020, the Group acquired 100% interest in the company AXE AGRICOLTURA PER L'ENERGIA SOCIETA' AGRICOLA A R.L. (hereinafter AXE), which owns and operates biogas plant.

On December 31, 2020, the Group acquired 100% interests in the FDLnet.CZ, s.r.o., ISP West s.r.o. and TaNET West s.r.o. (hereinafter altogether Telco), which focus on providing high speed internet connection.

The fair values of acquired identifiable assets and liabilities and the purchase considerations have been stated provisionally and could be adjusted in the subsequent period. The following table presents the current best estimate of fair values of acquired identifiable assets and liabilities as of the date of acquisitions (in CZK millions):

	Moser	AXE	Telco	Total
Share of the Group being acquired	100%	100%	100%	
Property, plant and equipment, net	46	156	32	234
Intangible assets, net	57	–	2	59
Other non-current assets	1	1	1	3
Cash and cash equivalents	–	16	32	48
Trade receivables, net	10	29	9	48
Another current assets	12	31	7	50
Long-term debt, net of current portion	(37)	(20)	–	(57)
Deferred tax liability	(12)	–	–	(12)
Short-term loans	(1)	(23)	–	(24)
Current portion of long-term debt	(3)	(111)	–	(114)
Trade payables	–	(35)	(11)	(46)
Payables from income tax	(6)	–	–	(6)
Short-term provisions	(8)	(8)	–	(16)
Another current liabilities	(2)	–	(4)	(6)
<b>Total net assets</b>	<b>57</b>	<b>36</b>	<b>68</b>	<b>161</b>
Share of net assets acquired	57	36	68	161
Goodwill / negative goodwill gain	97	(18)	95	174
<b>Total purchase consideration</b>	<b>154</b>	<b>18</b>	<b>163</b>	<b>335</b>
Liabilities from acquisition of the subsidiary	(38)	–	(12)	(50)
Cash outflow on acquisition in 2020	116	18	151	285
Less: Cash and cash equivalents in the subsidiary acquired	–	(16)	(32)	(48)
<b>Cash outflow on acquisition in 2020, net</b>	<b>116</b>	<b>2</b>	<b>119</b>	<b>237</b>

If the acquisitions had taken place at the beginning of the year 2020, net income for CEZ Group as of December 31, 2020 would have been CZK 5,460 million and the revenues and other operating income from continuing operations would have been CZK 213,884 million. The amounts of goodwill recognized as a result of the business combinations comprise the value of expected synergies arising from the acquisitions.

From the acquisition date, the newly acquired subsidiaries have contributed the following balances to the Group's statement of income (in CZK millions):

	Moser	AXE	Total
Revenues and other operating income	68	15	83
Income before other income (expense) and income taxes	12	21	33
Net income	10	21	31
Net income attributable:			
Equity holders of the parent	10	21	31
Non-controlling interests	–	–	–

### 8.1.2. Acquisitions of Joint-ventures in 2020

On April 27, 2020, the Group acquired a 51% interest in the company GEOMET s.r.o. The intention of the joint-venture, in which the second partner is the company European Metals Holdings Limited, is to develop a project for potential lithium mining in Cínovec. Based on the analysis of the relevant agreements, competencies of the partners in the decision making processes and the relevant activities, the Group assessed the current relationship as a joint control.

The following table provides an overview of the basic financial information associated with these transactions (in CZK millions):

	GEOMET
Share acquired in 2020	51%
Total net assets	796
Share of acquired net assets	406
Goodwill	385
Total acquisition price of the share	791

The fair values of identifiable assets and liabilities of the joint-venture have been stated provisionally and could be adjusted in the subsequent period.

### 8.1.3. Acquisitions of Non-controlling Interests in 2020

On June 4, 2020, the Group acquired a part of the non-controlling interest representing a 26.68% interest in the company OEM Energy sp. z o.o., which increased Group's interest to 77.68%. The original owners held an option to sell the non-controlling interest to the Group. In such a case, as long as the option is in force, the non-controlling interest is derecognized at the end of the reporting period and the liability is recognized at the present value of the amount payable on exercise. This option partially expired and therefore the relevant part of the liability was derecognized and the non-controlling interest was accounted for (recognized), however, at the same time it was immediately derecognized due to the purchase of the non-controlling interest.

On June 30, 2020, the Group acquired the remaining non-controlling 49.90% interest in ČEZ Energo, s.r.o. Also in this case there was a put option held by the original partner, which ceased to exist.

The following table provides an overview of the basic financial information associated with these transactions (in CZK millions):

	OEM Energy	ČEZ Energo	Total
Share acquired in 2020	26.68%	49.90%	
Option liability derecognized from the balance sheet	20	733	753
Direct impact on equity from recognition of non-controlling interest after the expiration of the put options	35	(22)	13
Acquired share of net assets derecognized from non-controlling interests	55	711	766
Amount directly recognized in equity caused by acquisition of non-controlling interest	13	289	302
Total purchase consideration	68	1,000	1,068

### 8.1.4. Sale of 100% Share in Subsidiary Elektrárna Počerady in 2020

On October 22, 2020, a share purchase agreement was signed on the sale of a 100% share in subsidiary Elektrárna Počerady, a.s. (hereinafter EPC) to the company Vršanská uhelná a.s. The closing date of the transaction was on December 31, 2020 after the prior approval of Office for the Protection of Competition. At the same time this canceled the previous arrangement for the sale of a 100% share in EPC, which has already been concluded between the parties with the date of realization of January 2, 2024 for a purchase price CZK 2.0 billion. According to the new agreement the initial purchase price amounts to CZK 2.5 billion and is due on November 30, 2023.

The transaction includes an agreement between the parties to terminate the existing contract for the purchase of coal from the company Vršanská uhelná a.s., under which the company ČEZ, a. s. was obliged to purchase 5 million tons of coal per year by the end of 2023, and conclusion of a new contract for the purchase of 5 TWh of electricity per year by ČEZ, a. s. from subsidiary of the Vršanská uhelná group for the period from January 1, 2021 to December 31, 2023 for a fixed price of CZK 700/MWh plus the cost for the emission right required for the supply of 1 MWh of electricity.

The present value of the total contractual transaction price including adjustments to take into account the amount of working capital as at the closing date is CZK 8,861 million. The part of the transaction price attributable to the sale of shares is CZK 7,056 million, the remaining value of CZK 1,805 million corresponds to the fair value of the terminated contract for the purchase of coal and the new contract for the purchase of electricity. Part of the total transaction price in the amount of CZK 4,500 million was settled as of the closing date of the transaction by offsetting part of receivables from the sale and liabilities arising from Group's cash pooling.

In connection with the realization of this transaction, the contracts for the sale of electricity and purchase of emission rights, concluded in the past as cash-flow hedge for EPC operations for years 2021 to 2023 (so called "own-use" contracts and hedging contracts abroad), were reclassified to derivatives, respectively hedge accounting was terminated, because future sales of electricity from Group's own generation is no longer probable. The corresponding amounts of the hedge accounting were transferred from the other comprehensive income to the income statement. The current contracts for the supply of coal from the company Vršanská uhelná a.s. (originally an "own-use" contract where the physical delivery for the needs of the Group was assumed, therefore such a contract was not within the scope of IFRS 9) was prematurely terminated by this transaction with financial settlement included in the total transaction price and for this reason the fair value of this contract was recognized in the income statement.

The total impact of the transaction on the income statement is given in the following table (in CZK million):

Statement of income line	Description	Impact in 2020
Gains and losses from commodity derivative trading	Termination of hedging including reclassification of own-use into derivatives	1,274
Gains and losses from commodity derivative trading	Reclassification of a contract for the purchase of coal into derivatives	(1,760)
Impairment of property, plant and equipment and intangible assets	Impairment loss (see Note 7)	(216)
Income before other income (expenses) and income taxes		(702)
Other financial income	Revenue from sale of shares	7,056
Other financial income	Cost of derecognition from consolidation	(7,056)
Income before income taxes		(702)
Income taxes		435
<b>Net income</b>		<b>(267)</b>

The following table provides an overview of the effect of accounting on derecognition of the subsidiary Elektrárna Počerady, a.s. from consolidation (in CZK millions):

	Elektrárna Počerady, a.s.
Sold interest	100%
Total property, plant and equipment, net	798
Other non-current assets	69
Cash and cash equivalents	193
Trade receivables, net	116
Income tax receivable	133
Materials and supplies, net	172
Fossil fuel stocks, net	49
Emission rights	1,960
Other current financial assets	252
Long-term debt, net of current portion	(28)
Provisions	(2,315)
Other long-term financial liabilities	(172)
Net assets derecognized from balance sheet	1,227
Effect of intercompany balances:	
Other short-term financial liabilities	7,645
Trade receivables, net	(2,267)
Trade payables	451
Total cost of sale of the Group	7,056
Revenue from sale	7,056
<b>Gain on sale</b>	<b>-</b>

The following table summarizes the cash flows related to sale and loss of control of subsidiaries (in CZK millions):

Cash received from sale of the company in 2020	-
Cash disposed on sale	(193)
<b>Total cash flow from disposal of subsidiaries in 2020</b>	<b>(193)</b>

## 8.2. Changes in the Group Structure in 2019

The following table summarizes the cash flows related to acquisitions in 2019 (in CZK millions):

Cash outflow on acquisitions of the subsidiaries	3,735
Cash outflow on investments in joint-ventures	2
Payments of payables from acquisitions in previous periods	73
Less: Cash and cash equivalents acquired	(281)
<b>Total cash outflows on acquisitions</b>	<b>3,529</b>

### 8.2.1. Acquisitions of Subsidiaries in 2019

The fair values of acquired identifiable assets and liabilities as of the date of acquisitions were as follows (in CZK millions):

	Hermos	Euroklimat	En.plus	Other	Total
Share of the Group being acquired	100%	100%	100%		
Property, plant and equipment, net	452	68	18	92	630
Intangible assets, net	652	235	92	30	1,009
Other non-current assets	21	16	–	7	44
Cash and cash equivalents	201	10	–	70	281
Trade receivables, net	195	278	195	161	829
Contract assets	380	7	29	19	435
Another current assets	39	126	3	32	200
Long-term debt, net of current portion	(67)	(42)	–	(5)	(114)
Long-term provisions	(45)	(24)	–	(2)	(71)
Deferred tax liability	(198)	(44)	(28)	(1)	(271)
Short-term loans	(25)	–	(103)	(28)	(156)
Current portion of long-term debt	(12)	(4)	–	–	(16)
Trade payables	(163)	(191)	(47)	(194)	(595)
Short-term provisions	(90)	(7)	(14)	(21)	(132)
Another current liabilities	(205)	(94)	(15)	(20)	(334)
<b>Total net assets</b>	<b>1,135</b>	<b>334</b>	<b>130</b>	<b>140</b>	<b>1,739</b>
Share of net assets acquired	1,135	334	130	135	1,734
Goodwill	1,101	824	222	303	2,450
Total purchase consideration	2,236	1,158	352	438	4,184
Liabilities from acquisition of the subsidiary	–	(317)	(66)	(66)	(449)
Cash outflow on acquisition in 2019	2,236	841	286	372	3,735
Less: Cash and cash equivalents in the subsidiary acquired	(201)	(10)	–	(70)	(281)
<b>Cash outflow on acquisition in 2019, net</b>	<b>2,035</b>	<b>831</b>	<b>286</b>	<b>302</b>	<b>3,454</b>

If the acquisitions had taken place at the beginning of the year 2019, net income for CEZ Group as of December 31, 2019 would have been CZK 14,551 million and the revenues and other operating income from continuing operations would have been CZK 208,124 million. The amounts of goodwill recognized as a result of the business combinations comprise the value of expected synergies arising from the acquisitions.

From the acquisition date, the newly acquired subsidiaries have contributed the following balances to the Group's statement of income (in CZK millions):

	Hermos	Euroklimat	En.plus	Other	Total
Revenues and other operating income	1,119	449	958	532	3,058
Income before other income (expense) and income taxes	129	16	41	40	226
Net income	116	11	28	32	187
Net income attributable:					
Equity holders of the parent	111	11	26	34	182
Non-controlling interests	5	–	2	(2)	5

### 8.2.2. Acquisitions and Sale of Non-controlling Interests in 2019

On July 23, 2019 the Group acquired remaining non-controlling 49% share in the company ČEZ LDS s.r.o.

## 9. Investments in Subsidiaries, Associates and Joint-ventures

The consolidated financial statements of CEZ Group include the financial figures of ČEZ, a. s. and its subsidiaries, associates and joint-ventures listed in the following table:

Subsidiaries	Country	Operating segment	% equity interest <sup>1)</sup>		% voting interest
			Change in 2020	2020	2020
<b>New acquisitions</b>					
AXE AGRICOLTURA PER L'ENERGIA SOCIETA' AGRICOLA A R.L.	IT	GenN	100.00	100.00	100.00
FDLnet.CZ, s.r.o.	CZ	SuppS	100.00	100.00	100.00
ISP West s.r.o.	CZ	SuppS	100.00	100.00	100.00
Moser & Partner Ingenieurbüro GmbH	AT	S	100.00	100.00	100.00
TaNET West s.r.o.	CZ	SuppS	100.00	100.00	100.00
<b>Newly established subsidiaries</b>					
CEZ ESCO Slovensko, a.s.	SK	S	100.00	100.00	100.00
CEZ RES International B.V.	NL	GenN	100.00	100.00	100.00
Elevion Österreich Holding GmbH	AT	S	100.00	100.00	100.00
<b>Changes of non-controlling interests</b>					
ČEZ Energo, s.r.o.	CZ	S	49.90	100.00	100.00
ETS Engineering Kft.	HU	S	5.00	100.00	100.00
OEM Energy sp. z o.o.	PL	S	26.68	77.68	77.68
ŠKODA PRAHA a.s.	CZ	GenT	(47.54)	52.46	100.00
Ústav aplikované mechaniky Brno, s.r.o.	CZ	GenT	47.54	100.00	100.00
<b>Changes of voting rights share</b>					
Euroklimat sp. z o.o.	PL	S	–	100.00	100.00
<b>Sales</b>					
Baltic Green I sp. z o.o.	PL	GenN	(100.00)	–	–
Baltic Green V sp. z o.o.	PL	GenN	(100.00)	–	–
Elektrárna Počerady, a.s.	CZ	GenT	(100.00)	–	–
<b>Liquidations and mergers</b>					
Detlef Walther GmbH	DE	S	(95.00)	–	–
EGP INVEST, spol. s r.o.	CZ	GenT	(52.46)	–	–
Energocentrum Vítkovice, a. s.	CZ	S	(100.00)	–	–
FEA Automation GmbH	DE	S	(95.00)	–	–
H & R Elektromontagen GmbH	DE	S	(95.00)	–	–
Jäger & Co. Gesellschaft mit beschränkter Haftung	DE	S	(95.00)	–	–
Kälteanlagenbau Schröder GmbH	DE	S	(95.00)	–	–
WPG Projekt GmbH	DE	S	(100.00)	–	–
<b>Other – no change in 2020</b>					
A.E. Wind S.A.	PL	GenN	–	100.00	100.00
AirPlus, spol. s r.o.	CZ	S	–	100.00	100.00
Areál Třeboradice, a.s.	CZ	GenT	–	100.00	100.00
AZ KLIMA a.s.	CZ	S	–	100.00	100.00
AZ KLIMA SK, s.r.o.	SK	S	–	100.00	100.00
Baltic Green Construction sp. z o.o.	PL	GenN	–	100.00	100.00
Baltic Green II sp. z o.o.	PL	GenN	–	100.00	100.00
Baltic Green III sp. z o.o.	PL	GenN	–	100.00	100.00
Baltic Green IX sp. z o.o.	PL	GenN	–	100.00	100.00
Baltic Green VI sp. z o.o.	PL	GenN	–	100.00	100.00
Baltic Green VIII sp. z o.o.	PL	GenN	–	100.00	100.00
BANDRA Mobilienengesellschaft mbH & Co. KG	DE	GenN	–	100.00	100.00
Bara Group EOOD	BG	GenN	–	100.00	100.00
BUDRIO GFE 312 SOCIETA' AGRICOLA S.R.L.	IT	S	–	70.00	70.00
CASANO Mobilienengesellschaft mbH & Co. KG	DE	GenN	–	100.00	100.00
Centrum výzkumu Řež s.r.o.	CZ	GenT	–	52.46	100.00
CEZ Bulgaria EAD	BG	D	–	100.00	100.00
CEZ Bulgarian Investments B.V.	NL	GenN	–	100.00	100.00
CEZ Deutschland GmbH	DE	GenN	–	100.00	100.00
CEZ Elektro Bulgaria AD	BG	S	–	67.00	67.00
CEZ Erneuerbare Energien Beteiligungs GmbH	DE	GenN	–	100.00	100.00
CEZ Erneuerbare Energien Beteiligungs II GmbH	DE	GenN	–	100.00	100.00
CEZ Erneuerbare Energien Verwaltungs GmbH	DE	GenN	–	100.00	100.00
CEZ ESCO Bulgaria EOOD	BG	S	–	100.00	100.00
CEZ ESCO II GmbH	DE	S	–	100.00	100.00
CEZ ESCO Polska sp. z o.o.	PL	S	–	100.00	100.00
CEZ ESCO Romania S.A.	RO	S	–	100.00	100.00
CEZ France SAS	FR	GenN	–	100.00	100.00
CEZ Holdings B.V.	NL	GenN	–	100.00	100.00

<sup>1)</sup> The equity interest represents effective ownership interest of the Group.



Subsidiaries	Country	Operating segment	% equity interest <sup>1)</sup>		% voting interest
			Change in 2020	2020	2020
CEZ Hungary Ltd.	HU	GenT	–	100.00	100.00
CEZ Chorzów II sp. z o.o.	PL	GenT	–	100.00	100.00
CEZ Chorzów S.A.	PL	GenT	–	100.00	100.00
CEZ ICT Bulgaria EAD	BG	D	–	67.00	100.00
CEZ MH B.V.	NL	SuppS	–	100.00	100.00
CEZ Polska sp. z o.o.	PL	SuppS	–	100.00	100.00
CEZ Produkty Energetyczne Polska sp. z o.o.	PL	GenT	–	100.00	100.00
CEZ Razpredelenie Bulgaria AD	BG	D	–	67.00	67.00
CEZ Romania S.A.	RO	D	–	100.00	100.00
CEZ SERVIS, s.r.o.	SK	S	–	100.00	100.00
CEZ Skawina S.A.	PL	GenT	–	100.00	100.00
CEZ Slovensko, s.r.o.	SK	S	–	100.00	100.00
CEZ Srbija d.o.o.	RS	GenT	–	100.00	100.00
CEZ Towarowy Dom Maklerski sp. z o.o.	PL	GenT	–	100.00	100.00
CEZ Trade Bulgaria EAD	BG	S	–	100.00	100.00
CEZ Trade Romania S.R.L.	RO	GenT	–	100.00	100.00
CEZ Ukraine LLC	UA	SuppS	–	100.00	100.00
CEZ Vanzare S.A.	RO	S	–	100.00	100.00
CEZ Windparks Lee GmbH	DE	GenN	–	100.00	100.00
CEZ Windparks Luv GmbH	DE	GenN	–	100.00	100.00
CEZ Windparks Nordwind GmbH	DE	GenN	–	100.00	100.00
ČEZ Asset Holding, a. s.	CZ	SuppS	–	100.00	100.00
ČEZ Bohunice a.s.	CZ	GenT	–	100.00	100.00
ČEZ Distribuce, a. s.	CZ	D	–	100.00	100.00
ČEZ Distribuční systavy a.s.	SK	S	–	100.00	100.00
ČEZ Energetické produkty, s.r.o.	CZ	GenT	–	100.00	100.00
ČEZ Energetické služby, s.r.o.	CZ	S	–	100.00	100.00
ČEZ ENERGOSEKVIS spol. s r.o.	CZ	GenT	–	100.00	100.00
ČEZ ESCO, a.s.	CZ	S	–	100.00	100.00
ČEZ ICT Services, a. s.	CZ	SuppS	–	100.00	100.00
ČEZ Korporátní služby, s.r.o.	CZ	SuppS	–	100.00	100.00
ČEZ LDS s.r.o.	CZ	S	–	100.00	100.00
ČEZ Obnovitelné zdroje, s.r.o.	CZ	GenN	–	100.00	100.00
ČEZ OZ uzavřený investiční fond a.s.	CZ	GenN	–	99.96	99.96
ČEZ Prodej, a.s.	CZ	S	–	100.00	100.00
ČEZ Recyklace, s.r.o.	CZ	GenN	–	99.00	99.00
ČEZ Teplárenská, a.s.	CZ	GenT	–	100.00	100.00
D-I-E ELEKTRO AG	DE	S	–	95.00	100.00
Distributie Energie Oltenia S.A.	RO	D	–	100.00	100.00
Domat Control System s.r.o.	CZ	S	–	100.00	100.00
EAB Automation Solutions GmbH	DE	S	–	95.00	100.00
EAB Elektroanlagenbau GmbH Rhein/Main	DE	S	–	95.00	100.00
e-Dome a. s.	SK	S	–	51.00	51.00
Elektrárna Dětmorovice, a.s.	CZ	GenT	–	100.00	100.00
Elektrárna Dukovany II, a. s.	CZ	GenT	–	100.00	100.00
Elektrárna Mělník III, a. s.	CZ	GenT	–	100.00	100.00
Elektrárna Temelín II, a. s.	CZ	GenT	–	100.00	100.00
Elektro-Decker GmbH	DE	S	–	95.00	100.00
Elektro-Technik-Pfisterer-GmbH	DE	S	–	95.00	100.00
Elevion Deutschland Holding GmbH	DE	S	–	95.00	92.00
Elevion GmbH	DE	S	–	95.00	100.00
Elevion Group B.V. <sup>2)</sup>	NL	S	–	100.00	100.00
Elevion Holding Italia S.r.l. <sup>3)</sup>	IT	S	–	100.00	100.00
En.plus GmbH	DE	S	–	95.00	100.00
Energetické centrum s.r.o.	CZ	GenT	–	100.00	100.00
Energotrans, a.s.	CZ	GenT	–	100.00	100.00
ENESA a.s.	CZ	S	–	100.00	100.00
ESCO CITY I sp. z o.o. w likwidacji	PL	S	–	100.00	100.00
ESCO CITY II sp. z o.o. w likwidacji	PL	S	–	100.00	100.00
ESCO CITY III sp. z o.o. w likwidacji	PL	S	–	100.00	100.00
ESCO CITY IV sp. z o.o. w likwidacji	PL	S	–	100.00	100.00
ESCO CITY V sp. z o.o. w likwidacji	PL	S	–	100.00	100.00
ESCO CITY VI sp. z o.o. w likwidacji	PL	S	–	100.00	100.00
ETS Efficient Technical Solutions GmbH	DE	S	–	95.00	100.00
ETS Efficient Technical Solutions Shanghai Co. Ltd.	CN	S	–	95.00	100.00
Ferme Eolienne d'Andelaroche SAS	FR	GenN	–	100.00	100.00

<sup>1)</sup> The equity interest represents effective ownership interest of the Group.

<sup>2)</sup> The company name CEZ New Energy Investment B.V. was changed to Elevion Group B.V. in 2020.

<sup>3)</sup> The company name KOFILER ENERGIES ITALIA SRL was changed to Elevion Holding Italia S.r.l. in 2020.

Subsidiaries	Country	Operating segment	% equity interest <sup>1)</sup>		% voting interest
			Change in 2020	2020	2020
Ferme éolienne d'Allas-Nieul SAS	FR	GenN	–	100.00	100.00
Ferme éolienne de Feuillade et Souffrignac SAS	FR	GenN	–	100.00	100.00
Ferme éolienne de Genouillé SAS	FR	GenN	–	100.00	100.00
Ferme éolienne de la Petite Valade SAS	FR	GenN	–	100.00	100.00
Ferme Eolienne de la Piballe SAS	FR	GenN	–	100.00	100.00
Ferme Eolienne de Neuville-aux-Bois SAS	FR	GenN	–	100.00	100.00
Ferme éolienne de Nueil-sous-Faye SAS	FR	GenN	–	100.00	100.00
Ferme Eolienne de Saint-Laurent-de-Céris SAS	FR	GenN	–	100.00	100.00
Ferme éolienne de Saugon SAS	FR	GenN	–	100.00	100.00
Ferme Eolienne de Seigny SAS	FR	GenN	–	100.00	100.00
Ferme Eolienne de Thorigny SAS	FR	GenN	–	100.00	100.00
Ferme éolienne des Besses SAS	FR	GenN	–	100.00	100.00
Ferme Eolienne des Breuils SAS	FR	GenN	–	100.00	100.00
Ferme Eolienne des Grands Clos SAS	FR	GenN	–	100.00	100.00
Ferme éolienne du Blessonnier SAS	FR	GenN	–	100.00	100.00
Ferme Eolienne du Germancé SAS	FR	GenN	–	100.00	100.00
Free Energy Project Oreshets EAD	BG	GenN	–	100.00	100.00
GWE Verwaltungs GmbH	DE	S	–	100.00	100.00
GWE Wärme- und Energietechnik GmbH & Co. KG	DE	S	–	100.00	100.00
HA.EM OSTRAVA, s.r.o.	CZ	S	–	100.00	100.00
Hermos AG	DE	S	–	95.00	100.00
Hermos Gesellschaft für Steuer-, Meß- und Regeltechnik mbH	DE	S	–	95.00	100.00
HERMOS International GmbH	DE	S	–	95.00	100.00
HERMOS SDN. BHD	MY	S	–	95.00	100.00
Hermos Schaltanlagen GmbH	DE	S	–	95.00	100.00
Hermos Sp. z.o.o.	PL	S	–	95.00	100.00
Hermos Systems GmbH	DE	S	–	95.00	100.00
High-Tech Clima d.o.o.	RS	S	–	100.00	100.00
High-Tech Clima S.A.	RO	S	–	100.00	100.00
HORMEN CE a.s.	CZ	S	–	51.00	51.00
Hybridkraftwerk Culemeyerstraße Projekt GmbH	DE	S	–	100.00	100.00
Inewa Consulting S.r.l. <sup>4)</sup>	IT	S	–	100.00	100.00
Inewa S.r.l. <sup>5)</sup>	IT	S	–	100.00	100.00
Inven Capital, SICAV, a.s.	CZ	GenN	–	100.00	100.00
KART, spol. s r.o.	CZ	S	–	100.00	100.00
Kofler Energies Energieeffizienz GmbH	DE	S	–	100.00	100.00
Kofler Energies Ingenieurgesellschaft mbH	DE	S	–	100.00	100.00
Kofler Energies International GmbH	DE	S	–	100.00	100.00
Kofler Energies Systems GmbH	DE	S	–	100.00	100.00
M.W. Team Invest S.R.L.	RO	GenN	–	100.00	100.00
MARTIA a.s.	CZ	GenT	–	100.00	100.00
Metrolog sp. z o.o.	PL	S	–	100.00	100.00
NEK Facility Management GmbH	DE	S	–	100.00	100.00
OSC, a.s.	CZ	GenT	–	66.67	66.67
Ovidiu Development S.A.	RO	GenN	–	100.00	100.00
PRODECO, a.s.	CZ	M	–	100.00	100.00
Revitrans, a.s.	CZ	M	–	100.00	100.00
Rudolf Fritz GmbH	DE	S	–	95.00	100.00
SD - Kolejová doprava, a.s.	CZ	M	–	100.00	100.00
Severočeské doly a.s.	CZ	M	–	100.00	100.00
Solární servis, s.r.o. <sup>6)</sup>	CZ	S	–	100.00	100.00
SPRAVBYTKOMFORT, a.s. Prešov	SK	S	–	55.00	55.00
SYNECO PROJECT S.R.L.	IT	S	–	100.00	100.00
SYNECO tec GmbH	AT	S	–	100.00	100.00
Telco Infrastructure, s.r.o.	CZ	SuppS	–	100.00	100.00
Telco Pro Services, a. s.	CZ	SuppS	–	100.00	100.00
TENAUJ, s.r.o.	CZ	S	–	100.00	100.00
Tepelné hospodářství města Ústí nad Labem s.r.o.	CZ	GenT	–	55.83	55.83
TMK Hydroenergy Power S.R.L.	RO	GenN	–	100.00	100.00
Tomis Team S.A.	RO	GenN	–	100.00	100.00
ÚJV Řež, a. s.	CZ	GenT	–	52.46	52.46
Windpark Baben Erweiterung GmbH & Co. KG	DE	GenN	–	100.00	100.00
Windpark Badow GmbH & Co. KG	DE	GenN	–	100.00	100.00
Windpark FOHREN-LINDEN GmbH & Co. KG	DE	GenN	–	100.00	100.00
Windpark Frauenmark III GmbH & Co. KG	DE	GenN	–	100.00	100.00
Windpark Gremersdorf GmbH & Co. KG	DE	GenN	–	100.00	100.00

<sup>1)</sup> The equity interest represents effective ownership interest of the Group.

<sup>4)</sup> The company name SYNECO ENERGY SERVICE S.R.L. was changed to Inewa Consulting S.r.l. in 2020.

<sup>5)</sup> The company name SYNECO GROUP S.R.L. was changed to Inewa S.r.l. in 2020.

<sup>6)</sup> The company name ČEZ Solární, s.r.o. was changed to Solární servis, s.r.o. in 2020.

Subsidiaries	Country	Operating segment	% equity interest <sup>1)</sup>		% voting interest
			Change in 2020	2020	2020
Windpark Cheinitz-Zethlingen GmbH & Co. KG	DE	GenN	–	100.00	100.00
Windpark Mengerlinghausen GmbH & Co. KG	DE	GenN	–	100.00	100.00
Windpark Naundorf GmbH & Co. KG	DE	GenN	–	100.00	100.00
Windpark Zagelsdorf GmbH & Co. KG	DE	GenN	–	100.00	100.00
<b>Associates and Joint-ventures</b>					
	Country	Operating segment	% equity interest <sup>1)</sup>		% voting interest
			Change in 2020	2020	2020
<b>New Investments</b>					
GEOMET s.r.o.	CZ	M	51.00	51.00	51.00
Windpark Nortorf GmbH & Co. KG	DE	GenN	50.00	50.00	100.00
<b>Lost Investments</b>					
Socrates JVCo Verwaltungs GmbH	DE	GenN	(50.00)	–	–
Socrates Windprojekt GmbH & Co. KG	DE	GenN	(50.00)	–	–
Windpark Harrenstetter Heide GmbH & Co. KG	DE	GenN	(50.00)	–	–
Windpark Palmphohl GmbH & Co. KG	DE	GenN	(50.00)	–	–
Windpark Soeste GmbH & Co. KG	DE	GenN	(50.00)	–	–
<b>Other companies with no change in ownership interest or voting rights in 2020</b>					
Akcez Enerji A.S.	TR	D	–	50.00	50.00
AK-EL Kemah Elektrik Üretim ve Ticaret A.S.	TR	GenT	–	37.36	50.00
Akenerji Dogal Gaz Ithalat Ihracat ve Toptan Ticaret A.S.	TR	GenT	–	37.36	50.00
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.S.	TR	GenT	–	37.36	50.00
Akenerji Elektrik Üretim A.S.	TR	GenT	–	37.36	37.36
Bytkomfort, s.r.o.	SK	S	–	49.00	49.00
Elevion Co-Investment GmbH & Co. KG	DE	S	–	37.50	37.50
GP JOULE PPX Verwaltungs-GmbH	DE	GenN	–	50.00	50.00
GP JOULE PP1 GmbH & Co. KG	DE	GenN	–	50.00	50.00
Green Wind Deutschland GmbH	DE	GenN	–	50.00	50.00
Jadrová energetická spoločnosť Slovenska, a. s.	SK	GenT	–	49.00	50.00
juwi Wind Germany 100 GmbH & Co. KG	DE	GenN	–	51.00	51.00
KLF-Distribúcia, s.r.o.	SK	S	–	50.00	50.00
LOMY MOŘINA spol. s r.o.	CZ	M	–	51.05	51.05
Sakarya Elektrik Dagitim A.S.	TR	D	–	50.00	50.00
Sakarya Elektrik Perakende Satis A.S.	TR	S	–	50.00	50.00
Windpark Bad Berleburg GmbH & Co. KG	DE	GenN	–	50.00	50.00
Windpark Berka GmbH & Co. KG	DE	GenN	–	50.00	50.00
Windpark Moringen Nord GmbH & Co. KG	DE	GenN	–	50.00	50.00
Windpark Prezelle GmbH & Co. KG	DE	GenN	–	50.00	50.00

<sup>1)</sup> The equity interest represents effective ownership interest of the Group.

Used shortcuts:

Country ISO code	Country	Country ISO code	Country	Segment	Operating segment
AT	Austria	MY	Malaysia	GenT	Generation – Traditional Energy
BG	Bulgaria	NL	Netherlands	GenN	Generation – New Energy
CN	China	PL	Poland	D	Distribution
CZ	Czech Republic	RO	Romania	S	Sales
DE	Germany	RS	Serbia	M	Mining
FR	France	SK	Slovakia	SuppS	Support Services
HU	Hungary	TR	Turkey		
IT	Italy	UA	Ukraine		

### Subsidiaries with Non-controlling Interests

The following table shows the composition of Group's non-controlling interests and dividends paid to non-controlling interests by respective subsidiaries (in CZK millions):

	2020		2019	
	Non-controlling interests	Dividends paid	Non-controlling interests	Dividends paid
CEZ Razpredelenie Bulgaria AD	2,758	–	2,708	–
ÚJV Řež, a. s.	896	–	912	–
CEZ Elektro Bulgaria AD	753	–	658	–
Other	285	23	325	25
<b>Total</b>	<b>4,692</b>	<b>23</b>	<b>4,603</b>	<b>25</b>

Assets and liabilities of both Bulgarian companies are classified as held for sale since February 22, 2018.

The following table shows summarized financial information of subsidiaries that have material non-controlling interests for the year ended December 31, 2020 (in CZK millions):

	CEZ Razpredelenie Bulgaria AD	ÚJV Řež, a. s.	CEZ Elektro Bulgaria AD
Ownership share of non-controlling interests	33.00%	47.54%	33.00%
Current assets	1,727	1,088	4,468
Non-current assets	10,037	2,703	117
Current liabilities	(2,309)	(1,041)	(2,148)
Non-current liabilities	(1,496)	(513)	(154)
Equity	7,959	2,237	2,283
Attributable to:			
Equity holders of the parent	5,201	1,341	1,530
Non-controlling interests	2,758	896	753
Revenues and other operating income	5,034	1,445	9,051
Income (loss) before other income (expenses) and income taxes	(88)	105	266
Income (loss) before income taxes	(123)	85	256
Income taxes	9	(22)	(31)
Net income (loss)	(114)	63	225
Attributable to:			
Equity holders of the parent	(76)	33	151
Non-controlling interests	(38)	30	74
Total comprehensive income	131	66	286
Attributable to:			
Equity holders of the parent	81	35	191
Non-controlling interests	50	31	95
Operating cash flow	1,448	205	329
Investing cash flow	(1,042)	(314)	-
Financing cash flow	(222)	(18)	(17)
Net effect of currency translation in cash	4	(1)	68
Net increase (decrease) in cash and cash equivalents	188	(128)	380

The following table shows summarized financial information of subsidiaries that have material non-controlling interests for the year ended December 31, 2019 (in CZK millions):

	CEZ Razpredelenie Bulgaria AD	ÚJV Řež, a. s.	CEZ Elektro Bulgaria AD
Ownership share of non-controlling interests	33.00%	47.54%	33.00%
Current assets	1,497	1,154	4,088
Non-current assets	10,457	1,850	112
Current liabilities	(2,411)	(562)	(2,046)
Non-current liabilities	(1,712)	(513)	(158)
Equity	7,831	1,929	1,996
Attributable to:			
Equity holders of the parent	5,123	1,017	1,338
Non-controlling interests	2,708	912	658
Revenues and other operating income	4,716	1,398	7,740
Income before other income (expenses) and income taxes	(238)	145	302
Income before income taxes	(281)	139	297
Income taxes	44	(26)	(30)
Net income	(237)	113	267
Attributable to:			
Equity holders of the parent	(159)	59	179
Non-controlling interests	(78)	54	88
Total comprehensive income	(355)	111	239
Attributable to:			
Equity holders of the parent	(245)	58	159
Non-controlling interests	(110)	53	80
Operating cash flow	1,636	203	299
Investing cash flow	(1,438)	(83)	-
Financing cash flow	(215)	(17)	(20)
Net effect of currency translation in cash	(3)	(1)	(13)
Net increase (decrease) in cash and cash equivalents	(20)	102	266

### Interests in Associates and Joint-ventures

The following table shows the composition of Group's investment in associates and joint-ventures and share of main financial results from associates and joint-ventures for the year ended December 31, 2020 (in CZK millions):

	Carrying amount of investment	Dividends received	Group's share of associate's and joint-venture's:		
			Net income (loss)	Other comprehensive income	Total comprehensive income
Akceiz Group	–	–	237	86	323
Akenerji Group	–	–	–	–	–
Jadrová energetická spoločnosť Slovenska, a. s.	2,653	–	(22)	86	64
GEOMET s.r.o.	750	–	(41)	–	(41)
Bytkomfort, s.r.o.	247	8	7	9	16
LOMY MOŘINA spol. s r.o.	142	4	3	–	3
Other	283	–	4	5	9
<b>Total</b>	<b>4,075</b>	<b>12</b>	<b>188</b>	<b>186</b>	<b>374</b>

The Group is a guarantor for the liabilities of companies within the joint-venture with Akceiz Enerji A.S. in the amount of USD 95.5 million and TRY 63.8 million as of December 31, 2020 (see Note 19.2). Based on calculation of recoverable amount from future cash flows a provision in the amount of CZK 1,267 million was recognized as of December 31, 2020. Because the Group's total cumulative share on losses of Akceiz Group did not exceeded the amount of the guarantee provided as at December 31, 2020, the Group recognized its share on losses of Akceiz Group in full (in the statement of income included in the line Share of profit (loss) from associates and joint-ventures). As of December 31, 2020, the provision in the amount of CZK 944 million was recorded on the balance sheet this way including the use and additions to the provision in the previous years and including the unwinding of discount and this amount was increased by CZK 323 million (in the statement of income on the line Impairment of financial assets) in order to arrive to the assumed amount of the provision CZK 1,267 million as at December 31, 2020.

In 2017 the share on losses of joint-venture Akenerji Elektrik Üretim A.S. exceeded the carrying amount of Group's investment in this joint-venture. The Group has made no obligations on behalf of Akenerji Elektrik Üretim A.S., so therefore the Group discontinued of using equity method of accounting as of December 31, 2017 (Note 2.2.3). The amount of unrecognized share of the Group on losses of Akenerji Group amounted to CZK 4,900 million as of December 31, 2020.

The joint-ventures Akceiz Enerji A.S. and Akenerji Elektrik Üretim A.S. are formed by partnership of CEZ Group and Akkök Group in Turkey to invest mainly into power generation and electricity distribution projects. The joint-venture Jadrová energetická spoločnosť Slovenska, a. s. is a joint-venture formed by CEZ Group and the Slovak Government to prepare the project of building a new nuclear power source in Slovakia. GEOMET s.r.o. is a joint-venture of CEZ Group and European Metals Holdings Limited with the intention to develop a potential lithium ore mining project in Čínovec.

The following table shows the composition of Group's investment in joint-ventures and share of main financial results from joint-ventures for the year ended December 31, 2019 (in CZK millions):

	Carrying amount of investment	Dividends received	Group's share of associate's and joint-venture's:		
			Net income (loss)	Other comprehensive income	Total comprehensive income
Akceiz Group	–	–	24	60	84
Akenerji Group	–	–	–	–	–
Jadrová energetická spoločnosť Slovenska, a. s.	2,589	–	(24)	(32)	(56)
Bytkomfort, s.r.o.	239	2	7	(2)	5
LOMY MOŘINA spol. s r.o.	179	5	8	–	8
Other	276	–	3	(13)	(10)
<b>Total</b>	<b>3,283</b>	<b>7</b>	<b>18</b>	<b>13</b>	<b>31</b>

The Group is a guarantor for the liabilities of companies within the joint-venture with Akceiz Enerji A.S. in the amount of USD 106.3 million and TRY 72.3 million as of December 31, 2019 (see Note 19.2). Based on calculation of recoverable amount from future cash flows a provision in the amount of CZK 1,362 million was recognized as of December 31, 2019. Because the Group's total cumulative share on losses of Akceiz Group did not exceeded the amount of the guarantee provided as at December 31, 2019, the Group recognized its share on losses of Akceiz Group in full (in the statement of income included in the line Share of profit (loss) from associates and joint-ventures). As of December 31, 2019, the provision in the amount of CZK 528 million was recorded on the balance sheet this way including the unwinding of discount and this amount was increased by CZK 834 million (in the statement of income on the line Impairment of financial assets) in order to arrive to the assumed amount of the provision CZK 1,362 million as at December 31, 2019.

In 2017 the share on losses of joint-venture Akenerji Elektrik Üretim A.S. exceeded the carrying amount of Group's investment in this joint-venture. The Group has made no obligations on behalf of Akenerji Elektrik Üretim A.S., so therefore the Group discontinued of using equity method of accounting as of December 31, 2017 (Note 2.2.3). The amount of unrecognized share of the Group on losses of Akenerji Group amounted to CZK 4,260 million as of December 31, 2019.

The following tables present summarized financial information of material associates and joint-ventures for the year ended December 31, 2020 (in CZK millions):

	Current assets	Thereof: Cash and cash equivalents	Non-current assets	Current liabilities	Non-current liabilities	Equity	Share of the Group	Recognized liability / unrecognized share on loss	Goodwill	Total carrying amount of the investment
Akcezn Enerji A.S.	45	17	2,777	759	2,673	(610)				
Sakarya Elektrik Dagitim A.S.	2,194	350	3,078	1,385	1,633	2,254				
Sakarya Elektrik Perakende Satis A.S.	3,091	359	472	2,670	123	770				
Akcezn Group						(364)	(182)	182	-	-
Akenerji Elektrik Üretim A.S.	1,008	421	7,098	1,669	17,518	(11,081)				
Akenerji Group						(13,116)	(4,900)	4,900	-	-
Jadrová energetická spoločnosť Slovenska, a. s.	1,488	1,483	3,935	8	1	5,414	2,653	-	-	2,653
GEOMET s.r.o.	724	722	10	19	-	715	365	-	385	750
Bytkomfort, s.r.o.	68	15	267	50	66	219	107	-	140	247
LOMY MOŘINA spol. s r.o.	145	78	262	111	17	279	142	-	-	142

	Revenues and other operating income	Depreciation and amortization	Interest income	Interest expense	Income taxes	Net income (loss)	Other comprehensive income	Total comprehensive income
Akcezn Enerji A.S.	-	-	24	(165)	-	(826)	110	(716)
Sakarya Elektrik Dagitim A.S.	5,042	(42)	24	(135)	(441)	1,304	(616)	688
Sakarya Elektrik Perakende Satis A.S.	18,206	(70)	51	(10)	(74)	231	(260)	(29)
Akenerji Elektrik Üretim A.S.	7,025	(372)	19	(2,016)	(26)	(3,353)	1,633	(1,720)
Jadrová energetická spoločnosť Slovenska, a. s.	15	(12)	3	-	(1)	(44)	174	130
GEOMET s.r.o.	1	-	-	-	-	(80)	-	(80)
Bytkomfort, s.r.o.	263	(25)	-	(1)	(4)	13	9	22
LOMY MOŘINA spol. s r.o.	280	(23)	-	-	-	6	-	6

The following tables present summarized financial information of material joint-ventures for the year ended December 31, 2019 (in CZK millions):

	Current assets	Thereof: Cash and cash equivalents	Non-current assets	Current liabilities	Non-current liabilities	Equity	Share of the Group	Recognized liability / unrecognized share on loss	Goodwill	Total carrying amount of the investment
Akcezn Enerji A.S.	52	17	3,669	560	3,295	(134)				
Sakarya Elektrik Dagitim A.S.	1,895	102	3,191	1,259	2,290	1,537				
Sakarya Elektrik Perakende Satis A.S.	4,129	771	1,069	4,083	128	987				
Akcezn Group						(1,010)	(505)	505	-	-
Akenerji Elektrik Üretim A.S.	924	209	11,133	1,715	19,766	(9,424)				
Akenerji Group						(11,403)	(4,260)	4,260	-	-
Jadrová energetická spoločnosť Slovenska, a. s.	1,496	1,486	3,800	12	-	5,284	2,589	-	-	2,589
Bytkomfort, s.r.o.	48	20	207	26	17	212	104	-	135	239
LOMY MOŘINA spol. s r.o.	146	100	251	31	15	351	179	-	-	179

	Revenues and other operating income	Depreciation and amortization	Interest income	Interest expense	Income taxes	Net income (loss)	Other comprehensive income	Total comprehensive income
Akcezn Enerji A.S.	-	-	16	(325)	-	(936)	47	(889)
Sakarya Elektrik Dagitim A.S.	4,593	(42)	200	(434)	(199)	764	(134)	630
Sakarya Elektrik Perakende Satis A.S.	20,124	(69)	211	(18)	(68)	229	(164)	65
Akenerji Elektrik Üretim A.S.	7,125	(485)	44	(1,833)	482	(2,210)	826	(1,384)
Jadrová energetická spoločnosť Slovenska, a. s.	14	(15)	6	-	(1)	(49)	(66)	(115)
Bytkomfort, s.r.o.	255	(24)	-	(1)	(3)	15	-	15
LOMY MOŘINA spol. s r.o.	231	(20)	-	-	(2)	16	-	16



## 10. Cash and Cash Equivalents, Net

The overview of cash and cash equivalents, net at December 31, 2020 and 2019, is as follows (in CZK millions):

	2020	2019
Cash on hand and current accounts with banks	5,492	4,648
Short-term securities	2	1
Term deposits	570	5,108
Allowance to cash and cash equivalents	-	(2)
<b>Total</b>	<b>6,064</b>	<b>9,755</b>

At December 31, 2020 and 2019, cash and cash equivalents included foreign currency deposits of CZK 3,681 million and CZK 3,338 million, respectively.

The weighted average interest rate on short-term securities and term deposits at December 31, 2020 and 2019, was 0.01 % and 1.0%, respectively. For the years 2020 and 2019, the weighted average interest rate was 0.6% and 1.5%, respectively.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at December 31, 2020 and 2019 (in CZK millions):

	2020	2019
Cash and cash equivalents as a separate line in the balance sheet	6,064	9,755
Cash and cash equivalents attributable to assets classified as held for sale (Note 15)	4,105	2,151
<b>Total</b>	<b>10,169</b>	<b>11,906</b>

## 11. Trade Receivables, Net

The overview of trade receivables, net at December 31, 2020 and 2019, is as follows (in CZK millions):

	2020	2019
Trade receivables	67,275	69,076
Allowances	(3,627)	(4,046)
<b>Total</b>	<b>63,648</b>	<b>65,030</b>

The information about receivables from related parties is included in Note 36.

Carrying amount of receivables pledged as security for liabilities at December 31, 2020 and 2019, are CZK 67 million and CZK 20 million, respectively.

At December 31, 2020 and 2019, the ageing structure of receivables, net is as follows (in CZK millions):

	2020	2019
Not past due	60,544	61,668
Past due:		
Less than 3 months	909	1,483
3–6 months	354	351
6–12 months	330	287
more than 12 months	1,511	1,241
<b>Total</b>	<b>63,648</b>	<b>65,030</b>

Receivables include impairment allowance created by the Group in the same way for all similar receivables that are not individually significant.

The most significant item of receivables overdue for more than 12 months are receivables of the company ČEZ Distribuce, a. s. The company ČEZ Distribuce, a. s. undertakes several litigations concerning the collection of the price component related to the costs of support for the generation of electricity from renewable energy sources and combined generation of electricity and heat in 2013. The management of the company ČEZ Distribuce, a. s. is convinced that in the event of a negative judgment against ČEZ Distribuce in these and similar litigations, the company ČEZ Distribuce will be able to demand the reimbursement of fees and accessories from company OTE, a.s. and in this regard the management is committed to make all necessary actions to ensure that eventual loss in such disputes will not have negative impact on the company ČEZ Distribuce, a. s.

Movements in allowance (in CZK millions):

	2020	2019
Balance as at January 1	(4,046)	(3,976)
Allowances classified as held for sale as at January 1	(1,166)	(1,063)
Additions	(1,930)	(1,654)
Reversals	1,464	1,249
Derecognition of impaired assets	22	199
Transfer to assets held for sale	2,037	1,166
Sale of subsidiaries	12	–
Currency translation differences	(20)	33
<b>Balance as at December 31</b>	<b>(3,627)</b>	<b>(4,046)</b>

## 12. Materials and Supplies, Net

The overview of materials and supplies, net at December 31, 2020 and 2019, is as follows (in CZK millions):

	2020	2019
Gross costs incurred on wind projects in Poland in development	300	326
Allowance to wind projects in Poland	(283)	(309)
Wind projects in Poland in development, net	17	17
Materials	9,429	8,557
Other work in progress	644	495
Other supplies	173	174
Allowance for obsolescence	(365)	(354)
<b>Total</b>	<b>9,898</b>	<b>8,889</b>

## 13. Emission Rights

The following table summarizes the movements in the quantity (in thousand tons) and book value of emission rights and credits held by the Group during 2020 and 2019 (in CZK millions):

	2020		2019	
	in thousands tons	in millions CZK	in thousands tons	in millions CZK
<b>Emission rights and credits for own use:</b>				
Emission rights and credits for own use at January 1	53,728	21,011	40,597	9,040
Emission rights granted	2,846	–	685	–
Settlement of emissions with register	(28,364)	(7,401)	(26,818)	(4,996)
Emission rights purchased	12,861	5,520	39,149	16,967
Emission rights sold	(5)	–	(8)	–
Emission credits purchased	3	–	123	1
Disposal of subsidiary Elektrárna Počerady, a.s.	(4,568)	(1,960)	–	–
Reclassification of emission rights <sup>1)</sup>	(2,977)	(1,657)	–	–
Currency translation differences	–	(59)	–	(1)
<b>Emission rights and credits for own use at December 31</b>	<b>33,524</b>	<b>15,454</b>	<b>53,728</b>	<b>21,011</b>
<b>Emission rights and credits held for trading:</b>				
Emission rights and credits held for trading at January 1	22,485	14,002	14,814	9,401
Emission rights purchased	148,341	95,238	74,429	46,518
Emission rights sold	(144,913)	(99,112)	(66,758)	(41,971)
Emission credits purchased	228	13	–	–
Emission credits sold	(59)	(12)	–	–
Reclassification of emission rights <sup>1)</sup>	2,977	1,657	–	–
Fair value adjustment	–	13,054	–	54
<b>Emission rights and credits held for trading at December 31</b>	<b>29,059</b>	<b>24,840</b>	<b>22,485</b>	<b>14,002</b>

<sup>1)</sup> The reclassification is related to the sale of the subsidiary Elektrárna Počerady, a.s.

The composition of emission rights and green and similar certificates at December 31, 2020 and 2019 (in CZK millions):

	2020			2019		
	Non-current	Current	Total	Non-current	Current	Total
Emission rights	2,701	37,593	40,294	9,132	25,881	35,013
Green and similar certificates	–	240	240	2,947	1,148	4,095
<b>Total</b>	<b>2,701</b>	<b>37,833</b>	<b>40,534</b>	<b>12,079</b>	<b>27,029</b>	<b>39,108</b>

Non-current emission rights for own use and non-current green and similar certificates are part of intangible assets (Note 6).

During 2020 and 2019 total emissions of greenhouse gases made by the Group amounted to an equivalent of 23,290 thousand tons and 25,914 thousand tons of CO<sub>2</sub>, respectively. At December 31, 2020 and 2019, the Group recognized a provision for CO<sub>2</sub> emissions in total amount of CZK 7,176 million and CZK 6,801 million, respectively (see Notes 2.13 and 20).

## 14. Other Current Assets, Net

The overview of other current assets, net at December 31, 2020 and 2019, is as follows (in CZK millions):

	2020	2019
Unbilled electricity and gas supplied to the retail customers	3,019	2,566
Received advances from retail customers	(2,662)	(1,475)
Unbilled supplies to retail customers, net	357	1,091
Gross contract assets based on percentage of completion, net	12,164	11,411
Received billings and advances	(10,568)	(9,198)
Net contract assets	1,596	2,213
Advances paid, net	2,431	2,692
Prepayments	1,170	1,335
Accruals	1,992	2,186
Taxes and fees, excluding income tax	1,373	1,553
<b>Total</b>	<b>8,919</b>	<b>11,070</b>

## 15. Assets and Associated Liabilities Classified as Held for Sale

On February 23, 2018, a share purchase agreement for the sale of interests in Bulgarian companies CEZ Razpredelenie Bulgaria AD (including its interest in CEZ ICT Bulgaria EAD), CEZ Trade Bulgaria EAD, CEZ Bulgaria EAD, CEZ Elektro Bulgaria AD, Free Energy Project Oreshets EAD and Bara Group EOOD was signed. The requirements of standard IFRS 5 to classify the assets as held for sale were met by granting prior consent to the transaction by the supervisory board of ČEZ, a. s. which took place on February 22, 2018. Following the refusal of the transaction by the Bulgarian anti-trust authority, the transaction could not be carried out.

On June 20, 2019, a share purchase agreement for the sale of the above-mentioned interests in Bulgarian companies was signed with the company Eurohold AD. The transaction is a subject to approval by the Bulgarian anti-trust authority and the Bulgarian Energy Regulatory Office.

On October 24, 2019, Bulgarian anti-trust authority refused the transaction for the sale of Bulgarian assets to the company Eurohold. CEZ Group filed a lawsuit against this decision, and the negative decision of the Bulgarian anti-trust authority was overturned by the Administrative Court, Sofia City and the case was remanded. On October 29, 2020, the Bulgarian anti-trust authority approved the transaction for the sale of Bulgarian assets held for sale to Eurohold. The Bulgarian energy regulatory authority approved the transaction on January 19, 2021. The closing date of the transaction is expected in June 2021.

As of December 31, 2020, the Group performed an impairment test for any potential impairment loss related to assets held for sale reflecting the contractual sales price of EUR 335 million. As a result of the test, there was an impairment in the amount of CZK 1,810 million, which was presented in the statement of income on the line Impairment of property, plant and equipment and intangible assets (Note 7).

On October 22, 2020, a share purchase agreement was concluded for the sale of the interests in Romanian companies Distribuție Energie Oltenia S.A., CEZ Vanzare S.A., CEZ Romania S.A. (including its interest in TMK Hydroenergy Power S.R.L.), Tomis Team S.A. (including its interest in M.W. Team Invest S.R.L.) and Ovidiu Development S.A. The sellers for CEZ Group are ČEZ, a. s. and CEZ Holdings B.V. The buyer is the international infrastructure investor Macquarie Infrastructure and Real Assets (hereinafter MIRA). Total selling price for the respective interests in the companies is stated in EUR as of December 31, 2019 (so called "locked-box date"), it bears interest 2% p. a. and is due on the closing date. The requirements of standard IFRS 5 to classify the assets as held for sale were met by granting prior consent to the transaction by the supervisory board of ČEZ, a. s. which took place on October 22, 2020.

On December 23, 2020, MIRA received the antitrust approval of the transaction granted by the European anti-trust authority (Directorate-General for Competition) and on January 5, 2021, the transaction was also approved by the Romanian Supreme Council of National Defence (Consiliul Suprem de Apărare a Țării). This fulfilled the conditions precedent for the execution of the transaction. Settlement of the transaction is expected at the end of March 2021.

As of December 31, 2020, the Group performed a test for possible impairment of assets held for sale with regard to the contractual sale price. As at December 31, 2020, an impairment of property, plant and equipment and intangible assets in the amount of CZK 10,837 million was recorded, which was reported in the income statement on the line Impairment of property, plant and equipment and intangible assets (see Note 7).

The assets classified as held for sale and associated liabilities at December 31, 2020 and 2019, are as follows (in CZK millions):

	2020			2019
	Bulgarian companies	Romanian companies	Total	Bulgarian companies
Property, plant and equipment, net	10,148	14,966	25,114	10,539
Intangible assets, net	498	1,784	2,282	461
Other non-current assets	63	1,507	1,570	145
Cash and cash equivalents	2,740	1,365	4,105	2,151
Trade receivables, net	2,871	1,238	4,109	2,875
Another current assets	1,066	2,127	3,193	1,109
Assets classified as held for sale	17,386	22,987	40,373	17,280
Long-term debt, net of current portion	1,173	2,955	4,128	1,357
Non-current provisions	210	1,011	1,221	183
Other long-term financial liabilities	197	9	206	247
Deferred tax liability	103	–	103	247
Short-term loans	37	–	37	170
Current portion of long-term debt	234	321	555	251
Trade payables	2,366	1,014	3,380	2,498
Current provisions	528	319	847	432
Another current liabilities	267	885	1,152	207
Liabilities associated with assets classified as held for sale	5,115	6,514	11,629	5,592
Related non-controlling interests	3,616	–	3,616	3,436
Related currency translation differences (cumulative loss)	(1,408)	(6,345)	(7,753)	(1,627)

The assets and results associated with the assets classified as held for sale are reported in the operating segments Generation – New Energy, Distribution and Sales.

## 16. Equity

As at December 31, 2020 and 2019, the share capital of the Company registered in the Commercial Register totaled CZK 53,798,975,900 and consisted of 537,989,759 shares with a nominal value of CZK 100 per share. All shares are bearer common shares that are fully paid and listed and do not convey any special rights.

Movements of treasury shares in 2020 and 2019 (in pieces):

	2020	2019
Number of treasury shares at beginning of period	2,551,240	3,125,021
Sales of treasury shares	(35,000)	(573,781)
Number of treasury shares at end of period	2,516,240	2,551,240

Treasury shares remaining at end of period are presented at cost as a deduction from equity.

Declared dividends per share before tax were CZK 34 in 2020 and CZK 24 in 2019. Dividends for the year 2020 will be declared at the general meeting, which will be held in the first half of 2021.

### Capital Structure Management

The primary objective of the Group's capital structure management is to maintain its credit rating at an investment grade and a level that is standard in the sector and to maintain a healthy ratio of equity to borrowed capital to support the Group's business and maximize value for shareholders. The Group monitors its capital structure and makes adjustments to it with a view to changes in the business environment.

The Group primarily monitors its capital structure using the net debt-to-EBITDA ratio. Considering the current structure and stability of its cash flows and its development strategy, the Group aims to keep the ratio at 2.5–3.0. The Group also monitors its capital structure using the total debt-to-total capital ratio. The Group aims to keep the ratio below 50% in the long term.

EBITDA comprises earnings before taxes and other expenses and revenues plus depreciation and amortization and impairment of property, plant, and equipment and intangible assets less gain (or plus loss) from sales of property, plant, and equipment. Total debt comprises long-term debt including the current portion and short-term borrowings. Net debt represents total debt less cash and cash equivalents and highly liquid financial assets. For the purposes of capital structure management, highly liquid financial assets comprise short-term and long-term debt financial assets and short-term and long-term deposits. Total capital is equity attributable to parent company shareholders plus total debt. These calculations always include items relating to assets held for sale, which are reported separately in the balance sheet.

The calculation and evaluation of the ratios is done using consolidated figures (in CZK millions):

	2020	2019
Long-term debt	150,843	167,633
Short-term loans	984	4,260
Long-term debt associated with assets classified as held for sale (Note 15)	4,683	1,608
Short-term loans associated with assets classified as held for sale (Note 15)	37	170
Total debt <sup>1)</sup>	156,547	173,671
Less:		
Cash and cash equivalents	(6,064)	(9,755)
Cash and cash equivalents classified as held for sale (Note 15)	(4,105)	(2,151)
Highly liquid financial assets:		
Current debt financial assets (Note 5)	(111)	(403)
Non-current debt financial assets (Note 5)	-	(111)
Current term deposits (Note 5)	(2,755)	(3)
Total net debt	143,512	161,248
Income before income taxes and other income (expenses)	12,585	26,429
Depreciation and amortization	28,284	29,016
Impairment of property, plant and equipment and intangible assets	24,062	4,860
Gains and losses on sale of property, plant and equipment (Note 25 and 31)	(148)	(130)
EBITDA	64,783	60,175
Equity attributable to equity holders of the parent	233,871	250,761
Total debt	156,547	173,671
Total capital	390,418	424,432
Net debt to EBITDA ratio	2.22	2.68
Total debt to total capital ratio	40.1%	40.9%

<sup>1)</sup> Part of total debt are accrued interest expenses, which amounted to CZK 1,743 million and CZK 2,151 million as at December 31, 2020 and 2019, respectively.

## 17. Long-term Debt

The overview of long-term debt at December 31, 2020 and 2019, is as follows (in CZK millions):

	2020	2019
3.005% Eurobonds, due 2038 (JPY 12,000 million)	2,505	2,516
2.845% Eurobonds, due 2039 (JPY 8,000 million)	1,671	1,679
5.000% Eurobonds, due 2021 (EUR 750 million)	19,872	19,228
4.875% Eurobonds, due 2025 (EUR 750 million)	20,328	19,671
4.500% Eurobonds, due 2020 (EUR 750 million)	–	19,478
2.160% Eurobonds, due in 2023 (JPY 11,500 million)	2,405	2,416
4.600% Eurobonds, due in 2023 (CZK 1,250 million)	1,288	1,287
2.150%*IR CPI Eurobonds, due 2021 (EUR 100 million) <sup>1)</sup>	2,688	2,602
4.102% Eurobonds, due 2021 (EUR 50 million)	1,315	1,273
4.375% Eurobonds, due 2042 (EUR 50 million)	1,314	1,271
4.500% Eurobonds, due 2047 (EUR 50 million)	1,312	1,269
4.383% Eurobonds, due 2047 (EUR 80 million)	2,130	2,062
3.000% Eurobonds, due 2028 (EUR 725 million)	19,713	19,133
0.875% Eurobonds, due 2022 (EUR 500 million)	13,106	12,675
0.875% Eurobonds, due 2026 (EUR 750 million)	19,499	18,847
4.250% U.S. bonds, due 2022 (USD 289 million)	6,226	6,578
5.625% U.S. bonds, due 2042 (USD 300 million)	6,448	6,817
4.500% Registered bonds, due 2030 (EUR 40 million)	1,040	1,006
4.750% Registered bonds, due 2023 (EUR 40 million)	1,092	1,056
4.700% Registered bonds, due 2032 (EUR 40 million)	1,083	1,048
4.270% Registered bonds, due 2047 (EUR 61 million)	1,583	1,531
3.550% Registered bonds, due 2038 (EUR 30 million)	806	780
<b>Total bonds and debentures</b>	<b>127,424</b>	<b>144,223</b>
Less: Current portion	(25,339)	(21,163)
<b>Bonds and debentures, net of current portion</b>	<b>102,085</b>	<b>123,060</b>
<b>Long-term bank loans and lease liabilities:</b>		
Less than 2.00% p. a.	18,385	7,651
2.00% to 2.99% p. a.	2,036	9,458
3.00% to 3.99% p. a.	2,078	2,773
4.00% p. a. and more	920	3,528
<b>Total long-term bank loans and lease liabilities</b>	<b>23,419</b>	<b>23,410</b>
Less: Current portion	(3,402)	(3,900)
<b>Long-term bank loans and lease liabilities, net of current portion</b>	<b>20,017</b>	<b>19,510</b>
<b>Total long-term debt</b>	<b>150,843</b>	<b>167,633</b>
Less: Current portion	(28,741)	(25,063)
<b>Total long-term debt, net of current portion</b>	<b>122,102</b>	<b>142,570</b>

<sup>1)</sup> The interest rate is based on inflation realized in Eurozone Countries (Harmonized Index of Consumer Prices – HICP) and is fixed through the closed swap to the rate 4.553% p. a.

The interest rates indicated above are historical rates for fixed rate debt and current market rates for floating rate debt. The actual interest payments are affected by interest rate risk hedging carried out by the Group.

All long-term debt is recognized in original currencies while the related hedging derivatives are recognized using the method described in Note 2.15.

The overview of long-term debt maturities, is as follows (in CZK millions):

	2020	2019
Within 1 year	28,741	25,063
Between 1 year and 2 years	22,975	26,598
Between 2 and 3 years	6,749	24,790
Between 3 and 4 years	2,594	6,437
Between 4 and 5 years	22,157	1,687
Thereafter	67,627	83,058
<b>Total long-term debt</b>	<b>150,843</b>	<b>167,633</b>



The summary of long-term debt by currency (in millions):

	2020		2019	
	Foreign currency	CZK	Foreign currency	CZK
EUR	4,799	125,944	5,426	137,875
USD	593	12,675	592	13,395
JPY	31,720	6,581	31,716	6,611
PLN	310	1,783	390	2,326
RON	–	–	650	3,455
HUF	–	–	117	9
CZK	–	3,860	–	3,962
<b>Total long-term debt</b>		<b>150,843</b>		<b>167,633</b>

Long-term debt with floating interest rates exposes the Group to interest rate risk. The following table summarizes long-term debt by contractual repricing dates of interest rates at December 31, 2020 and 2019, without considering interest rate hedging (in CZK millions):

	2020	2019
Floating rate long-term debt		
with interest rate fixed to 1 month	30	13
with interest rate fixed from 1 to 3 months	2,689	5,467
with interest rate fixed from 3 months to 1 year	6,693	8,622
with interest rate fixed for more than 1 year	17	–
Total floating rate long-term debt	9,429	14,102
Fixed rate long-term debt	141,414	153,531
<b>Total long-term debt</b>	<b>150,843</b>	<b>167,633</b>

Fixed rate long-term debt exposes the Group to the risk of changes in fair values of these financial instruments. For related fair value information and risk management policies of all financial instruments see Note 18 and Note 19.

The following table analyses the changes in liabilities and receivables arising from financing activities in 2020 and 2019 (in CZK millions):

	Debt	Other financial liabilities	Other long-term liabilities	Other current financial assets, net	Total liabilities / assets from financing activities
Amount at December 31, 2018	160,966	125,341	31	(93,303)	
Less: Liabilities / assets from other than financing activities	–	(124,175)	–	93,274	
Adoption of IFRS 16	5,987	–	–	–	
Liabilities / assets from financing at January 1, 2019	166,953	1,166	31	(29)	168,121
Cash flows	5,570	(13,626)	–	3	(8,053)
Additions of leases	293	–	–	–	293
Foreign exchange movement	(61)	(18)	–	–	(79)
Changes in fair values	(1,453)	–	–	–	(1,453)
Acquisition of subsidiaries	286	–	–	–	286
Liabilities associated to assets classified as held for sale	71	1	–	–	72
Declared dividends	–	12,831	–	–	12,831
Other	234	12	–	–	246
Liabilities / assets arising from financing activities at December 31, 2019	171,893	366	31	(26)	172,264
Liabilities / assets arising from other than financing activities	–	72,521	–	(61,088)	
<b>Total amount on balance sheet at December 31, 2019</b>	<b>171,893</b>	<b>72,887</b>	<b>31</b>	<b>(61,114)</b>	
Less: Liabilities / assets from other than financing activities	–	72,521	–	(61,088)	
Liabilities / assets from financing at January 1, 2020	171,893	366	31	(26)	172,264
Cash flows	(21,404)	(18,022)	–	(4)	(39,430)
Additions and modifications of leases	289	–	–	–	289
Foreign exchange movement	(932)	14	1	–	(917)
Changes in fair values	5,106	–	–	–	5,106
Acquisition of subsidiaries	195	–	–	–	195
Disposal of subsidiaries	(105)	–	–	–	(105)
Liabilities associated to assets classified as held for sale	(2,942)	(23)	–	–	(2,965)
Declared dividends	–	18,199	–	–	18,199
Other	(273)	14	–	–	(259)
Liabilities / assets arising from financing activities at December 31, 2020	151,827	548	32	(30)	152,377
Liabilities / assets arising from other than financing activities	–	80,980	2	(61,864)	
<b>Total amount on balance sheet at December 31, 2020</b>	<b>151,827</b>	<b>81,528</b>	<b>34</b>	<b>(61,894)</b>	

The column Debt consists of balance sheet items Long-term debt, net of current portion, Current portion of long-term debt and Short-term loans. In terms of financing activities, item Other financial liabilities consists of dividend payable and other financial liabilities (short-term and long-term including short-term portion), item Other long-term liabilities consists especially of long-term deposits and received advanced payments, item Other current financial assets, net consists of advanced payments to dividend administrator.

## 18. Fair Value of Financial Instruments

Fair value is defined as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction, which excludes a forced or liquidation sale. Fair value is determined as a quoted market price or a value obtained on the basis of discounted cash flow models or option pricing models.

The Group uses the following methods and assumptions to determine the fair value of each class of financial instruments:

### Cash, Cash Equivalents and Short-term Investments

The fair value of cash and other current financial assets is deemed to be the carrying amount due to their relatively short maturity.

### Securities Held for Trading

The fair value of current equity and debt securities held for trading is based on their market price.

### Non-current Debt and Equity Financial Assets

The fair value of non-current debt and equity financial assets that are publicly traded in an active market is based on their quoted market price. The fair value of non-current and equity financial assets that are not publicly traded in an active market is determined using appropriate valuation techniques.

### Short-term Receivables and Payables

The fair value of receivables and payables is deemed to be the carrying amount due to their relatively short maturity.

### Short-term Borrowings

The fair value of these financial instruments corresponds to the carrying amount due to their short maturity.

### Long-term Debt

The fair value of long-term debt is deemed to be the market value of identical or similar instruments, or the measurement is based on current interest rates on debt with the same maturity. The fair value of long-term debt with a variable interest rate is deemed to be the carrying amount.

### Derivatives

The fair value of derivatives corresponds to their market value.

Carrying amounts and the estimated fair values of financial assets (except for derivatives) at December 31, 2020 and 2019, are as follows (in CZK millions):

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets at amortized cost:				
Other financial receivables	1,786	1,786	688	688
Receivables from sale of subsidiaries, associates and joint-ventures	2,349	2,349	–	–
Investment in finance lease	261	261	305	305
Debt financial assets	–	–	10	10
Non-current assets at fair value through other comprehensive income:				
Restricted debt financial assets	19,206	19,206	16,119	16,119
Debt financial assets	–	–	101	101
Equity financial assets	1,768	1,768	2,711	2,711
Non-current assets at fair value through profit or loss:				
Equity financial assets	1,750	1,750	1,468	1,468
Current assets at amortized cost:				
Term deposits	2,755	2,755	3	3
Other financial receivables	987	987	56	56
Receivables from sale of subsidiaries, associates and joint-ventures	2,012	2,012	–	–
Investment in finance lease	51	51	48	48
Debt financial assets	10	10	–	–
Current assets at fair value through other comprehensive income:				
Debt financial assets	101	101	403	403

Carrying amounts and the estimated fair values of financial liabilities (except for derivatives) at December 31, 2020 and 2019, are as follows (in CZK millions):

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term debt	(150,843)	(164,135)	(167,633)	(179,164)
Other long-term financial liabilities	(233)	(233)	(1,952)	(1,952)
Short-term loans	(984)	(984)	(4,260)	(4,260)
Other short-term financial liabilities	(353)	(353)	(343)	(343)

Carrying amounts and the estimated fair values of derivatives and liabilities recognized at fair value at December 31, 2020 and 2019, are as follows (in CZK millions):

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Liabilities from put options held by non-controlling interests	(340)	(340)	(1,083)	(1,083)
Contingent consideration from the acquisition of subsidiaries	(399)	(399)	(325)	(325)
Cash flow hedges:				
Short-term receivables	284	284	1,064	1,064
Long-term receivables	2,864	2,864	4,732	4,732
Short-term liabilities	(301)	(301)	(939)	(939)
Long-term liabilities	(7,776)	(7,776)	(5,464)	(5,464)
Commodity derivatives:				
Short-term receivables	54,858	54,858	59,225	59,225
Short-term liabilities	(70,168)	(70,168)	(61,733)	(61,733)
Other derivatives:				
Short-term receivables	836	836	315	315
Long-term receivables	224	224	908	908
Short-term liabilities	(1,104)	(1,104)	(172)	(172)
Long-term liabilities	(854)	(854)	(876)	(876)

### 18.1. Fair Value Hierarchy

The Group uses and discloses financial instruments with the following structure according to the manner in which the fair value is determined:

Level 1: Measured at fair value using the market prices of identical assets and liabilities quoted in active markets.

Level 2: Measured at fair value using methods under which significant inputs are directly or indirectly derived from data observable in active markets.

Level 3: Measured at fair value using methods under which significant inputs are not derived from data observable in active markets.

For assets and liabilities that occur regularly or repeatedly in financial statements, the Group reviews categorization in levels of the fair value hierarchy (according to the lowest input level that is significant to the measurement of fair value as a whole) at the end of each reporting period to determine whether there have been any transfers between levels of the fair value hierarchy.

At December 31, 2020, the Group transferred liabilities from put options held by non-controlling interests and contingent consideration from the acquisition of subsidiaries from the level 2 to level 3. There were no transfers between the levels of financial instruments at fair value in 2019.

As at December 31, 2020, the fair value hierarchy was the following (in CZK millions):

Assets measured at fair value:	Total	Level 1	Level 2	Level 3
Commodity derivatives	54,858	3,422	51,436	–
Cash flow hedges	3,148	38	3,110	–
Other derivatives	1,060	10	1,050	–
Restricted debt securities	19,206	19,206	–	–
Debt financial assets at fair value through other comprehensive income	101	101	–	–
Equity financial assets at fair value through profit or loss	1,750	–	–	1,750
Equity financial assets at fair value through other comprehensive income	1,768	–	–	1,768
<b>Liabilities measured at fair value:</b>				
Commodity derivatives	(70,168)	(4,116)	(66,052)	–
Cash flow hedges	(8,077)	(1,281)	(6,796)	–
Other derivatives	(1,958)	(519)	(1,439)	–
Liabilities from put options held by non-controlling interests	(340)	–	–	(340)
Contingent consideration from the acquisition of subsidiaries	(399)	–	–	(399)
<b>Assets and liabilities for which fair values are disclosed:</b>				
Term deposits	2,755	–	2,755	–
Other financial receivables	2,773	–	2,773	–
Receivables from sale of subsidiaries, associates and joint-ventures	4,361	–	4,361	–
Debt financial assets	10	–	10	–
Investment in finance lease	312	–	312	–
Long-term debt	(164,135)	(114,370)	(49,765)	–
Short-term loans	(984)	–	(984)	–
Other financial liabilities	(586)	–	(586)	–

As at December 31, 2019, the fair value hierarchy was the following (in CZK millions):

Assets measured at fair value:	Total	Level 1	Level 2	Level 3
Commodity derivatives	59,225	1,413	57,812	–
Cash flow hedges	5,796	696	5,100	–
Other derivatives	1,223	3	1,220	–
Restricted debt securities	16,119	16,119	–	–
Debt financial assets at fair value through other comprehensive income	504	504	–	–
Equity financial assets at fair value through profit or loss	1,468	–	–	1,468
Equity financial assets at fair value through other comprehensive income	2,711	–	–	2,711
<b>Liabilities measured at fair value:</b>				
Commodity derivatives	(61,733)	(5,193)	(56,540)	–
Cash flow hedges	(6,403)	(1,122)	(5,281)	–
Other derivatives	(1,048)	(15)	(1,033)	–
Liabilities from put options held by non-controlling interests	(1,083)	–	(1,083)	–
Contingent consideration from the acquisition of subsidiaries	(325)	–	(325)	–
<b>Assets and liabilities for which fair values are disclosed:</b>				
Term deposits	3	–	3	–
Other financial receivables	744	–	744	–
Debt financial assets	10	–	10	–
Investment in finance lease	353	–	353	–
Long-term debt	(179,164)	(131,473)	(47,691)	–
Short-term loans	(4,260)	–	(4,260)	–
Other financial liabilities	(2,295)	–	(2,295)	–

The Group negotiates derivative financial instruments with various counterparties, especially large groups operating in the energy sector and large financial institutions with high credit ratings. Derivatives that are measured by means of techniques using market inputs include, in particular, commodity forward and futures contracts, foreign exchange forward contracts, interest rate swaps, and options. The most frequently applied valuation methods use commodity price curves, swap models, present value calculations, and option pricing models (e.g., Black-Scholes, Black-76). The models use various inputs including the forward curves of underlying commodities, foreign exchange spot and forward rates, and interest rate curves.

The following table shows roll-forward of the financial assets measured at fair value – Level 3, for the years ended December 31, 2020 and 2019 (in CZK millions):

	Equity financial assets at fair value through profit or loss	Equity financial assets at fair value through other comprehensive income
Balance at January 1, 2019	2,139	3,055
Additions	230	3
Disposals	(962)	–
Revaluation	61	(347)
<b>Balance at December 31, 2019</b>	<b>1,468</b>	<b>2,711</b>
Additions	315	103
Disposals	(256)	–
Revaluation	223	(1,046)
<b>Balance at December 31, 2020</b>	<b>1,750</b>	<b>1,768</b>

The main investment in the portfolio Equity financial assets at fair value through other comprehensive income is 15% interest in the company Veolia Energie ČR, a.s. (Note 5). The company's shares are not traded on any market. Fair value at December 31, 2020 and 2019, was determined using available public EBITDA data and the usual range of 8 to 10 EBITDA multiples which corresponds to the purchase price of a 100% stake in a company in transactions observed in the market in the industry in question before adjustment for the amount of debt. The fair value at December 31, 2020 and 2019, was determined using 8 EBITDA multiple and 9 EBITDA multiple, respectively, as the best estimate of the fair value.

Equity financial assets at fair value through profit or loss include investments of the CEZ Group's investment fund in the company Inven Capital, SICAV, a.s. (Note 5). The fair value of the investments included in this portfolio at December 31, 2020 and 2019, was determined by a valuation expert. The determination of fair value takes into consideration, in particular, capital contributions and to other forms of financing made by the co-investors recently. In addition, the valuation takes into account further development and eventual subsequent significant events, such as received bids for redemption.

The fair value of the contingent consideration was determined based on present value of future cash flows, which the Group expects to pay in connection with the acquisition of the subsidiary and is assessed internally by management. The amount of the payment is dependent on future financial results of the acquired company.

The liability from put option held by the non-controlling interests is measured as the present value of the amount payable on exercise of the option.

## 18.2. Offsetting of Financial Instruments

The following table shows the recognized financial instruments that are offset, or subject to enforceable master netting agreement or other similar agreements but not offset, as of December 31, 2020 and 2019 (in CZK millions):

	2020		2019	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Derivatives	59,066	(80,198)	66,244	(69,184)
Other financial instruments <sup>1)</sup>	45,500	(41,633)	43,151	(40,984)
Collaterals paid (received) <sup>2)</sup>	1,919	(2,452)	1,182	(683)
Gross financial assets / liabilities	106,485	(124,283)	110,577	(110,851)
Assets / liabilities set off under IAS 32	–	–	–	–
Amounts presented in the balance sheet	106,485	(124,283)	110,577	(110,851)
Effect of master netting agreements	(98,385)	98,385	(93,251)	93,251
<b>Net amount after master netting agreements</b>	<b>8,100</b>	<b>(25,898)</b>	<b>17,326</b>	<b>(17,600)</b>

<sup>1)</sup> Other financial instruments consist of invoices due from derivative trading and are included in Trade receivables, net or Trade payables.

<sup>2)</sup> Collaterals paid are included in Trade receivables, net and collaterals received are included in Trade payables.

The Group trades in derivatives under EFET and ISDA master agreements. The agreements allow mutual setoff of receivables and payables on early termination of contracts. The reason for early termination is the counterparty's insolvency or failure to fulfill agreed contract terms. All agreed contracts are settled financially on early termination. Their mutual setoff is either embedded in a contractual provision of the master agreements or results from the collateral provided. In addition, a CSA (Credit Support Annex) has been signed with several partners, defining the permitted limit of exposure between the partners. When the limit is exceeded, cash is transferred to reduce exposure below an agreed level. The deposited cash is also included in the final offset.

The information about offset of unbilled electricity supplied to retail customers with advances received is included in Note 14 and 23. The information about offset of construction contracts and related billings and advances received is included in Note 14.

Short-term derivative assets are included in the balance sheet in Other current financial assets, net; long-term derivative assets are included in Other non-current financial assets, net; short-term derivative liabilities are included in Other current financial liabilities; and long-term derivative liabilities are included in Other non-current financial liabilities.

## 19. Financial Risk Management

### Risk Management Approach

A risk management system is being successfully developed in order to protect the Group's value while taking the level of risk acceptable for the shareholders. In the Group, the risk is defined as a potential difference between the actual and the expected (planned) developments and is measured by means of the extent of such difference in CZK and the likelihood with which such a difference may occur.

A risk capital concept is applied within the Group. The concept allows the setting of basic cap for partial risk limits and, in particular, the unified quantification of all kinds of risks. The value of aggregate annual risk limit (Profit@Risk) is approved by the Board of Directors based on the Risk Management Committee proposal for every financial year. The proposed limit value is derived from historical volatility of profit, revenues and costs of the Group (the top-down method). The approved value in CZK is set on the basis of a 95% confidence level and expresses a maximum profit decrease, which is the Group willing to take in order to reach the planned annual profit.

The bottom-up method is used for setting and updating the Risk frames. The Risk frames include the definition of risk and departments/units of the Group for which the frame is obligatory; definition of rules and responsibilities for risk management; permitted instruments and methods of risk management and actual risk limits, including a limit which expresses the share in the annual Profit@Risk limit.

The main Business Plan market risks are quantified in the Group (EBITDA@Risk based on MonteCarlo simulation in Y+1 to Y+5 horizon). The market risks are actively managed through gradual electricity sales and emission allowances' purchases in the following 6-year horizon, closed long-term contracts for electricity sale and emission allowances purchase and the FX and IR risk hedging in medium-term horizon. In Business Plan horizon, the risk management is also based on Debt Capacity concept which enables to assess the impact of main Investment and other Activities (incl. the risk characteristics), on expected cash flow and total debt in order to maintain corporate rating.

### Risk Management Organization

The supreme authority responsible for risk management in ČEZ, a. s. is the CFO, except for approval of the aggregate annual budget risk limit (Profit@Risk) within the competence of the ČEZ, a. s. Board of Directors. CFO decides, based on the recommendation of the Risk Management Committee, on the development of a system of risk management, on an overall allocation of risk capital to the individual risks and organizational units, he approves obligatory rules, responsibilities and limit structure for the management of partial risks.

The Risk Management Committee (advisory committee of CFO) continuously monitors an overall risk impact on the Group, including Group risk limits utilization, status of risks linked to Business Plan horizon, hedging strategies status, assessment of impact of Investment and other Activities on potential Group debt capacity and cash flow in order to maintain corporate rating.

### Overview and Methods of Risk Management

The Group applies a unified categorization of the Group's risks which reflects the specifics of a corporate, i.e. non-banking company, and focuses on primary causes of unexpected development. The risks are divided into four basic categories listed below.

1. Market risks	2. Credit risks	3. Operation risks	4. Business risks
1.1 Financial (FX, IR)	2.1 Counterparty default	3.1 Operating	4.1 Strategic
1.2 Commodity	2.2 Supplier default	3.2 Internal change	4.2 Political
1.3 Volumetric	2.3 Settlement	3.3 Liquidity management	4.3 Regulatory
1.4 Market liquidity		3.4 Security	4.4 Reputation



From the view of risk management, the Group activities can be divided into two basic groups:

- Activities with the unified quantification of the share of respective activity in the aggregate risk limit of the Group (i.e. using specific likelihood, it is possible to objectively determine what risk is associated with an activity / planned profit). These risks are managed by the rules and limits set by the CFO of ČEZ, a. s. based on the recommendation of the Risk Management Committee and, concurrently, in accordance with governing documents of the respective units / processes of the Group.
- Activities whose share in the aggregate risk limit of the Group has not been quantified so far or for objective reasons. These risks are managed by the responsible owners of the relevant processes in accordance with internal governing documents of the respective units / processes of the Group.

For all risks quantified on a unified basis, a partial risk limit is set whose continuous utilization is evaluated on a monthly basis and is usually defined as a sum of the actually expected deviation of expected annual profit from the plan and the potential risk of loss on a 95% confidence. The Group's methodologies and data provide for a unified quantification of the following risks:

- Market risks: financial (currency, interest and stock price) risks, commodity prices (electricity, emission allowances, coal, gas, crude oil), volume (volume of electricity produced by wind power plants)
- Credit risks: financial and business counterparty risk and electricity, gas and heat end customer risk
- Operational risks: risks of nuclear and fossil power plants operation in the Czech Republic, investment risks.

The development of the Group's quantified risks is reported to the Risk Management Committee every month through 3 regular reports:

- Annual budget risks (annual Profit@Risk limit utilization)
- Business plan risks (EBITDA@Risk based on MonteCarlo simulation)
- Debt capacity (actual deviation from the optimal debt within Y+5 horizon, derived from rating agency requirements on debt indicators in order to preserve the ČEZ rating).

## 19.1. Qualitative Description of Risks Associated with Financial Instruments

### Commodity Risks

The development of electricity, emission allowances, coal and gas prices is a key risk factor of the Group's value. The current system of commodity risk management is focused on (i) the margin from the own electricity production sales, i.e. from trades resulting in optimizing the sales of the Group's production and in optimizing the emission allowances position for production (the potential risk is managed on the EaR, VaR and the EBITDA@Risk bases), and (ii) the margin from the proprietary trading of commodities within the whole Group (the potential risk is managed on the VaR basis).

### Market Financial Risks (currency, interest and stock price risks)

The development of foreign exchange rates, interest rates and stock prices is a significant risk factor of the Group's value. The current system of financial risk management is focused mainly on (i) the future cash flows and (ii) financial trades which are realized for the purposes of an overall risk position management in accordance with the risk limits (the potential risk is managed on the basis of VaR, EBITDA@Risk and complementary position limits). Own financial instruments (i.e. active and passive financial trades and derivative trades) are realized entirely in the context of an overall expected cash flows of the Group (including operational and investment foreign currency flows).

### Credit Risks

With respect to the Group's activities managed on a centralized level, credit exposures of individual financial partners and wholesale partners are managed in accordance with individual credit limits. The individual limits are set and continuously updated according to the counterparty's credibility (in accordance with international rating and internal financial evaluation of counterparties with no international rating).

With respect to the electricity sales to end customers in the Czech Republic, the actual credibility is monitored for each business partner based on payment history (in addition, the financial standing is considered for selected partners). This credibility determines the payment conditions of partners (i.e. it indirectly determines an amount of an approved credit exposure) and also serves to quantify both the expected and the potential losses.

The Group's maximum exposure to credit risk to receivables and other financial instruments as at December 31, 2019 and 2018 is the carrying value of each class of financial assets except for financial guarantees. Credit risk from balances with banks and financial institutions is managed by the Group's risk management department in cooperation with Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

In accordance with the credit risk methodology applied to the banking sector per Basel II, every month the expected and potential losses are quantified on a 95% confidence level. It means that the share of all credit risks mentioned above in the aggregate annual Profit@Risk limit is quantified and evaluated.

### Liquidity Risks

The Group's liquidity risk is primarily perceived as an operational risk (risk of liquidity management) and a risk factor is the internal ability to effectively manage the future cash flows planning process in the Group and to secure the adequate liquidity and effective short-term financing (the risk is managed on a qualitative basis). The fundamental liquidity risk management (i.e. liquidity risk within the meaning for banking purposes) is covered by the risk management system as a whole. In any given period, the future deviations of the Group's expected cash flows are managed in accordance with the aggregate risk limit and in the context of the actual and the targeted debt/equity ratio of the Group.

## 19.2. Quantitative Description of Risks Associated with Financial Instruments

### Commodity Risks

The required quantitative information on risks (i.e. a potential change of market value resulting from the effects of risk factors as at December 31) was prepared based on the assumptions given below:

- the indicator of risk associated with financial instruments is defined as the monthly parametric VaR (95% confidence) which expresses a maximum potential decrease in fair value of contracts classified as derivatives under IFRS 9 (the underlying commodities in the Group's derivative transactions are: electricity, EUA and CER/ERU emission allowances, gas, coal ARA, Richards Bay, Newcastle and crude oil and crude oil products) on the given confidence level
- highly probable forecasted future electricity generation sales with the delivery in the CZ power grid are included in the VaR calculation to reflect the hedging character of significant portion of the existing derivative sales of electricity with delivery in Germany
- for the calculation of volatility and correlations (between commodity prices), the SMA (Simple Moving Average) method is applied to 60 daily time series
- the source of market data is mainly EEX, PXE and ICE
- the indicator VaR illustrates mainly the impact of revaluation of above-mentioned financial instruments to statement of income.

Potential impact of the above risk factors as at December 31 (in CZK millions):

	2020	2019
Monthly VaR (95%) – impact of changes in commodity prices	4,512	2,361

### Currency Risks

The required quantitative information on risks (i.e. a potential change of market value resulting from the effects of currency risk as at December 31) was prepared based on the assumptions given below:

- the indicator of currency risk is defined as the monthly VaR (95% confidence)
- for the calculation of VaR, based on volatility and internal correlations of each considered currency, the method of historical simulation VaR is applied to 90 daily historical time series
- the relevant currency position is defined mainly as a discounted value of foreign currency cash flows from all contracted financial instruments, from expected foreign currency operational revenues and costs in 2020 and from highly probable forecasted foreign currency revenues, costs or capital expenditures that are being hedged by financial instruments etc.
- the relevant currency positions reflect all significant foreign-currency flows of the Group companies in the monitored basket of foreign currencies
- the source of market FX and interest rate data is mainly IS Reuters and IS Bloomberg
- the indicator VaR illustrates mainly the impact of revaluation of above-mentioned currency position to statement of income.

Potential impact of the currency risk as at December 31 (in CZK millions):

	2020	2019
Monthly currency VaR (95% confidence)	302	122

### Interest Risks

For the quantification of the potential impact of the interest risk was chosen the sensitivity of the interest revenue and cost to the parallel shift of yield curves. The approximate quantification (as at December 31) was based on the following assumptions:

- parallel shift of the yield curves (+10bp) was selected as the indicator of interest risk
- the statement of income sensitivity is measured as an annual change of the interest revenue and cost resulting from the interest-sensitive positions as at December 31
- the considered interest positions reflect all significant interest-sensitive positions of the Group companies
- the source of market interest rates is mainly IS Reuters and IS Bloomberg.

Potential impact of the interest risk as at December 31 (in CZK millions):

	2020	2019
IR sensitivity* to parallel yield curve shift (+10bp)	(4)	(6)

\* Negative result denotes higher increase in interest costs than in interest revenues.

### Credit Exposure

The Group is exposed to credit risk on all financial assets presented in the balance sheet as well as credit risk from provided guarantees. Credit exposure from provided guarantees that are not included in the balance sheet, as at December 31 (millions of CZK):

	2020	2019
Guarantees off balance sheet provided to joint-ventures*	959	1,317

\* Some of the guarantees could be called until June 2026 at the latest.

The guarantees provided relate to bank loans. The beneficiary may claim the guarantee only upon failure to comply with certain conditions of loans. The companies whose liabilities are the subject to the guarantees currently comply with their obligations.

### Liquidity Risk

Contractual maturities of undiscounted payments of financial liabilities as at December 31, 2020 (in CZK millions):

	Loans	Bonds and debentures	Trade payables and other financial liabilities	Derivatives <sup>1)</sup>	Guarantees issued <sup>2)</sup>
Due in 2021	4,598	29,619	73,741	538,968	2,226
Due in 2022	3,894	22,249	481	101,495	–
Due in 2023	2,236	7,402	58	33,211	–
Due in 2024	2,753	2,587	14	104,842	–
Due in 2025	2,655	22,234	160	850	–
Thereafter	9,911	74,721	203	27,856	–
<b>Total</b>	<b>26,047</b>	<b>158,812</b>	<b>74,657</b>	<b>807,222</b>	<b>2,226</b>

Contractual maturities of undiscounted payments of financial liabilities as at December 31, 2019 (in CZK millions):

	Loans	Bonds and debentures	Trade payables and other financial liabilities	Derivatives <sup>1)</sup>	Guarantees issued <sup>2)</sup>
Due in 2020	8,511	26,229	66,586	431,118	2,679
Due in 2021	4,690	27,057	3,002	75,296	–
Due in 2022	5,863	22,122	274	25,772	–
Due in 2023	1,945	7,331	37	4,074	–
Due in 2024	1,840	2,541	47	946	–
Thereafter	7,745	95,220	–	28,120	–
<b>Total</b>	<b>30,594</b>	<b>180,500</b>	<b>69,946</b>	<b>565,326</b>	<b>2,679</b>

<sup>1)</sup> Contractual maturities for derivatives represent contractual cash out-flows of these instruments, but at the same time the Group will receive corresponding consideration. For fair values of derivatives see Note 18.

<sup>2)</sup> Maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

The committed credit facilities available to the Group as at December 31, 2020 and 2019, amounted to CZK 35.3 billion and CZK 26.9 billion, respectively. In addition, in December 2019, the Company signed a committed loan facility agreement with the European Investment Bank to support financing of the distribution grid renewal and further development program in the Czech Republic up to EUR 330 million. As at December 31, 2020, EUR 100 million had not been drawn from this loan facility agreement, as at December 31, 2019, the loan facility agreement had not been drawn at all.

### 19.3. Hedge Accounting

The Group hedges cash flows arising from highly probable future revenue in EUR for the purposes of currency and interest risk hedging. The hedged cash flows are expected to occur in the period from 2020 to 2026. The relevant hedging instruments as at December 31, 2020 and 2019, are the EUR denominated liabilities from the issued Eurobonds and bank loans in the total amount of EUR 3.3 billion and EUR 5.1 billion, respectively, and currency forward contracts and swaps. The fair value of these derivative hedging instruments amounted to CZK (896) million and CZK 695 million at December 31, 2020 and 2019, respectively.

The Group also hedges cash flows arising from highly probable future sales of electricity in the Czech Republic from 2021 to 2025. The relevant hedging instruments are the futures and forward contracts electricity sales in Germany. The fair value of these derivative hedging instruments amounted to CZK (4,023) million and CZK (1,302) million at December 31, 2020 and 2019, respectively.

In 2020 and 2019, the amounts removed from equity in respect of cash flow hedges were recognized in profit or loss and included in the lines Sales of electricity, heat, gas and coal, Gains and losses from commodity derivative trading, Other financial expenses and Other financial income and on the balance sheet in the lines Intangible assets, net and Emission rights. In 2020 and 2019, the Group recognized in profit or loss the ineffectiveness that arises from cash flow hedges in the amount of CZK 371 million and CZK 503 million, respectively. The ineffectiveness in 2020 and 2019 was primarily caused by the fact that the hedged cash flows are no more highly probable to occur.

## 20. Provisions

The following table provides an overview of provisions as at December 31, 2020 and 2019 (in CZK millions):

	2020			2019		
	Non-current	Current	Total	Non-current	Current	Total
Nuclear provisions	89,344	2,368	91,712	73,563	2,199	75,762
Provision for reclamation of mines and mining damages	9,516	235	9,751	9,138	234	9,372
Provision for waste storage reclamation	607	52	659	729	78	807
Provision for CO <sub>2</sub> emissions (Note 13)	–	7,176	7,176	–	6,801	6,801
Provision for obligation in case of claim from guarantee for Akcez group loans	–	1,267	1,267	–	1,362	1,362
Other provisions	5,986	2,597	8,583	6,082	3,579	9,661
<b>Total</b>	<b>105,326</b>	<b>13,665</b>	<b>118,991</b>	<b>89,512</b>	<b>14,253</b>	<b>103,765</b>

### 20.1. Nuclear Provisions

The Company operates two nuclear power plants. Nuclear power plant Dukovany consists of four units which commissioned in 1985 to 1987. Nuclear power plant Temelín consists of two units that were commissioned in 2002 and 2003. A Nuclear Energy Act sets down obligations for nuclear facility decommissioning and disposal of radioactive waste and spent nuclear fuel. In accordance with the Nuclear Energy Act, all the nuclear parts and equipment of a nuclear power plant must be disposed of after the end of operation. For the purpose of accounting for the nuclear provisions, it is estimated that the Dukovany Nuclear Power Plant will stop generating electricity in 2047; the Temelín plant in 2062. Studies for the Dukovany Nuclear Power Plant and for the Temelín Nuclear Power Plant from 2020 assume that the costs of decommissioning of these power plants will reach in the amount CZK 26.5 billion and CZK 21.0 billion. The Company makes contributions to a restricted bank accounts in the amount of the nuclear provisions recorded under the Nuclear Energy Act. These funds can be invested in government bonds in accordance with legislation. These restricted financial assets are shown in the balance sheet as part of Restricted financial assets, net (see Note 4).

The Ministry of Industry and Trade established the Radioactive Waste Repository Authority (SÚRAO) as the central organizer and operator of facilities for the final disposal of radioactive waste and spent fuel. The SÚRAO operates, supervises and is responsible for disposal facilities and for disposal of radioactive waste and spent fuel therein. The activities of the SÚRAO are financed through a nuclear account funded by the originators of radioactive waste. Contribution to the nuclear account is stated by Nuclear Energy Act at 55 CZK per MWh produced at nuclear power plants. In 2020 and 2019, the payments to the nuclear account amounted to CZK 1,652 million and CZK 1,663 million, respectively. The originator of radioactive waste and spent fuel directly covers all costs associated with interim storage of radioactive waste and spent fuel.

The Group has established provisions for estimated future expenses on nuclear decommissioning and interim storage and permanent disposal of spent nuclear fuel in accordance with the principles described in Note 2.24. The following is a summary of the provisions for the years ended December 31, 2020 and 2019 (in CZK millions):

	Accumulated provisions			Total
	Nuclear decommissioning	Spent fuel storage		
		Interim	Long-term	
Balance at January 1, 2019	23,779	7,638	32,229	63,646
Discount accretion and effect of inflation	611	191	806	1,608
Provision charged in profit or loss	–	487	–	487
Effect of change in estimate recognized in profit or loss	–	979	–	979
Effect of change in estimate added to (deducted from) fixed assets	10,478	–	865	11,343
Current cash expenditures	–	(638)	(1,663)	(2,301)
<b>Balance at December 31, 2019</b>	<b>34,868</b>	<b>8,657</b>	<b>32,237</b>	<b>75,762</b>
Discount accretion and effect of inflation	766	191	709	1,666
Provision charged in profit or loss	–	618	–	618
Effect of change in estimate recognized in profit or loss	–	253	–	253
Effect of change in estimate added to fixed assets	3,382	–	12,056	15,438
Current cash expenditures	–	(374)	(1,652)	(2,026)
<b>Balance at December 31, 2020</b>	<b>39,016</b>	<b>9,345</b>	<b>43,350</b>	<b>91,711</b>

The current cash expenditures for the long-term storage of spent nuclear fuel represent payments to the state controlled nuclear account and the expenditures for interim storage represent mainly the purchase of interim fuel storage containers and other related equipment.

In 2020 the Group recorded the change in estimate for interim storage of spent nuclear fuel in connection with the change in expectations of future storage cost and change in discount rate, the change in estimate in provision for nuclear decommissioning due to the update of the expert decommissioning studies for Dukovany Nuclear Power Plant and for Temelín Nuclear Power Plant and change in discount rate and the change in long-term spent fuel storage in connection with the extension of the expected production time of the nuclear power plants by 10 years and change in discount rate.

In 2019 the Group recorded the change in estimate for interim storage of spent nuclear fuel in connection with the change in expectations of future storage cost and change in discount rate, the change in estimate in provision for nuclear decommissioning due to the update of the expert decommissioning study for Temelín Nuclear Power Plant and change in discount rate and the change in long-term spent fuel storage in connection with the modification of the expected output of the nuclear power plants and change in discount rate.

The actual decommissioning and spent fuel storage costs could vary substantially from the above estimates because of new regulatory requirements, changes in technology, increased costs of labor, materials and equipment and/or the actual time required to complete all decommissioning, disposal and storage activities.

## 20.2. Provision for Mine Reclamation and Mining Damages and Waste Storage Reclamation

The following table shows the movements of provisions for the years ended December 31, 2020 and 2019 (in CZK millions):

	Mine reclamation and damages	Waste storage
Balance at January 1, 2019	8,602	705
Discount accretion and effect of inflation	204	18
Provision charged in profit or loss	131	–
Effect of change in estimate added to fixed assets	748	133
Current cash expenditures	(313)	(49)
<b>Balance at December 31, 2019</b>	<b>9,372</b>	<b>807</b>
Discount accretion and effect of inflation	198	18
Provision charged in profit or loss	101	–
Effect of change in estimate added to fixed assets	366	163
Current cash expenditures	(286)	(34)
Reversal of provision	–	(3)
Disposal of subsidiary Elektrárna Počerady, a.s.	–	(292)
<b>Balance at December 31, 2020</b>	<b>9,751</b>	<b>659</b>

The provision for decommissioning and reclamation of mines and mining damages was recorded by Severočeské doly a.s., a mining subsidiary of ČEZ. Severočeské doly a.s. operates open pit coal mines and is responsible for decommissioning and reclamation of the mines as well as for damages caused by the operations of the mines. These provisions have been calculated using the best estimates of the expenditures required to settle the present obligation at the balance sheet date. Current cash expenditures represent cash payments for current reclamation of mining area and settlement of mining damages. Change in estimate represents change in provision as result of updated cost estimates in the current period, mainly due to changes in expected prices of reclamation activities.

## 21. Other Financial Liabilities

Other financial liabilities at December 31, 2020 and 2019, are as follows (in CZK millions):

	2020		Total
	Long-term liabilities	Short-term liabilities	
Payables from non-current assets purchase	32	–	32
Other	201	353	554
Financial liabilities at amortized cost	233	353	586
Cash flow hedge derivatives	7,776	301	8,077
Commodity and other derivatives	854	71,272	72,126
Liabilities from put options held by non-controlling interests	340	–	340
Contingent consideration from the acquisition of subsidiaries	211	188	399
Financial liabilities at fair value	9,181	71,761	80,942
<b>Total</b>	<b>9,414</b>	<b>72,114</b>	<b>81,528</b>

	2019		Total
	Long-term liabilities	Short-term liabilities	
Payables from non-current assets purchase	123	–	123
Payables from purchase of emission rights held for trading	1,757	–	1,757
Other	72	343	415
Financial liabilities at amortized cost	1,952	343	2,295
Cash flow hedge derivatives	5,463	939	6,402
Commodity and other derivatives	877	61,905	62,782
Liabilities from put options held by non-controlling interests	1,083	–	1,083
Contingent consideration from the acquisition of subsidiaries	325	–	325
Financial liabilities at fair value	7,748	62,844	70,592
<b>Total</b>	<b>9,700</b>	<b>63,187</b>	<b>72,887</b>

Short-term payables arising from purchase of non-current assets and emission rights held for trading are included in the line Trade payables.

## 22. Short-term Loans

The overview of short-term loans at December 31, 2020 and 2019, is as follows (in CZK millions):

	2020	2019
Short-term bank and other loans	961	4,253
Bank overdrafts	23	7
<b>Total</b>	<b>984</b>	<b>4,260</b>

Short-term loans bear interest at variable interest rates. The weighted average interest rate was 0.7% at December 31, 2020 and 2019. For the years 2020 and 2019 the weighted average interest rate was 1.7% and 2%, respectively.

## 23. Other Short-term Liabilities

Other short-term liabilities at December 31, 2020 and 2019, are as follows (in CZK millions):

	2020	2019
Advances received from retail customers	20,777	20,927
Unbilled electricity and gas supplied to retail customers	(19,133)	(18,452)
Received advances from retail customers, net	1,644	2,475
Taxes and fees, except income tax	2,695	3,238
Other advances received	1,785	1,299
Deferred income	355	439
Other contract liability	280	93
<b>Total</b>	<b>6,759</b>	<b>7,544</b>



## 24. Leases

### 24.1. Group as a Lessee

The Group has lease contracts for various items of offices, cars, buildings and land used to place its own electricity and heat production facilities, and in some cases leases the entire production factory. Leases of cars generally have lease terms between 1 to 8 years, while buildings and lands between 4 to 21 years.

The Group has entered into lease contracts with fixed and variable payments. The variable payments are regularly adjusted according to the inflation index or are based on use of the underlying assets.

The Group also leases buildings, machinery or equipment with lease terms of 12 months or less or with low value. In this case the Group applies recognition exemption for these leases.

The net book values of the right-of-use assets presented under Property, plant and equipment are described in the Note 3.

The amounts of lease liability are presented under Debt (see Note 17).

The following table sets out total cash outflows for lease payments (in CZK millions):

	2020	2019
Payments of principal	852	787
Payments of interests	145	165
Lease payments not included in valuation of lease liability	134	119
<b>Total cash outflow for leases</b>	<b>1,131</b>	<b>1,071</b>

The following are the amounts that are recognized in profit or loss (in CZK millions):

	2020	2019
Expense relating to short-term leases	97	108
Expense relating to low-value assets	9	4
Variable lease payments not included in valuation of lease liability	28	7
Depreciation charge for right-of-use assets	784	778
Interest expenses	168	174

Next year, the Group expects to pay lease payments that are not included in valuation of lease liability to be similar to the year 2020.

### 24.2. Group as a Lessor

#### Finance Lease

The most significant lease under finance lease is the lease of assets for electricity and heat production directly at the customer.

The following table sets out a maturity analysis of investment in finance lease, showing the undiscounted lease payments to be received after the reporting date (in CZK millions):

	2020	2019
Up to 1 year	55	59
Between 1 year and 2 years	55	60
Between 2 and 3 years	50	54
Between 3 and 4 years	47	51
Between 4 and 5 years	39	46
Thereafter	115	145
<b>Total undiscounted investment in finance lease</b>	<b>361</b>	<b>415</b>
Unearned finance income	(49)	(62)
<b>Net investment in the lease</b>	<b>312</b>	<b>353</b>

The Group recognized interest income on lease receivables of CZK 13 million and CZK 14 million at December 31, 2020 and 2019, respectively.

#### Operating Lease

The net book values of the property, plant and equipment leased out under operating lease are disclosed in the Note 3.

Rental income recognized by the Group during 2020 and 2019 was CZK 206 million and CZK 200 million, respectively. In the following years, the Group expects rental income to be similar to the year 2020.

## 25. Revenues and Other Operating Income

The overview of revenues and other operating income for the years ended December 31, 2020 and 2019, is as follows (in CZK millions):

	2020	2019
Sales of electricity:		
Sales of electricity to end customers	51,298	49,620
Sales of electricity through energy exchange	2,220	742
Sales of electricity to traders	38,966	39,913
Sales to distribution and transmission companies	598	250
Other sales of electricity	27,779	28,083
Effect of hedging – presales of electricity (Note 19.3)	(2,396)	(9,662)
Effect of hedging – currency risk hedging (Note 19.3)	277	1,302
Total sales of electricity	118,742	110,248
Sales of gas, coal and heat:		
Sales of gas	7,088	7,968
Sales of coal	3,949	4,400
Sales of heat	8,236	7,802
Total sales of gas, coal and heat	19,273	20,170
Total sales of electricity, heat, gas and coal	138,015	130,418
Sales of services and other revenues:		
Distribution services	44,925	44,778
Other services	24,514	24,153
Rental income	206	200
Revenues from goods sold	862	1,110
Other revenues	1,000	1,122
Total sales of services and other revenues	71,507	71,363
Other operating income:		
Granted green and similar certificates	1,313	1,144
Contractual fines and interest fees for delays	446	474
Gain on sale of property, plant and equipment	152	147
Gain on sale of material	123	126
Other	2,181	2,520
Total other operating income	4,215	4,411
<b>Total revenues and other operating income</b>	<b>213,737</b>	<b>206,192</b>

The Group drew in 2020 and 2019 grants related to income in the amount of CZK 529 million and CZK 491 million, respectively.

Grants related to income are included in Other operating income in item Other.

Revenues from contracts with customers for the years ended December 31, 2020 and 2019, were CZK 211,435 million and CZK 209,941 million, respectively, and can be linked to the above figures as follows (in CZK million):

	2020	2019
Sales of electricity, heat, gas and coal	138,015	130,418
Sales of services and other revenues	71,507	71,363
Total revenues	209,522	201,781
Adjustments:		
Effect of hedging – presales of electricity	2,396	9,662
Effect of hedging – currency risk hedging	(277)	(1,302)
Rental income	(206)	(200)
<b>Revenues from contracts with customers</b>	<b>211,435</b>	<b>209,941</b>

The Group assumes, that in the following periods it will recognize in the profit and loss statement revenues related to unsatisfied obligations from construction contracts in these amounts (in CZK million):

	2020	2019
Within 1 year	11,237	9,504
More than 1 year	2,959	2,253
<b>Total</b>	<b>14,196</b>	<b>11,757</b>

## 26. Gains and Losses from Commodity Derivative Trading

The composition of gains and losses from commodity derivative trading for the years ended December 31, 2020 and 2019, is as follows (in CZK millions):

	2020	2019
Electricity derivative trading:		
Sales – domestic	14,042	18,997
Sales – foreign	251,503	290,588
Purchases – domestic	(9,983)	(18,467)
Purchases – foreign	(245,347)	(291,464)
Changes in fair value of derivatives	(6,613)	8,359
Total gains from electricity derivative trading	3,602	8,013
Other commodity derivative trading:		
Gain (loss) from gas derivative trading	1,086	(513)
Gain from oil derivative trading	7	6
Loss from coal derivative trading	(1,894)	(298)
Gain from emission rights derivative trading	3,321	402
Total gains and losses from commodity derivative trading	6,122	7,610

## 27. Purchase of Electricity, Gas and Other Energies

The composition of purchase of electricity, gas and other energies for the years ended December 31, 2020 and 2019, is as follows (in CZK millions):

	2020	2019
Purchase of electricity for resale	(47,719)	(46,583)
Purchase of gas for resale	(5,709)	(6,539)
Purchase of other energies	(2,907)	(2,423)
Total purchase of electricity, gas and other energies	(56,335)	(55,545)

## 28. Fuel and Emission Rights

The composition of fuel and emission rights for the years ended December 31, 2020 and 2019, is as follows (in CZK millions):

	2020	2019
Consumption of fossil energy fuel and biomass	(6,807)	(6,939)
Amortization of nuclear fuel	(4,197)	(4,096)
Consumption of gas	(2,939)	(3,717)
Emission rights for generation	(9,319)	(6,605)
Total fuel and emission rights	(23,262)	(21,357)

## 29. Services

The composition of services for the years ended December 31, 2020 and 2019, is as follows (in CZK millions):

	2020	2019
Transmission grid services for distribution of electricity	(5,684)	(5,544)
Other distribution services	(1,809)	(2,964)
Repairs and maintenance	(5,467)	(5,734)
Other services	(17,187)	(16,989)
Total services	(30,147)	(31,231)

Information about fees charged by independent auditors is provided in the annual report of CEZ Group.

### 30. Salaries and Wages

Salaries and wages for the years ended December 31, 2020 and 2019, were as follows (in CZK millions):

	2020		2019	
	Total	Key management personnel <sup>1)</sup>	Total	Key management personnel <sup>1)</sup>
Salaries and wages including remuneration of the board members	(22,318)	(260)	(20,852)	(251)
Share options	–	–	(38)	(38)
Social and health security	(6,421)	(45)	(6,064)	(47)
Other personal expenses	(2,116)	(18)	(1,866)	(14)
<b>Total</b>	<b>(30,855)</b>	<b>(323)</b>	<b>(28,820)</b>	<b>(350)</b>

<sup>1)</sup> Key management personnel represent members of Supervisory Board, Audit Committee and Board of Directors of the parent company and selected managers of departments with group field of activity. The remuneration of former members of company bodies is also included in personal expenses.

At December 31, 2020 and 2019, the aggregate number of share options granted to members of Board of Directors and selected managers was 1,421 thousand and 1,651 thousand, respectively.

Members of the Board of Directors and selected managers were entitled until December 31, 2019 to receive share options based on the conditions stipulated in the share option agreement. Members of the Board of Directors and selected managers were granted certain quantity of share options each year of their tenure according to rules of the share option plan until the share option plan was terminated as of December 31, 2019. The exercise price for the granted options was based on the average quoted market price of the shares on the regulated exchange in the Czech Republic during one-month period preceding the grant date each year.

Beginning on January 1, 2020, the new program of long-term performance bonus has been started, replacing the options program. New options will no longer be granted and the existing granted options as at December 31, 2019 in the number of 1,651 thousand are preserved, i.e. after a proportional reduction of the original annual allocations in 2019. The program of long-term performance bonus is based on performance units that will be allocated to each beneficiary every year. The number of performance units allocated is based on the defined yearly value of a given long-term bonus and the price of stocks before the allocation. The Supervisory Board sets out the performance indicators for each year's allocation of the performance units. The defined performance indicators will be evaluated by the Supervisory Board and number of performance units allocated to a beneficiary will be adjusted accordingly. Then a two-year holding period will follow. The long-term performance bonus will be paid three years after the initial allocation, and the amount will be based on the adjusted number of performance units as well as on the stock price at the end of the holding period and the amount of dividends distributed during the holding period.

The following table shows changes during 2020 and 2019 in the number of granted share options and the weighted average exercise price of these options:

	Number of share options			Weighted average exercise price (CZK per share)
	Board of Directors '000s	Selected managers '000s	Total '000s	
Share options at January 1, 2019	1,494	410	1,904	485.52
Options granted <sup>1)</sup>	239	117	356	536.25
Options exercised <sup>2)</sup>	(454)	(120)	(574)	434.74
Options forfeited	–	(35)	(35)	536.96
<b>Share options at December 31, 2019<sup>3)</sup></b>	<b>1,279</b>	<b>372</b>	<b>1,651</b>	<b>513.02</b>
Options exercised <sup>2)</sup>	–	(35)	(35)	421.50
Options forfeited	(180)	(15)	(195)	442.83
<b>Share options at December 31, 2020<sup>3)</sup></b>	<b>1,099</b>	<b>322</b>	<b>1,421</b>	<b>524.90</b>

<sup>1)</sup> The original annual allocations in 2019 were proportionally reduced on the termination of the share options plan at December 31, 2019 to correspond to the number of options determined based on the number of days remaining from the date of the relevant 2019 allocation until the end of the share option plan. The presented number corresponds to the total number of options granted in 2019 after this reduction.

<sup>2)</sup> In 2020 and 2019, the weighted average market share price at the date of the exercise for the options exercised was CZK 508.00 and CZK 542.81, respectively.

<sup>3)</sup> At December 31, 2020 and 2019, the number of exercisable options was 1,421 thousand and 540 thousand, respectively. The weighted average exercise price of the exercisable options was CZK 524.90 per share and CZK 455.32 per share at December 31, 2020 and 2019, respectively.

The fair value of the options is estimated on the date of grant using the binomial option-pricing model. Because these stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the existing models do not necessarily provide a reliable single measure of the fair value of stock options.

At the grant dates, the underlying assumptions and the resulting fair values per option were as follows:

	2020	2019
Weighted average assumptions:		
Dividend yield	–	3.6%
Expected volatility	–	15.7%
Mid-term risk-free interest rate	–	1.6%
Expected life (years)	–	1.4
Grant-date share price (CZK per share)	–	533.7
Weighted average grant-date fair value of options (CZK per 1 option)	–	36.3

The expected life of the options is based on historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

As at December 31, 2020 and 2019, the exercise prices of outstanding options were in the following ranges (in thousand pieces):

	2020	2019
CZK 400–500 per share	310	540
CZK 500–600 per share	1,111	1,111
<b>Total</b>	<b>1,421</b>	<b>1,651</b>

The options granted which were outstanding as at December 31, 2020 and 2019, had an average remaining contractual life of 1.1 years and 1.9 years, respectively.

## 31. Other Operating Expenses

Other operating expenses for the years ended December 31, 2020 and 2019, consist of the following (in CZK millions):

	2020	2019
Change in provisions	1,952	1,005
Taxes and fees	(3,219)	(3,256)
Cost of goods sold	(569)	(778)
Consumption of guarantees of origin and green and similar certificates	(1,231)	(1,766)
Insurance	(814)	(739)
Costs related to trading of commodities	(435)	(415)
Gifts	(397)	(349)
Bad debt expense	(499)	(210)
Loss on sale of property, plant and equipment	(4)	(17)
Other	(1,443)	(2,357)
<b>Total</b>	<b>(6,659)</b>	<b>(8,882)</b>

Taxes and fees include the contributions to the nuclear account (see Note 20.1). The settlement of the provision for long-term spent fuel storage is accounted for at the amount of contributions to nuclear account. Settlement of provision for long-term spent fuel storage is included in Change in provisions.

## 32. Interest Income

Interest income for each category of financial assets for the years ended December 31, 2020 and 2019, is as follows (in CZK millions):

	2020	2019
Debt financial assets designated at fair value through other comprehensive income	226	228
Bank accounts	94	126
Loans and receivables	45	41
Debt financial assets at amortized cost	–	7
Financial assets and liabilities at fair value through profit or loss	12	1
<b>Total</b>	<b>377</b>	<b>403</b>

### 33. Other Financial Expenses

Other financial expenses for the years ended December 31, 2020 and 2019, consist of the following (in CZK millions):

	2020	2019
Derivative losses	(609)	(199)
Foreign exchange rate loss	(1)	(315)
Creation and settlement of provision	(21)	(26)
Loss on revaluation of equity financial assets	(97)	(90)
Other	(234)	(183)
<b>Total</b>	<b>(962)</b>	<b>(813)</b>

### 34. Other Financial Income

Other financial income for the years ended December 31, 2020 and 2019, consist of the following (in CZK millions):

	2020	2019
Interest related to the refunded overpayment of gift tax on emission rights	1,463	–
Foreign exchange rate gain	1,243	–
Gain from revaluation of financial assets	320	151
Derivative gains	22	77
Dividend income	10	140
Gain on disposal of subsidiaries, associates and joint-ventures	87	3
Gain on sales of debt financial assets	19	33
Other	211	257
<b>Total</b>	<b>3,375</b>	<b>661</b>

### 35. Income Taxes

Companies resident in the Czech Republic calculated corporate income tax in accordance with the Czech tax regulations at the rate of 19% in 2020 and 2019. Management believes that it has adequately provided for tax liabilities in the accompanying financial statements. However, it cannot be ruled out that the relevant tax authorities may take a different view on issues allowing for different interpretations of the law, which could have an impact on the reported income.

The components of the income tax provision are as follows (in CZK millions):

	2020	2019
Current income tax charge	(3,496)	(4,100)
Adjustments in respect of current income tax of previous periods	(47)	(19)
Deferred income taxes	1,105	208
<b>Total</b>	<b>(2,438)</b>	<b>(3,911)</b>



The following table summarizes the differences between the income tax expense and accounting profit before taxes multiplied by the applicable tax rate (in CZK millions):

	2020	2019
Income before income taxes	7,906	18,411
Statutory income tax rate in Czech Republic	19%	19%
"Expected" income tax expense	(1,502)	(3,498)
Tax effect of:		
Non-deductible expenses related to shareholdings	23	6
Goodwill and other non-current assets impairment	(498)	(244)
Share of profit (loss) from associates and joint-ventures	36	3
Adjustments in respect of current income tax of previous periods	(47)	(19)
Effect of different tax rate in other countries	(147)	115
Change in unrecorded deferred tax asset	(769)	11
Provisions	-	(155)
Dividend income	2	27
Interest on arrears from the gift tax of emission rights	278	-
Other already taxed, tax exempt or non-deductible items, net	186	(157)
<b>Income taxes</b>	<b>(2,438)</b>	<b>(3,911)</b>
Effective tax rate	31%	21%

Deferred income taxes, net at December 31, 2020 and 2019, consist of the following (in CZK millions):

	2020	2019
Nuclear provisions	15,296	12,422
Financial statement depreciation in excess of tax depreciation	1,943	2,149
Revaluation of financial instruments	2,011	737
Allowances	2,047	1,245
Other provisions	3,192	3,327
Lease liabilities	919	853
Tax loss carry forwards	1,170	1,597
Other temporary differences	647	633
Unrecorded deferred tax asset	(1,042)	(818)
Total deferred tax assets	26,183	22,145
Tax depreciation in excess of financial statement depreciation	(39,570)	(36,254)
Revaluation of financial instruments	(154)	(101)
Other provisions	(351)	(402)
Right-of-use assets	(863)	(816)
Investment in finance lease	(85)	(96)
Other temporary differences	(3,715)	(3,621)
Total deferred tax liability	(44,738)	(41,290)
<b>Total deferred tax liability, net</b>	<b>(18,555)</b>	<b>(19,145)</b>
Reflected in the balance sheet as follows:		
Deferred tax assets	828	1,481
Deferred tax liability	(19,383)	(20,626)
<b>Total deferred tax liability, net</b>	<b>(18,555)</b>	<b>(19,145)</b>

Movements in net deferred tax liability in 2020 and 2019 were as follows (in CZK millions):

	2020	2019
Balance at January 1	19,145	15,430
Deferred tax classified as held for sale as of January 1	103	164
Deferred tax recognized in profit or loss	(1,105)	(208)
Deferred tax recognized in other comprehensive income	(1,153)	3,626
Acquisition of subsidiaries	12	248
Disposal of subsidiaries	63	–
Currency translation differences	33	(12)
Deferred tax classified as held for sale as of December 31	1,457	(103)
<b>Balance at December 31</b>	<b>18,555</b>	<b>19,145</b>

At December 31, 2020 and 2019, the aggregate amount of temporary differences associated with investments in subsidiaries, for which no deferred tax liability was recognized, amounted to CZK 7,734 million and CZK 24,617 million, respectively.

Tax effects relating to individual items of other comprehensive income (in CZK millions):

	2020			2019		
	Before tax amount	Tax effect	Net of tax amount	Before tax amount	Tax effect	Net of tax amount
Change in fair value of cash flow hedges	(8,198)	1,558	(6,640)	10,891	(2,069)	8,822
Cash flow hedges reclassified to statement of income	2,916	(554)	2,362	8,253	(1,568)	6,685
Change in fair value of debt instruments	277	(50)	227	326	(60)	266
Disposal of debt instruments	(1)	–	(1)	(7)	1	(6)
Change in fair value of equity instruments	(1,046)	200	(846)	(347)	67	(280)
Translation differences – subsidiaries	980	–	980	(1,337)	–	(1,337)
Translation differences – associates and joint-ventures	191	–	191	21	–	21
Disposal of translation differences	3	–	3	–	–	–
Share on other equity movements of associates and joint-ventures	(5)	–	(5)	(8)	–	(8)
Re-measurement gains (losses) on defined benefit plans	(46)	(1)	(47)	(48)	3	(45)
<b>Total</b>	<b>(4,929)</b>	<b>1,153</b>	<b>(3,776)</b>	<b>17,744</b>	<b>(3,626)</b>	<b>14,118</b>

## 36. Related Parties

The Group purchases from and sells to related parties products, goods and services in the ordinary course of business.

At December 31, 2020 and 2019, the receivables from related parties and payables to related parties are as follows (in CZK millions):

	Receivables		Payables	
	2020	2019	2020	2019
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.S.	–	–	29	10
Elevion Co-Investment GmbH & Co. KG	1	–	71	80
GP JOULE PP1 GmbH & Co. KG	14	6	–	–
in PROJEKT LOUNY ENGINEERING s.r.o.	15	7	15	3
LOMY MOŘINA spol. s r.o.	45	1	32	27
Socrates Windprojekt GmbH & Co. KG <sup>1)</sup>	–	111	–	–
Výzkumný a zkušební ústav Plzeň s.r.o.	10	86	11	5
Other	23	25	15	19
<b>Total</b>	<b>108</b>	<b>236</b>	<b>173</b>	<b>144</b>

<sup>1)</sup> Company was related party till August 31, 2020.

The following table provides the total amount of transactions, which have been entered into with related parties for 2020 and 2019 (in CZK millions):

	Sales to related parties		Purchases from related parties	
	2020	2019	2020	2019
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.S.	4	–	25	102
Bytkomfort, s.r.o.	74	–	3	–
in PROJEKT LOUNY ENGINEERING s.r.o.	41	23	33	18
LOMY MOŘINA spol. s r.o.	43	10	219	194
Teplo Klášterec s.r.o.	58	57	–	–
VLTAVOTÝNSKÁ TEPLÁRENSKÁ a.s.	27	27	3	3
Výzkumný a zkušební ústav Plzeň s.r.o.	4	5	20	8
Výzkumný ústav pro hnědé uhlí a.s.	1	2	16	18
Other	44	23	10	17
<b>Total</b>	<b>296</b>	<b>147</b>	<b>329</b>	<b>360</b>

Dividend income, interest and other financial income from related parties for the relevant financial year (in CZK millions):

	Interest and other financial income		Dividend income	
	2020	2019	2020	2019
Akcezní Enerji A.S.	13	24	–	–
Bytkomfort, s.r.o.	–	–	8	2
LOMY MOŘINA spol. s r.o.	–	–	4	5
Sakarya Elektrik Dagitim A.S.	5	6	–	–
Výzkumný ústav pro hnědé uhlí a.s.	–	–	4	5
Other	2	6	4	4
<b>Total</b>	<b>20</b>	<b>36</b>	<b>20</b>	<b>16</b>

Information about compensation of key management personnel is included in Note 30. Information about guarantees provided to joint-ventures is included in Note 19.2.

### 37. Segment Information

The Group reports its result using six primary reportable operating segments in 2020 and 2019:

- Generation – Traditional Energy
- Generation – New Energy
- Distribution
- Sales
- Mining
- Support Services

The segments are defined across the countries in which CEZ Group operates. Segment is a functionally autonomous part of CEZ Group that forms a separate process part of the value chain of the Group.

The Group accounts for intersegment revenues and transfers as if the revenues or transfers were to third parties, that is, at current market prices or where the regulation applies at regulated prices.

In segment reporting, IFRS 16 is applied to external leases from the Group's perspective, but it is not applied to leases between individual operating segments, although in some cases the asset is leased to another segment internally.

The Group evaluates the performance of its segments based on EBITDA (see Note 16).

The following tables summarize segment information by operating segments for the years ended December 31, 2020 and 2019 (in CZK millions):

Year 2020:	Generation – Traditional Energy	Generation – New Energy	Distribution	Sales	Mining	Support Services	Combined	Elimination	Consolidated
Revenues and other operating income – other than intersegment	66,913	6,067	44,621	90,789	4,281	1,066	213,737	–	213,737
Revenues and other operating income – intersegment	34,874	1,269	586	6,806	4,697	4,170	52,402	(52,402)	–
Total revenues and other operating income	101,787	7,336	45,207	97,595	8,978	5,236	266,139	(52,402)	213,737
Thereof:									
Sales of electricity, heat, gas and coal	92,978	5,692	33	74,886	7,980	1,142	182,711	(44,696)	138,015
Sales of services and other revenues	6,445	122	44,693	22,151	936	3,987	78,334	(6,827)	71,507
Other operating income	2,364	1,522	481	558	62	107	5,094	(879)	4,215
EBITDA	29,260	4,629	21,502	4,644	3,429	1,316	64,780	3	64,783
Depreciation and amortization	(14,189)	(1,778)	(6,907)	(1,487)	(2,695)	(1,228)	(28,284)	–	(28,284)
Impairment of property, plant and equipment and intangible assets	(6,376)	(6,276)	(7,682)	(493)	(3,270)	35	(24,062)	–	(24,062)
EBIT	8,716	(3,417)	6,951	2,670	(2,508)	170	12,582	3	12,585
Interest on debt and provisions	(6,521)	(224)	(933)	(385)	(204)	(51)	(8,318)	1,094	(7,224)
Interest income	1,017	151	67	67	42	127	1,471	(1,094)	377
Share of profit (loss) from associates and joint-ventures	(22)	1	122	125	(38)	–	188	–	188
Income taxes	(1,287)	451	(1,452)	(504)	403	(49)	(2,438)	–	(2,438)
Net income	13,617	(2,819)	4,412	1,986	(2,186)	568	15,578	(10,110)	5,468
Identifiable assets	252,269	14,690	110,289	7,004	20,465	5,655	410,372	–	410,372
Investment in associates and joint-ventures	2,653	246	–	285	892	–	4,076	–	4,076
Unallocated assets									288,010
<b>Total assets</b>									<b>702,458</b>
Capital expenditure	10,705	427	14,869	1,160	3,307	969	31,437	(278)	31,159
Average number of employees	10,311	195	9,070	6,741	4,594	793	31,704	–	31,704
<b>Year 2019:</b>	<b>Generation – Traditional Energy</b>	<b>Generation – New Energy</b>	<b>Distribution</b>	<b>Sales</b>	<b>Mining</b>	<b>Support Services</b>	<b>Combined</b>	<b>Elimination</b>	<b>Consolidated</b>
Revenues and other operating income – other than intersegment	61,498	6,346	43,151	86,557	4,882	3,758	206,192	–	206,192
Revenues and other operating income – intersegment	36,864	368	632	7,013	6,099	4,781	55,757	(55,757)	–
Total revenues and other operating income	98,362	6,714	43,783	93,570	10,981	8,539	261,949	(55,757)	206,192
Thereof:									
Sales of electricity, heat, gas and coal	89,362	5,240	32	69,774	9,541	4,078	178,027	(47,609)	130,418
Sales of services and other revenues	6,593	108	43,224	23,055	1,383	4,345	78,708	(7,345)	71,363
Other operating income	2,407	1,366	527	741	57	116	5,214	(803)	4,411
EBITDA	25,633	4,100	20,553	3,561	4,991	1,347	60,185	(10)	60,175
Depreciation and amortization	(15,167)	(1,881)	(6,669)	(1,340)	(2,763)	(1,196)	(29,016)	–	(29,016)
Impairment of property, plant and equipment and intangible assets	(3,182)	1,041	(2,754)	(1)	22	14	(4,860)	–	(4,860)
EBIT	7,291	3,261	11,165	2,242	2,280	200	26,439	(10)	26,429
Interest on debt and provisions	(6,777)	(219)	(821)	(357)	(211)	(103)	(8,488)	1,122	(7,366)
Interest income	775	174	176	164	108	128	1,525	(1,122)	403
Share of profit (loss) from associates and joint-ventures	(24)	1	(90)	123	8	–	18	–	18
Income taxes	(550)	(156)	(2,218)	(468)	(454)	(65)	(3,911)	–	(3,911)
Net income	11,859	3,136	7,259	1,636	1,862	696	26,448	(11,948)	14,500
Identifiable assets	249,324	27,712	116,132	6,616	22,612	5,692	428,088	–	428,088
Investment in associates and joint-ventures	2,589	235	–	280	179	–	3,283	–	3,283
Unallocated assets									273,203
<b>Total assets</b>									<b>704,574</b>
Capital expenditure	10,759	682	13,709	1,530	2,306	1,088	30,074	(285)	29,789
Average number of employees	9,934	166	9,008	6,574	4,789	1,101	31,572	–	31,572

Prices in certain intersegment transactions are regulated by the Energy Regulatory Office (see Note 1).

The following table shows the split of revenues and other operating income by the location of the entity where the revenues are originated (in CZK million):

	2020	2019
Czech Republic	148,801	138,324
Bulgaria	19,854	18,339
Romania	16,658	16,379
Germany	13,804	13,704
Poland	8,771	10,148
Other	5,849	9,298
<b>Total revenues and other operating income</b>	<b>213,737</b>	<b>206,192</b>

The following table shows the split of property, plant and equipment by the location of entity which they belong to at December 31, 2020 and 2019 (in CZK million):

	2020	2019
Czech Republic	399,469	388,917
Romania	12	24,431
Germany	7,712	7,987
Poland	1,361	5,265
Other	1,818	1,488
<b>Total property, plant and equipment</b>	<b>410,372</b>	<b>428,088</b>

### 38. Net Income per Share

	2020	2019
Numerator (CZK millions)		
Basic and diluted:		
<b>Net income attributable to equity holders of the parent</b>	<b>5,438</b>	<b>14,373</b>
Denominator (thousands shares)		
Basic:		
Weighted average shares outstanding	535,468	535,255
Dilutive effect of share options	13	119
Diluted:		
<b>Adjusted weighted average shares</b>	<b>535,481</b>	<b>535,374</b>
Net income per share (CZK per share)		
Basic	10.2	26.9
Diluted	10.2	26.8

## 39. Commitment and Contingencies

### Investment Plans

Capital expenditures for the next five years as at December 31, 2020 are estimated as follows (in CZK billion):

2021	38.7
2022	39.3
2023	36.9
2024	39.6
2025	38.5
<b>Total</b>	<b>193.0</b>

The above values do not include planned acquisitions of subsidiaries, associates and joint-ventures and specific development investments, where their eventual implementation will depend on particular future market and regulatory conditions. They do not include especially development ambitions in the area of renewable sources in the Czech Republic, where the Group assumes to build and put into operation photovoltaic power plants with an output of more than 1 GW by 2025 within the valid strategy. The capital expenditures invested will depend especially on the development of the regulatory environment and on the rate of return of individual project.

The Group reviews regularly investment plan and actual construction may vary from the above estimates. At December 31, 2020 significant purchase commitments were outstanding in connection with the investment plan.

### Insurance Matters

The Nuclear Energy Act sets limits for liabilities for nuclear damages so that the operator of nuclear installations for energy generation purposes is liable for up to CZK 8 billion per incident. The Nuclear Energy Act limits the liability for damage caused by other nuclear installations and activities (such as transportation) to CZK 2 billion. The Nuclear Energy Act also requires an operator to insure its liability connected with the operation of a nuclear power plant up to a minimum of CZK 2 billion and up to a minimum of CZK 300 million for other activities (such as transportation). The Company concluded the above-mentioned insurance policies with company Generali Česká pojišťovna a.s. (representing Czech Nuclear Insurance Pool) and European Liability Insurance for the Nuclear Industry. The Company has obtained all insurance policies with minimal limits as required by the law.

The Group also maintains the insurance policies covering the assets of its coal-fired, hydroelectric, CCGT and nuclear power plants and general third-party liability insurance in connection with main operations of the Group.

These consolidated financial statements have been authorized for issue on March 15, 2021.

**Daniel Beneš**  
Chairman of Board of Directors

**Martin Novák**  
Member of Board of Directors





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

The report below is an unsigned translation of an independent auditor's report which relates solely and exclusively to the official annual report prepared in XHTML format dated on 15 March 2021. Signed independent auditor's report relates to the official annual report prepared in accordance with the provisions of Commission Delegated Regulation (EU) 2019/815 on the European single electronic format ("ESEF Regulation"). The attached annual report is not prepared in accordance with the ESEF Regulation and therefore does not constitute a statutory annual report and, as well as this copy of the auditor's report, is therefore not a legally binding document.

## Independent Auditor's Report

To the Shareholders of ČEZ, a. s.:

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### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of CEZ Group (hereinafter also the "Group") prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS EU"), which comprise the consolidated balance sheet as at 31 December 2020, and the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Group, see Notes 1, 8 and 9 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 CEZ Group as at 31 December 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the IFRS EU.

#### Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

#### Impairment of goodwill and other assets

The Group conducts annual impairment tests of goodwill and other assets' balances. The impairment test involves determining the recoverable amount of the cash-generating unit as a whole or individual assets, which corresponds to the value in use or selling price less cost to sell. Value in use is determined on the basis of an enterprise valuation model and is assessed from the Group's internal perspective.

These calculations of potential impairment amounts are a key audit matter as there is a significant uncertainty in relation to regulatory matters such as distribution fees and government support for renewable energy, which are, together with other significant assumptions included in the estimated future cash flows, main inputs to the calculations. Main assumptions that are subject to significant estimation uncertainty are projected future wholesale electricity prices, prices of green certificates or emission allowances, market access, development of the regulatory environment and discount rates as well as the strategy of the Group. Future cash flows relate to events and actions that have not yet occurred and may not occur. Another reason for impairment to be a key audit matter is the fact that the determination of cash-generating unit is to some extent subject to management judgement.

Our procedures included assessing the assumptions and methodologies used by the Group in their value in use models and assessment of the selling price less cost to sell. We involved our internal valuation specialists in assessing the adequacy of the Group's model used for the calculation of weighted average cost of capital and we also evaluated mathematical accuracy, underlying data and assumptions used in the calculation. We evaluated main assumptions that are subject to significant estimates such as future wholesale electricity prices, prices of green certificates or emission allowances ("emission certificates"), development of the regulatory environment and compared them to those observable on the market. We compared electricity prices as well as the prices of emission certificates to the contracts, which are actively traded on the market, and we assessed reasonableness of the Group's projections of these future prices for periods, for which the market data are not available. We also discussed the assumptions with our internal valuation specialists in the respective countries.

We analyzed the budgets and future cash flows of the cash-generating units. We compared the expected developments in budgeted cash flows to the expectations presented by the management while assessing the main assumptions of the models and discussing alternatives. We also assessed the adequacy of the model used for the impairment test calculation together with the definition of the cash-generating units and mathematical accuracy of the calculations.

We also focused on whether the Group's disclosures in the consolidated financial statements in relation to the impairment of goodwill and other assets, as presented and disclosed in Note 7. Impairment of Property, Plant and Equipment and Intangible Assets, are compliant with the IFRS EU.



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#### **Fair value measurement of financial instruments**

Due to the significance of financial instruments measured at fair value, and a high degree of judgement related to their valuation, we consider this as a key audit matter.

We involved the internal valuation specialists to assist us in performing our audit procedures. We assessed the design and tested the operating effectiveness of internal controls over the valuation, data integrity, independent price verification and model approval.

For areas of higher risk and estimation, our audit procedures focused on the comparison of judgments made to market practice and reperformance of valuations over a selection of instruments, assessing the key inputs, assumptions and models used in the valuation process. We compared our results with the Group's valuation.

We also focused on whether the Group's disclosures in the consolidated financial statements in relation to the valuation of financial instruments, as presented and disclosed in Note 18. Fair Value of Financial Instruments, are compliant with the IFRS EU.

#### **Classification of commodity contracts**

The Group is entering into commodity contracts on different markets and platforms mainly in Central Europe and Germany. Commodity trading activities include trading with electricity, gas, emission allowances, oil and coal.

This is a key audit matter as the distinction between the contracts in scope of IFRS 9 Financial Instruments: Recognition and Measurement, which are treated as derivatives at fair value, and "own use" contracts, which are not remeasured to fair value, might be subject to a judgement and classification patterns set by the Group. This classification depends among other factors on the terms of the contract, whether the contract is considered to have been entered into as part of ordinary business activity, whether contract requires physical delivery of the commodity, and depends on various assumptions such as expected amount of commodity to be delivered, generation capacity of the portfolio mix and prices of commodities.

We tested the design and operating effectiveness of internal controls over the initial recognition of the contract, consistency of the commodity contract designation and the Group's ability to deliver the physical commodity over the contractual period.

We performed audit procedures focusing on the analysis and comparison of volume of commodities physically delivered during 2020 and the volumes of the "own use" contracts portfolio. We reviewed the ability of the Group to physically deliver the contracted future "own use" sales retrospectively and prospectively and the stability of portfolio to ensure that the contracts are not reclassified during their existence.

We also focused on whether the Group's disclosures in the consolidated financial statements in relation to the commodity contracts classification, as presented and disclosed in Notes 2.16. Commodity Contracts and 26. Gains and Losses from Commodity Derivative Trading, are compliant with the IFRS EU.



### Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the consolidated financial statements and auditor's report thereon. The Board of Directors of ČEZ, a. s. (hereinafter only "Board of Directors") 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 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 law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

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

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

In addition, our responsibility is to report, based on the knowledge and understanding of the 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 Board of Directors and the Audit Committee for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the IFRS EU and for such internal control as the Board of Directors 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 Board of Directors 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 Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee of ČEZ, a. s. (hereinafter only "Audit Committee") is responsible for overseeing the Group's consolidated financial reporting process.



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### **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 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 law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 the Audit Committee 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 the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 the Audit Committee, 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.

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## Report on Other Legal and Regulatory Requirements

### Information required by Regulation (EU) no. 537/2014 of the European Parliament and the Council

In compliance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

#### Appointment of Auditor and Period of Engagement

We were appointed as the auditors of the Group by the General Meeting of Shareholders on 29 June 2020 and our uninterrupted engagement has lasted for 19 years.

#### Consistence with Additional Report to Audit Committee

We confirm that our audit opinion on the consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee, which we issued on 11 March 2021 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

#### Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided by us to the Group. In addition, there are no other non-audit services which were provided by us to the Group and its controlled undertakings and which have not been disclosed in the annual report.

#### Statutory auditor responsible for the engagement

Jiří Křepelka is the statutory auditor responsible for the audit of the consolidated financial statements of the Group as at 31 December 2020, based on which this independent auditor's report has been prepared.





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### **Report on compliance with the ESEF Regulation**

We performed a reasonable assurance engagement to verify the compliance of the financial statements contained in the annual report with the provisions of Commission Delegated Regulation (EU) 2019/815 on a European single electronic format relating to financial statements ("ESEF Regulation").

#### **Responsibility of the Board of Directors**

The Board of Directors of the Company is responsible for the preparation of financial statements in accordance with the ESEF Regulation. The Board of Directors of the Company is responsible for, among other things:

- design, implementation and maintenance of an internal control system relevant to the application of the requirements of the ESEF Regulation,
- the preparation of all financial statements contained in the annual report in the applicable XHTML format and
- selection and use of XBRL labels as required by the ESEF Regulation.

#### **Auditor's responsibility**

Our responsibility is to express a conclusion, on the basis of the audit evidence obtained, whether the financial statements included in the annual report comply with the requirements of the ESEF Regulation in all material respects. We performed this reasonable assurance engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 (revised) Assurance Engagements, which are not an audit or review of historical financial information ("ISAE 3000").

The nature, timing and extent of procedures selected depend on the auditor's judgment. A reasonable level of assurance is a high level of assurance, however, it does not guarantee that a verification performed in accordance with the above standard will in all cases reveal any significant (material) non-compliance with the requirements of the ESEF Regulation.

As part of the selected procedures, we performed the following activities:

- we have read the requirements of the ESEF Regulation,
- we get the understanding of the internal controls of ČEZ, a.s. relevant to the application of the requirements of the ESEF Regulation,
- we have identified and evaluated the risks of material non-compliance with the ESEF Regulation due to fraud or error; and
- Based on this, designed and implemented procedures to respond to the assessed risks and to obtain reasonable assurance for the purpose of expressing our conclusion.



The goal of our procedures was to assess whether

- the financial statements, which are included in the annual report, have been prepared in the valid XHTML format,
- the data contained in the financial statements required by the ESEF Regulation have been tagged and all tagging meets the following requirements:
  - the XBRL markup language was used,
  - the elements of the basic taxonomy listed in the ESEF Regulation with the closest accounting significance have been used, unless an extension taxonomy element has been created in accordance with Annex IV of the ESEF Regulation,
  - the mark-ups are in line with the common rules for tagging under the ESEF Regulation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Conclusion

In our opinion, the consolidated financial statements of the ČEZ Group and financial statements of ČEZ, a. s. for the year ended 31 December 2020 included in the annual report are in all material respects in accordance with the requirements of the ESEF Regulation.

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

License No. 401

**Jiří Křepelka, Auditor**

License No. 2163

15 March 2021

Prague, Czech Republic

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

In CZK Millions

ASSETS:	Note	2020	2019
Plant in service		474,973	475,880
Less accumulated depreciation and impairment		(257,008)	(258,822)
<b>Net plant in service</b>		<b>217,965</b>	<b>217,058</b>
Nuclear fuel, at amortized cost		13,592	14,191
Construction work in progress, net		10,052	8,302
<b>Total property, plant and equipment</b>	3	<b>241,609</b>	<b>239,551</b>
Restricted financial assets, net	4	15,221	14,303
Other non-current financial assets, net	5	159,180	181,201
Intangible assets, net	6	3,367	9,014
<b>Total other non-current assets</b>		<b>177,768</b>	<b>204,518</b>
<b>Total non-current assets</b>		<b>419,377</b>	<b>444,069</b>
Cash and cash equivalents, net	7	1,009	3,516
Trade receivables, net	8	58,501	58,042
Income tax receivable		305	-
Materials and supplies, net		7,682	6,599
Fossil fuel stocks		223	608
Emission rights	9	34,323	24,326
Other current financial assets, net	5	76,976	75,602
Other current assets, net	10	2,787	2,784
Assets classified as held for sale, net	11	31,209	6,540
<b>Total current assets</b>		<b>213,015</b>	<b>178,017</b>
<b>TOTAL ASSETS</b>		<b>632,392</b>	<b>622,086</b>

EQUITY AND LIABILITIES:	Note	2020	2019
Stated capital		53,799	53,799
Treasury shares		(2,845)	(2,885)
Retained earnings and other reserves		150,491	152,565
<b>Total equity</b>	12	<b>201,445</b>	<b>203,479</b>
Long-term debt, net of current portion	13	113,929	133,848
Provisions	16	91,125	75,315
Other long-term financial liabilities	17	8,728	8,216
Deferred tax liability	32	8,235	8,044
<b>Total non-current liabilities</b>		<b>222,017</b>	<b>225,423</b>
Short-term loans	18	800	4,119
Current portion of long-term debt	13	27,514	24,760
Trade payables		63,093	53,748
Income tax payable		-	483
Provisions	16	9,096	9,282
Other short-term financial liabilities	17	107,583	99,954
Other short-term liabilities	19	844	838
<b>Total current liabilities</b>		<b>208,930</b>	<b>193,184</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>632,392</b>	<b>622,086</b>

# ČEZ, a. s.

## Statement of Income

### for the Year Ended December 31, 2020

In CZK Millions

	Note	2020	2019
Sales of electricity, heat and gas		84,374	81,943
Sales of services and other revenues		4,973	5,002
Other operating income		1,152	1,353
<b>Total revenues and other operating income</b>	21	<b>90,499</b>	<b>88,298</b>
Gains and losses from commodity derivative trading	22	6,313	7,159
Purchase of electricity, gas and other energies	23	(31,515)	(33,082)
Fuel and emission rights	24	(16,723)	(17,927)
Services	25	(9,462)	(9,549)
Salaries and wages	26	(7,642)	(7,165)
Materials and supplies		(1,646)	(1,851)
Capitalization of expenses to the cost of assets and change in own inventories		43	91
Depreciation and amortization	3, 6	(13,641)	(14,535)
Impairment of property, plant and equipment and intangible assets		(27)	(114)
Impairment of trade and other receivables		(9)	(23)
Other operating expenses	27	(1,697)	(2,525)
<b>Income before other income (expenses) and income taxes</b>		<b>14,493</b>	<b>8,777</b>
Interest on debt, net of capitalized interest		(5,250)	(5,918)
Interest on provisions	16	(1,702)	(1,637)
Interest income	28	1,297	1,292
Impairment of financial assets	29	(5,129)	2,511
Other financial expenses	30	(666)	(462)
Other financial income	31	19,538	13,234
<b>Total other income (expenses)</b>		<b>8,088</b>	<b>9,020</b>
<b>Income before income taxes</b>		<b>22,581</b>	<b>17,797</b>
Income taxes	32	(1,504)	(404)
<b>Net income</b>		<b>21,077</b>	<b>17,393</b>
Net income per share (CZK per share):	35		
Basic		39.4	32.5
Diluted		39.4	32.5

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

In CZK Millions

	Note	2020	2019
<b>Net income</b>		<b>21,077</b>	<b>17,393</b>
Change in fair value of cash flow hedges		(8,198)	10,891
Cash flow hedges reclassified to statement of income		2,916	8,253
Change in fair value of debt financial instruments		202	207
Deferred tax related to other comprehensive income	32	965	(3,678)
<b>Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods</b>		<b>(4,115)</b>	<b>15,673</b>
Change in fair value of equity instruments		(1,050)	(347)
Deferred tax related to other comprehensive income	32	199	67
<b>Net other comprehensive income not to be reclassified from equity</b>		<b>(851)</b>	<b>(280)</b>
<b>Total other comprehensive income, net of tax</b>		<b>(4,966)</b>	<b>15,393</b>
<b>Total comprehensive income, net of tax</b>		<b>16,111</b>	<b>32,786</b>

## ČEZ, a. s. Statement of Changes in Equity for the Year Ended December 31, 2020

In CZK Millions

	Note	Stated capital	Treasury shares	Cash flow hedge reserve	Debt financial instruments	Equity financial instruments and other reserves	Retained earnings	Total equity
<b>Balance as at January 1, 2019</b>		<b>53,799</b>	<b>(3,534)</b>	<b>(18,373)</b>	<b>110</b>	<b>117</b>	<b>151,093</b>	<b>183,212</b>
Net income		-	-	-	-	-	17,393	17,393
Other comprehensive income		-	-	15,506	167	(280)	-	15,393
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>15,506</b>	<b>167</b>	<b>(280)</b>	<b>17,393</b>	<b>32,786</b>
Dividends		-	-	-	-	-	(12,806)	(12,806)
Sale of treasury shares		-	649	-	-	-	(400)	249
Share options	26	-	-	-	-	38	-	38
Exercised and forfeited share options		-	-	-	-	(31)	31	-
<b>Balance as at December 31, 2019</b>		<b>53,799</b>	<b>(2,885)</b>	<b>(2,867)</b>	<b>277</b>	<b>(156)</b>	<b>155,311</b>	<b>203,479</b>
Net income		-	-	-	-	-	21,077	21,077
Other comprehensive income		-	-	(4,279)	164	(851)	-	(4,966)
<b>Total comprehensive income</b>		<b>-</b>	<b>-</b>	<b>(4,279)</b>	<b>164</b>	<b>(851)</b>	<b>21,077</b>	<b>16,111</b>
Effect of business combination		-	-	-	-	3	-	3
Dividends		-	-	-	-	-	(18,163)	(18,163)
Sale of treasury shares		-	40	-	-	-	(25)	15
Exercised and forfeited share options		-	-	-	-	(14)	14	-
<b>Balance as at December 31, 2020</b>		<b>53,799</b>	<b>(2,845)</b>	<b>(7,146)</b>	<b>441</b>	<b>(1,018)</b>	<b>158,214</b>	<b>201,445</b>

The accompanying notes are an integral part of these financial statements.

# ČEZ, a. s.

## Statement of Cash Flows

### for the Year Ended December 31, 2020

In CZK Millions

	Note	2020	2019
<b>OPERATING ACTIVITIES:</b>			
Income before income taxes		22,581	17,797
<b>Adjustments of income before income taxes to cash generated from operations:</b>			
Depreciation and amortization	3, 6	13,641	14,535
Amortization of nuclear fuel	3	4,168	4,059
(Gains) and losses on non-current asset retirements		(5,795)	(38)
Foreign exchange rate loss (gain)		(1,221)	231
Interest expense, interest income and dividend income		(6,939)	(8,491)
Provisions		563	3,062
Impairment of property, plant and equipment and intangible assets		27	114
Other impairment and other non-cash expenses and income		(5,861)	5,244
<b>Changes in assets and liabilities:</b>			
Receivables and contract assets		(4,318)	5,541
Materials, supplies and fossil fuel stocks		(1,039)	(212)
Receivables and payables from derivatives		13,092	(15,163)
Other assets		5,934	(15,580)
Trade payables		5,172	4,791
Other liabilities		11	228
<b>Cash generated from operations</b>		<b>40,016</b>	<b>16,118</b>
Income taxes paid		(935)	(21)
Interest paid, net of capitalized interest		(5,733)	(5,886)
Interest received		1,250	1,295
Dividends received	5, 31	10,869	13,117
<b>Net cash provided by operating activities</b>		<b>45,467</b>	<b>24,623</b>
<b>INVESTING ACTIVITIES:</b>			
Acquisition of subsidiaries, associates and joint-ventures		(4,126)	(2,860)
Proceeds from disposal of subsidiaries, associates and joint-ventures and original investments repayments		719	3,524
Additions to non-current assets, including capitalized interest		(8,816)	(8,397)
Proceeds from sale of non-current assets		977	1,364
Loans made		(10,309)	(4,361)
Repayment of loans		2,206	2,234
Change in restricted financial assets		(723)	(735)
<b>Total cash used in investing activities</b>		<b>(20,072)</b>	<b>(9,231)</b>
<b>FINANCING ACTIVITIES:</b>			
Proceeds from borrowings		157,340	210,254
Payments of borrowings		(176,909)	(202,352)
Payments of lease liabilities	20	(1,378)	(1,159)
Payments of other long-term liabilities		-	(750)
Change in payables/receivables from Group cashpooling		10,860	(5,721)
Dividends paid		(18,116)	(12,836)
Sale of treasury shares		15	249
<b>Net cash used in financing activities</b>		<b>(28,188)</b>	<b>(12,315)</b>
Net effect of currency translation and allowances in cash		286	(15)
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(2,507)</b>	<b>3,062</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>3,516</b>	<b>454</b>
<b>Cash and cash equivalents at end of period</b>	7	<b>1,009</b>	<b>3,516</b>
Supplementary cash flow information:			
Total cash paid for interest		6,032	6,114

The accompanying notes are an integral part of these financial statements.



## ČEZ, a. s.

### Notes to the Financial Statements as of December 31, 2020

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## 1. Description of the Company

ČEZ, a. s. (ČEZ or the Company), company reg. No. 45274649, is a joint-stock company that came into existence by registration in the Commercial Register maintained by the Municipal Court in Prague (section B, file 1581) on May 6, 1992, and has its registered office at Duhová 2/1444, Praha 4, Czech Republic.

The main subject of the Company's business is the production of electricity, trade in electricity, production and distribution of thermal energy, trade in gas and other commodities. ČEZ is an energy company that generated approximately 61% of electricity produced in Czech Republic in 2020.

The average full-time equivalent number of employees was 5,489 and 5,348 in 2020 and 2019, respectively.

The majority stake in the Company is owned by the Czech Republic, represented by the Ministry of Finance of the Czech Republic. The Czech Republic held a 69.8% share in the Company's stated capital at December 31, 2020. The majority shareholder's share in voting rights was 70.1% at the same date.

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## 2. Summary of Significant Accounting Policies

### 2.1. Financial Statements

These separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The financial statements are based on a historical cost approach, except where IFRS require a different measurement basis as disclosed in the description of accounting policies below.

Due to the economic substance of transactions and the environment in which the Company operates, the Czech koruna (CZK) is used as the functional currency and reporting currency.

The Company has also prepared CEZ Group's consolidated financial statements in accordance with IFRS for the same period.

#### Explanation Added for Translation into English

These financial statements represent a translation of financial statements originally issued in Czech.

### 2.2. Changes in Accounting Policies

#### 2.2.1. Adoption of New IFRS Standards in 2020

The accounting policies adopted are consistent with those of the previous financial year, except for as follows. The Company has adopted the following new or amended standards and interpretations endorsed by EU as of January 1, 2020:

##### Conceptual Framework in IFRS Standards

The IASB issued the revised Conceptual Framework for Financial Reporting on March 29, 2018, which newly comprehensively revises the concepts of financial reporting and the process of adopting accounting standards, provides guidance to preparers of consolidated financial statements to help ensure consistency of accounting policies, and assistance to other users of standards, their analysis and interpretation. Separately, the IASB issued an accompanying document (Amendments to References to the Conceptual Framework in IFRS Standards), which is set of harmonization amendments to affected standards reflecting changes to the Conceptual Framework. The purpose of these harmonization amendments is to support transition to the revised Conceptual Framework for entities that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For entities that apply accounting principles based on the Conceptual Framework, the revised framework is effective for annual periods beginning on or after January 1, 2020. The application of the revision did not have significant impact to the Company's financial statements.

##### Amendment IFRS 3: Business Combinations

The IASB issued Amendment in Definition of a Business (Amendment to IFRS 3) aimed at resolving the difficulties in practice that arise when an entity determines whether it has acquired a business or a group of assets. The Amendment is effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after January 1, 2020, respectively to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. The application of the amendment did not have significant impact to the Company's financial statements.

**Amendments IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform**

The amendments are effective for annual periods beginning on or after January 1, 2020, must be applied retrospectively and may have been applied by entities before the above date. In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7. This concludes phase one of its work, which responds to the impact of the reform of reference Interbank Offered Rates (IBOR) on financial reporting. The IASB is currently working on phase two of this project and is addressing issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR). The amendments published deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark for a new risk-free rate and the implications for hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis. The amendments contain temporary reliefs applicable to all hedging relationships that are directly affected by the reform. Thanks to this exception, it will be possible to use hedge accounting until the existing reference interest rates are replaced by a new risk-free rate (RFR). Related amendment to IFRS 7 Financial Instruments: Disclosures specifies the information that entities are required to disclose in their financial statements about the uncertainty arising from the reform of reference interest rates. The application of the amendments did not have a significant effect on the Company's financial statements.

**IFRS 16 Leases: Covid-19 Related Rent Concessions (Amendment)**

The amendment was approved by the European Union on October 9, 2020 and is effective retrospectively from the accounting period beginning on July 1, 2020, earlier application is permitted, including in financial statements not yet authorized for issue at May 28, 2020. IASB amended the standard to provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the covid-19 pandemic. The amendment provides a practical expedient for the lessee to account for any change in lease payments resulting from the covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change was not a lease modification, only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before June 30, 2021.
- There is no substantive change to other terms and conditions of the lease.

The Company applied this amendment retrospectively as at 1 January 2020. The amendment did not have a significant effect on the Company's financial statements.

**Amendments IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material'**

The Amendments are effective for annual periods beginning on or after January 1, 2020 with earlier application permitted. The Amendments clarify the definition of the term "material" and its application. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved and the amendments ensure consistency of definition in all IFRS standards. The application of the amendments did not have significant impact to the Company's financial statements.

**2.2.2. Adoption of New IFRS Standards in 2019**

In 2019, The Company has adopted the new accounting standard IFRS 16 Leases. Other changes in accounting policies in 2019, which are described in more details in the separate financial statements as at December 31, 2019, did not have material impact on the Company's financial statements.

The Company applied IFRS 16 using the modified retrospective approach, under which the comparative information presented for 2018 is not restated. The Company elected to use a transition practical expedient and applied the standard only to contracts that were previously identified as leases in accordance with IAS 17 and IFRIC 4 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

On transition to IFRS 16, the Company recognized right-of-use assets in the amount of CZK 2,524 million, lease liabilities in the amount of CZK 2,513 million and derecognized prepayments related to the leased assets in the amount of CZK 11 million. The application of IFRS 16 did not have impact to the Company's equity.

**2.2.3. New IFRS Standards and IFRIC Interpretations either not yet Effective or not yet Adopted by the EU**

The Company is currently assessing the potential impacts of the new and revised standards and interpretations that will be effective or adopted by the EU from January 1, 2021 or later. In 2020, the Company decided to apply the amendment to IFRS 16 Leases: Covid-19 Related Rent Concessions before its binding date, as set out in Note 2.2.1. Standards and interpretations most relevant to the Company's activities, which are not obligatory for the Company and have not yet been applied by the Company, are detailed below:

## **Amendments IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint-ventures:**

### **Sale or Contribution of Assets between an Investor and its Associate or Joint-venture**

The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint-venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. These amendments are not expected to have a material effect on the Company's financial statements.

### **IFRS 17 Insurance Contracts**

The standard is effective for annual periods beginning on or after January 1, 2021 with earlier application permitted if both IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have also been applied. In its March 2020 meeting the Board decided to defer the effective date to 2023. IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity. The standard has not been yet endorsed by the EU. This standard is not expected to have a material effect on the Company's financial statements.

### **Amendments IFRS 17: Insurance Contracts and IFRS 4: Insurance Contracts**

The amendments to IFRS 17 are effective, retrospectively, for annual periods beginning on or after January 1, 2023, with earlier application permitted. The amendments aim at helping companies implement the Standard. In particular, the amendments are designed to reduce costs by simplifying some requirements in the Standard, make financial performance easier to explain and ease transition by deferring the effective date of the Standard to 2023 and by providing additional relief to reduce the effort required when applying IFRS 17 for the first time. The amendments to IFRS 4 change the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after January 1, 2023. The Amendments to IFRS 17 have not yet been endorsed by the EU. These amendments are not expected to have a material effect on the Company's financial statements.

### **Amendment IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. However, in response to the covid-19 pandemic, the Board has deferred the effective date by one year, i.e. January 1, 2023, to provide companies with more time to implement any classification changes resulting from the amendments. The amendment aims to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendment affects the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendment clarifies the classification requirements for debt which may be settled by the company issuing own equity instruments. The amendments have not yet been endorsed by the EU. This amendment is not expected to have a material effect on the Company's financial statements.

### **Amendments IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018–2020**

The amendments are effective for annual periods beginning on or after January 1, 2022 with earlier application permitted. The IASB has issued narrow-scope amendments to the IFRS Standards as follows:

- IFRS 3 Business Combinations (Amendments) update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.
- IAS 16 Property, Plant and Equipment (Amendments) prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendments) specify which costs a company includes in determining the cost of fulfilling a contract for the purpose of assessing whether a contract is onerous.
- Annual Improvements 2018–2020 make minor amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples accompanying IFRS 16 Leases.

These amendments have not yet been endorsed by the EU. These amendments are not expected to have a material effect on the Company's financial statements.

**Amendments IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – Phase 2**

In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, completing its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). In particular, the amendments provide for a practical expedient when accounting for changes in the basis for determining the contractual cash flows of financial assets and liabilities, to require the effective interest rate to be adjusted, equivalent to a movement in a market rate of interest. Also, the amendments introduce reliefs from discontinuing hedge relationships including a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. Furthermore, the amendments to IFRS 4 are designed to allow insurers who are still applying IAS 39 to obtain the same reliefs as those provided by the amendments made to IFRS 9. There are also amendments to IFRS 7 Financial Instruments: Disclosures to enable users of financial statements to understand the effect of interest rate benchmark reform on an entity's financial instruments and risk management strategy. The amendments are effective for annual periods beginning on or after 1 January 2021 with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods. These amendments are not expected to have a material effect on the Company's financial statements.

The Company does not expect early adoption of any of the above-mentioned standards, improvements or amendments.

**2.3. Estimates**

The preparation of financial statements in accordance with IFRS requires Company management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date, the disclosure of information on contingent assets and contingent liabilities, and the amounts of revenues and expenses reported for a reporting period. Actual results may differ from such estimates. A description of key assumptions for significant estimates is included in the relevant sections of the Notes.

The Company makes significant estimates when determining the recoverable amounts of property, plant, and equipment and non-current financial assets (see Notes 3 and 5), for nuclear provisions (see Notes 2.20 and 16.1), for provisions for land restoration (see Note 16.2), and when determining the fair value of commodity contracts (see Notes 2.13 and 14) and financial derivatives (see Notes 2.12 and 14) and incremental interest rates and lease terms to measure lease liabilities (see Notes 2.21 and 20).

**2.4. Revenues and Other Income**

Revenue is recognized, when the Company has satisfied a performance obligation and the amount of revenue can be reliably measured. The Company recognizes revenue at the amount of estimated consideration (less estimated discounts) that it expects to receive for goods transferred or services provided to the customer.

To apply this basic principle, the Company uses a five-level model:

1. Identify the contract(s) with a customer,
2. Identify the performance obligations arising from the contract,
3. Determine the transaction price,
4. Allocate the transaction price to the performance obligations arising from the contract,
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The Company recognizes revenue from sales of electricity, heat, and gas based on contract terms. Any differences between contracted amounts and actual supplies are settled through the market operator.

Sales are recognized net of value added tax.

Revenue from the sale of assets is recognized as soon as the delivery takes place and risks and associated benefits, as applicable, are transferred to the buyer.

Dividend income is recognized when the Company is awarded the right to the payment of the dividend.

Government and similar grants related to income are recognized in the income statement in the period in which the Company recognizes related expenses to be offset by the grant and is presented in the line Other operating income.

**2.5. Fuel Costs**

Fuel is recognized as costs when it is consumed. Fuel costs include the depreciation of nuclear fuel (see Note 2.8).

**2.6. Interest**

The Company capitalizes, as the cost of non-current assets, all interest associated with its investing activities that it would not have incurred if it did not pursue such investing activities. Interest is only capitalized for assets constructed or acquired over a substantial period of time.

## 2.7. Property, Plant and Equipment

Property, plant, and equipment are measured at cost less accumulated depreciation and impairments. The cost of property, plant, and equipment comprises the purchase price and the related cost of materials and labor and the cost of debt financing used in the construction. The cost also includes the estimated cost of dismantling and removing a tangible asset to the extent specified by IAS 37, Provisions, Contingent Liabilities, and Contingent Assets. Government grants and similar subsidies received for the acquisition of property, plant, and equipment decrease the cost.

Self-constructed property, plant, and equipment are measured at the cost of constructing them. Expenditures on the repair, maintenance, and replacement of minor asset items are recognized as repair and maintenance expenses in the period when such repair is carried out. Improvements are capitalized. When an item of property, plant, and equipment or a part thereof is sold or disposed of, its cost, relevant accumulated depreciation, and any impairments are derecognized in the balance sheet. Any gains or losses arising from the sale or disposal of property, plant, and equipment are included in profit or loss.

At each reporting date, the Company assesses whether there are any indicators that an asset may have been impaired. Where there are such indicators of impairment, the Company checks whether the recoverable amount of the item of property, plant, and equipment is less than its depreciated cost. The recoverable amount is the higher of the fair value less costs to sell and the value in use. Any impairment of property, plant, and equipment is recognized in profit or loss and presented in the line item Impairments of property, plant, and equipment and intangible assets.

At each reporting date, the Company assesses whether there are any indicators that previously recognized impairments of assets are no longer justified or should be decreased. If there are such indicators, the Company determines the recoverable amount of non-current assets. A previously recognized impairment is recognized as an expense only if there has been a change in the assumptions used to estimate the non-current asset's recoverable amount since the last recognition of the impairment. If that is the case, the depreciated cost of the asset including the impairment is increased to the new recoverable amount. The new depreciated cost may not exceed the current carrying amount, less accumulated depreciation, that would be determined had no impairment been recognized in the past. A reversal of previously recognized impairment is recognized in profit or loss and presented in the line item Impairments of property, plant, and equipment and intangible assets.

The Company depreciates the cost of property, plant, and equipment less their residual value using the straight-line method over their estimated useful life. Each part of an item of property, plant, and equipment that is significant in relation to the total amount of the asset is recognized and depreciated separately. The estimated useful life of property, plant, and equipment is determined as follows:

	Useful lives (years)
Buildings and structures	20–60
Machinery and equipment	4–37
Vehicles	8–25
Furniture and fixtures	4–15

The average depreciation period depending on useful life is determined as follows:

	Average life (years)
Hydro plants	
Buildings and structures	48
Machinery and equipment	17
Fossil fuel plants	
Buildings and structures	39
Machinery and equipment	24
Nuclear power plant	
Buildings and structures	51
Machinery and equipment	37

Depreciation periods, residual values, and depreciation methods are annually reviewed and adjusted as appropriate. In 2020, the estimated useful life of the main assets of nuclear power plants was extended by 10 years.



## 2.8. Nuclear Fuel

The Company recognizes nuclear fuel as part of property, plant, and equipment because the period for which it is used for electricity generation exceeds 1 year. Nuclear fuel is measured at cost less accumulated depreciation and, if applicable, impairments. Nuclear fuel includes a capitalized portion of the provision for interim storage of nuclear fuel. The depreciation of nuclear fuel in a reactor is determined on the basis of the amount of energy generated and presented in the statement of profit or loss in the line item Fuel and emission rights. The depreciation of nuclear fuel includes additions to the provision for interim storage of spent nuclear fuel.

## 2.9. Intangible Assets

Intangible assets are measured at costs, including the purchase price and related expenses. Non-current intangible assets are amortized using the straight-line method over their estimated useful life, which ranges from 3 to 17 years. Amortization periods, residual values, and amortization methods are annually reviewed and adjusted as appropriate. Improvements are capitalized.

At each reporting date, the Company assesses whether there are any indicators that a non-current intangible asset may have been impaired. Non-current intangible assets under development are tested for possible impairment annually regardless of whether there are indicators of possible impairment. Any impairment of non-current intangible assets is recognized in profit or loss and presented in the line item Impairments of property, plant, and equipment and intangible assets.

At each reporting date, the Company assesses whether there are any indicators that previously recognized impairments of assets are no longer justified or should be decreased. If there are such indicators, the Company determines the recoverable amount of non-current assets. A previously recognized impairment is recognized as an expense only if there has been a change in the assumptions used to estimate the non-current asset's recoverable amount since the last recognition of the impairment. If that is the case, the amortized cost of the asset including the impairment is increased to the new recoverable amount. The new amortized cost may not exceed the current carrying amount, less accumulated amortization, that would be determined had no impairment been recognized in the past. A reversal of previously recognized impairment is recognized in profit or loss and presented in the line item Impairments of property, plant, and equipment and intangible assets.

## 2.10. Emission Rights

The greenhouse gas emission right (hereinafter the emission right) represents the right of the operator of a facility that generates greenhouse gas emissions by its operation to emit the equivalent of a ton of carbon dioxide into the atmosphere in a given calendar year. The Company is obliged to determine and report the amount of greenhouse gas emissions from the facilities for each calendar year and this amount must be audited by an accredited person. The Company was allocated a certain amount of emission rights on the basis of the National Allocation Plan.

The Company is required to remit the number of emission rights corresponding to its actual amount of greenhouse gas emissions in the previous calendar year by no later than April 30 of the next calendar year.

Allocated emission rights are measured at nominal, i.e., zero value in financial statements. Purchased emission rights are measured at cost (except for emission rights held for trading). The Company makes a provision for covering released emissions corresponding to the difference between the actually released amount of emissions and its inventory of allocated emission rights. The provision is measured primarily at the cost of emission rights and credits that were purchased with the intention of covering greenhouse gas emissions in the reporting period. The provision for released emissions exceeding such rights and credits is measured at the market price effective at the end of the reporting period. Emission rights purchased for use in the next year are recognized as current assets in the line item Emission rights. Emission rights with a later planned time of use are recognized as part of non-current intangible assets.

The Company also purchases emission rights and credits for the purpose of trading. The portfolio of emission rights and credits held for trading is measured at fair value at the end of the reporting period, with any changes in fair value recognized in profit or loss and presented in the line item Gains and losses from commodity derivative trading. Emission rights and credits purchased for the purpose of trading are recognized as current assets in the line item Emission rights.

At each reporting date, the Company assesses whether there are any indicators that emission allowances may have been impaired. Where there are such indicators, the Company checks whether the recoverable amount of cash-generating units that the emission rights were allocated to is less than their depreciated cost. Any impairment of emission rights is recognized in profit or loss and presented in the line item Other operating expenses.

Sale and repurchase agreements concerning emission rights are accounted for as collateralized loans.

## 2.11. Classification of Financial Instruments

Financial assets comprise primarily cash, equity instruments of another entity, or a contractual right to receive cash or another financial asset.

Financial liabilities are primarily contractual obligations to deliver cash or another financial asset.

Financial liabilities and assets are presented as current or non-current. Financial assets are classified as current if the Company intends to realize them within 12 months of the end of the reporting period or if there is not reasonable assurance that the Company will hold the financial assets for more than 12 months after the end of the reporting period.

Financial liabilities are presented as current if they are payable within 12 months of the end of the reporting period. Assets and liabilities held for trade are also presented as current assets and liabilities.

Financial assets and financial liabilities are offset and the resulting net amount is presented in the balance sheet if there is a legally enforceable right to set off the recognized amounts and the Company intends to settle on a net basis or to realize the financial assets and settle the financial liabilities simultaneously.

### 2.11.1. Financial Assets

Financial assets are classified into the categories at amortized cost, at fair value depending on whether the financial assets are held for sale or whether they are held under a business model whose objective is to hold the assets to collect contractual cash flows, and at cost.

The Company classifies assets into the following categories:

#### a) Financial asset measurement at amortized cost

This category comprises financial assets for which the Company's strategy is to hold them to collect contractual cash flows, consisting of both principal and interest. Examples of such financial assets include loans, securities held to maturity, trade receivables.

Expected credit losses, exchange differences, and interest revenue are recognized in profit or loss.

#### b) Financial asset measurement at fair value through other comprehensive income

This category comprises financial assets where the Company's strategy is both to collect contractual cash flows and to sell the financial assets. This model differentiates between two types of accounting treatment:

- Without future transfer to profit or loss—used for equity financial assets  
Impairments are neither calculated nor recognized. Changes in fair value are recognized in other comprehensive income. When a financial asset is sold, no gain or loss is recognized in profit or loss, so it never affects profit or loss. If an equity financial asset is sold, the accumulated revaluation amount is transferred to retained earnings. Exchange differences are recognized in other comprehensive income as part of the revaluation amount. Dividends on such financial assets are recognized in profit or loss provided that the payment of such dividends does not reduce the value of the investment.
- With future transfer to profit or loss—used for debt financial assets  
Additions to impairment are recognized in profit or loss. Changes in fair value are recognized in other comprehensive income. On the disposal of a financial asset, the gain or loss is recognized in profit or loss (the gain/loss is transferred from other comprehensive income to profit or loss). Exchange differences in relation to revaluation surplus are recognized in other comprehensive income. Exchange differences in relation to impairment are recognized in profit or loss. Interest revenue is recognized in profit or loss.

#### c) Financial asset measurement at fair value through profit or loss

A category of financial assets for which the Company's strategy is to actively trade the asset. The collection of contractual cash flows is not the main objective of the strategy. Examples of such financial assets are securities held for trading and non-hedging derivatives. Impairments are neither calculated nor recognized. Changes in fair value and exchange differences are recognized in profit or loss.

Changes in the fair value of financial investments at fair value through profit or loss are recognized in Other financial expenses or Other financial income.

#### d) Financial asset measurement at cost

This category of financial assets comprises investments in subsidiaries, associates, and joint-ventures. Additions to impairment are recognized in profit or loss.

### 2.11.2. Financial Liabilities

Financial liabilities are classified into two core categories at amortized cost and at fair value through profit or loss. Classification into those categories is determined analogously to financial assets.

For fair value option financial liabilities, i.e., those measured at fair value through profit or loss, a change in fair value that is attributable to changes in credit risk is presented in other comprehensive income; the remaining amount is presented in profit or loss. However, if the treatment of changes in fair value that are attributable to credit risk created or enlarged an accounting mismatch in profit or loss, the entity would present all gains or losses on such a liability in profit or loss.

### 2.11.3. Derivatives

Derivatives are a special category of financial assets and liabilities. The manner of recognizing gains or losses from the revaluation of derivatives to fair value depends on whether a derivative is classified as a hedging instrument and on the nature of the item being hedged. More information on the reporting of derivatives can be found in Note 2.12.

### 2.11.4. Impairment of Financial Assets

Following the application of the IFRS 9 approach, the impairment of financial assets is based on a model of expected credit losses (ECL), which applies to the following financial assets:

- a) debt assets at amortized cost (trade receivables, loans, debt securities),
- b) debt assets at fair value through other comprehensive income,
- c) lease receivables,
- d) financial guarantee contracts,
- e) bank accounts and term deposits.

The Company accounts for either 12-month expected credit losses or lifetime expected credit losses depending on whether there has been a significant increase in credit risk since initial recognition (or since the commitment was made or the guarantee was provided). The Company has used a simplified approach for some receivables, under which lifetime expected credit losses are always accounted for.

The portfolio of financial assets is broken down into 3 categories for the purposes of ECL calculation. At the date of initial recognition, financial assets are included in Category 1 with the lowest impairment, which is determined as a percentage of historically unpaid receivables. They are subsequently reclassified as Category 2 and 3 as the debtor's credit risk increases. If a financial asset is bearing interest, interest revenue in Category 3 is calculated from the net amount of the asset.

## 2.12. Derivatives

The Company uses financial derivatives, such as interest rate swaps and foreign exchange contracts, to hedge risks associated with interest rate and exchange rate fluctuations. Derivatives are measured at fair value. They are recognized as part of non-current and current other financial assets and liabilities in the balance sheet.

The manner of recognizing gains or losses from the revaluation of derivatives to fair value depends on whether a derivative is classified as a hedging instrument and on the nature of the item being hedged. For hedge accounting purposes, hedging transactions are classified either as fair value hedges where the risk of change in the fair value of a balance sheet asset or liability is hedged or as cash flow hedges where the Company is hedged against the risk of changes in cash flows attributable to a balance sheet asset or liability or to a highly probable forecast transaction.

At the inception of a hedge, the Company prepares documents identifying the hedged item and the hedging instrument used and documenting the risk management objectives and strategy for various hedging transactions. At the inception and throughout the duration of a hedge, the Company documents whether the hedging instruments used are highly effective in relation to changes in the fair values or cash flows of hedged items.

### 2.12.1. Fair Value Hedging Derivatives

Changes in the fair values of fair value hedging derivatives are recognized in expenses or income, as appropriate, together with the relevant change in the fair value of the hedged asset or liability that is related to the hedged risk. Where an adjustment to the carrying amount of a hedged item is made for a debt financial instrument, the adjustment is amortized in profit or loss over time until the maturity of such a financial instrument.

### 2.12.2. Cash Flow Hedging Derivatives

Changes in the fair values of derivatives hedging expected cash flows are initially recognized in other comprehensive income. The gain or loss attributable to the ineffective portion is presented in the statement of profit or loss in the item Other financial expenses or Other financial income.

Amounts accumulated in equity are recognized in profit or loss in the period when the expenses or income associated with the hedged items are accounted for.

When a hedging instrument expires or a derivative is sold or it no longer meets the criteria for hedge accounting, the cumulative gain or loss recognized in equity remains in equity until the forecast transaction is closed and then recognized in the statement of profit or loss. If a forecast transaction is no longer likely to occur, the cumulative gain or loss, originally recognized in other comprehensive income, is transferred to profit or loss.

### 2.12.3. Other Derivatives

Some derivatives are not intended for hedge accounting. A change in the fair value of such derivatives is recognized directly in profit or loss.

## 2.13. Commodity Contracts

According to IFRS 9, certain commodity contracts are considered to be financial instruments and accounted for in accordance with the standard. Most commodity purchases and sales carried out by the Company assume physical delivery of the commodity in amounts intended for use or sale in the course of the Company's ordinary activities. Therefore, such contracts (so-called "own use" contracts) are not within the scope of IFRS 9.

Forward purchases and sales with physical delivery of energy are not within the scope of IFRS 9 as long as the contract is made in the course of the Company's ordinary activities. This is true if all of the following conditions are met:

- Physical delivery of the commodity takes place under the contract;
- The amount of the commodity purchased or sold under the contract corresponds to the Company's operating requirements;
- The contract does not represent a sold option as defined by IFRS 9. In the specific case of electricity sales contracts, the contracts are substantially equivalent to firm forward sales or can be considered sales of generation capacity.

The Company considers transactions entered into with the aim of balancing electricity amounts purchased and sold to be part of an integrated energy group's ordinary activities; therefore, such contracts are not within the scope of IFRS 9.

Commodity contracts that are within the scope of IFRS 9 are revalued to fair value, with changes in fair value recognized in profit or loss. The Company presents revenue and expenses related to trading in electricity and other commodities in the statement of profit or loss item Gains and losses from commodity derivative trading.

## 2.14. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, current accounts with banks, and short-term financial deposits with maturity of no more than 6 months. Foreign currency cash and cash equivalents are translated to the Czech koruna at the exchange rate applicable at the end of the reporting period.

## 2.15. Restricted Financial Assets

Cash and other financial assets that are recognized as restricted funds (see Note 4) are intended for the funding of nuclear decommissioning, for the waste storage reclamation and rehabilitation of waste dumps, or are cash guarantees given to counterparties. Such funds are classified as non-current assets due to the time at which they are expected to be released for the Company's purposes.

## 2.16. Materials and Supplies

Purchased inventories are measured at actual cost, using the weighted average cost method. The costs of purchased inventories include all costs of purchase, including transport costs. Upon use, they are recognized in expenses or capitalized as non-current assets. Work in progress is measured at actual cost. The costs include, primarily, direct material and labor costs. Obsolete inventories are written down using impairments recognized in expenses. Impairments of inventories amounted to CZK 45 million and CZK 11 million at December 31, 2020 and 2019, respectively.

**2.17. Fossil Fuel Stocks**

Inventories of fossil fuels are measured at actual cost, determined on a weighted average cost basis.

**2.18. Income Taxes**

The amount of income taxes is determined in compliance with Czech tax laws and is based on the Company's profit or loss determined in accordance with Czech accounting regulations and adjusted for permanently or temporarily nondeductible expenses and untaxed income (e.g., a difference in the depreciation and amortization of non-current assets for tax and accounting purposes). The current income tax at December 31, 2020 and 2019, respectively, was calculated from income before tax in accordance with Czech accounting regulations, adjusted for some items that are nondeductible or nontaxable for tax purposes, using a rate of 19%. The applicable tax rate for 2021 and future years is 19%.

Deferred tax is calculated on the basis of the liability method based on a balance sheet approach. Deferred tax is calculated from temporary differences between accounting measurement and measurement for the purposes of determining the income tax base. Deferred tax is determined using rates and laws that have been enacted by the end of the reporting period and are expected to apply when the deferred tax asset is realized, or the deferred tax liability is settled.

A deferred tax asset or liability is recognized regardless of when the temporary difference is likely to be reversed. A deferred tax asset or liability is not discounted. A deferred tax asset is recognized when it is probable that the Company will generate sufficient taxable profit in the future against which the deferred tax asset can be utilized. A deferred tax liability is recognized for all taxable temporary differences.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and, if necessary, the carrying amount of the deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

If the current and deferred tax relate to items that are charged or credited directly to equity in the same or a different tax period, the tax is also recognized directly in equity.

Changes in the deferred tax due to a change in tax rates is recognized in profit or loss, except for items charged or credited directly to equity in the same or a different tax period, for which such a change is also recognized directly in equity.

**2.19. Long-term Debt**

Debt is initially measured at the amount of proceeds from the issue of the debt, less transaction costs. It is then carried at amortized cost, which is determined using the effective interest rate. The difference between the nominal amount and the initial measurement of debt is recognized in profit or loss as interest expense over the period of debt.

Transaction costs comprise commission paid to advisers, agents, and brokers and levies by regulatory agencies and securities exchanges.

For long-term debt that is hedged with derivatives hedging against changes in fair value, the measurement of hedged debt is adjusted for changes in fair value. Changes in the fair value of such debt are recognized in profit or loss and reported in the statement of profit or loss in Other financial expenses or Other financial income. The adjustment to the carrying amount of hedged long-term debt is subsequently recognized in profit or loss using the effective interest rate.

**2.20. Nuclear Provisions**

The Company makes a provision for nuclear decommissioning, a provision for interim storage of spent nuclear fuel and other radioactive waste, and a provision for the funding of subsequent permanent disposal of spent nuclear fuel and irradiated reactor components (see Note 16.1).

The provisions made correspond to the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The estimate, expressed at the price level at the date of estimate, is discounted using an estimated long-term real interest rate of 0.4% and 0.7% per annum as at December 31, 2020 and 2019, respectively, so as to take into account the timing of expenditure. Initial discounted costs are capitalized as part of property, plant, and equipment and then amortized for the duration of time for which nuclear power plants will generate electricity. The provision is increased by the estimated inflation and real interest rate annually. Such expenses are recognized in the statement of profit or loss in the line item Interest on provisions. The effect of the expected rate of inflation is estimated at 1.5% as at December 31, 2020 and 2019.

The process of nuclear power plant decommissioning is estimated to continue for approximately 50 years after the termination of electricity generation. It is assumed that a permanent repository for spent nuclear fuel will commence operation in 2065 and the process of disposing of stored spent nuclear fuel at the repository will continue until approximately 2090. Although the Company has made the best estimate of the amount of nuclear provisions, potential changes in technology, changes in safety and environmental requirements, and changes in the duration of such activities may result in actual costs varying considerably from the Company's current estimates.

Changes in estimates concerning the provisions for nuclear decommissioning and permanent disposal of spent nuclear fuel resulting from new estimates of the amount or timing of cash flows required to settle these obligations or from a change in the discount rate are added to, or deducted from, the amount recognized as an asset in the balance sheet. Should the amount of the asset be negative, i.e., should the deducted amount exceed the amount of the asset, the difference is recognized directly in profit or loss.

## 2.21. Leases

Determining whether a contract is, or contains, a lease is based on the economic substance of the transaction and requires an assessment of whether the fulfillment of the contractual obligation is dependent on the use of a specific asset or assets and whether the contract conveys a right to use the asset.

The Company does not apply IFRS 16 to leases of intangible assets.

### 2.21.1. Company as a Lessee

The Company uses a consistent approach to the reporting and measurement of all leases, except for short-term leases and leases of low-value assets. The Company accounts for lease liabilities for the purpose of making lease payments and for right-of-use assets, which represent a right to use the underlying assets. Lease payments for short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

#### a) Lease Liability

At the commencement date of a lease, the Company recognizes lease liabilities measured at the present value of the lease payments that are to be made over the lease term. Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers those payments occurs.

When calculating the present value of lease payments, the Company uses an incremental interest rate at the commencement date of the lease because the interest rate implicit in the lease cannot be readily determined. After the commencement date, the amount of lease liabilities is increased by accrued interest and decreased by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a lease modification, i.e., a change in the lease term, a change in lease payments (e.g., changes in future payments resulting from a change in an index or a rate used to determine the amount of the lease payment), or a change in the assessment of the option to purchase the underlying asset.

The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company estimates the incremental interest rate using observable inputs, such as market interest rates.

The Company uses judgment to determine the expected lease term for contracts made for an indefinite time.

#### b) Right-of-Use Assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date when the underlying assets are available for use). Right-of-use assets are measured at cost less accumulated amortization and impairment losses and adjusted for any reassessment of lease liabilities. The cost of right-of-use assets comprises the amount of recognized lease liabilities, initial direct costs, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are amortized using the straight-line method over the lease term or the estimated life of the assets as follows:

	Depreciation period (years)
Lands	4–25
Buildings	4–10
Vehicles, machinery and equipment	1–12
Inventory and other tangible assets	8–10

**2.21.2. Company as a Lessor**

The Company leases tangible assets under operating leases. An operating lease is a lease whereby the Company does not transfer substantially all the risks and rewards incidental to the ownership of assets.

Lease income from operating leases is recognized on a straight-line basis over the lease term and included as income in profit or loss due to their operating nature.

**2.22. Treasury Shares**

Treasury shares are reported in the balance sheet as an item reducing equity. The acquisition of treasury shares is recognized in the statement of changes in equity as a deduction from equity. No gain or loss is recognized in the statement of profit or loss on the sale, issue, or cancellation of treasury shares. Consideration received is recognized in financial statements as a direct increase in equity.

**2.23. Share Options**

Members of the Board of Directors and selected managers have been granted options to purchase common shares of the Company. Expenses related to the share option plan were measured at the signing date of the option contract and are based on the fair value of the options granted. The expense determined at the signing date of the option contract accrues over the period for which the relevant beneficiaries must work for the Company, or the Group, to be entitled to exercise the options granted. The expense recognized in this manner reflects the expected number of options for which the relevant conditions will be met, and the beneficiaries will become entitled to exercise the options.

**2.24. Foreign Currency Transactions**

Assets and liabilities in foreign currencies are translated into the Czech currency at the exchange rate applicable at the date of the accounting transaction as published by the Czech National Bank for that date. In annual financial statements, such monetary assets and liabilities are translated at the exchange rate applicable at December 31. Exchange differences arising on the settlement of such transactions and from the translation of monetary assets and liabilities in foreign currencies are recognized in profit or loss, except when exchange differences arise in connection with a liability that is classified as an effective hedge of cash flows. Such exchange differences are recognized directly in equity.

Exchange differences on financial assets are described in paragraph 2.11.1.

The Company used the following exchange rates to translate assets and liabilities in foreign currencies at December 31, 2020 and 2019:

	2020	2019
CZK per 1 EUR	26.245	25.410
CZK per 1 USD	21.387	22.621
CZK per 1 PLN	5.755	5.970
CZK per 1 BGN	13.417	12.992
CZK per 1 RON	5.391	5.313
CZK per 100 JPY	20.747	20.844
CZK per 1 TRY	2.880	3.805
CZK per 1 GBP	29.190	29.866
CZK per 100 HUF	7.211	7.688

**2.25. Assets Classified as Held for Sale**

Assets and disposal groups of assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets and groups of assets are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is considered met only if the sale is highly probable and the asset or group of assets is available for immediate sale in its present condition. Company management must take steps toward the sale of the asset or group of assets so as to complete the sale within one year from the date of the classification of the assets or group of assets as held for sale.

Property, plant, and equipment and non-current intangible assets classified as held for sale are not depreciated or amortized.



### 3. Property, Plant and Equipment

The overview of property, plant and equipment, net at December 31, 2020 and 2019, was as follows (in CZK millions):

	Buildings	Plant and equipment	Land and other	Total plant in service	Nuclear fuel	Construction work in progress	Total
Cost at January 1, 2020	117,209	357,419	1,252	475,880	23,547	9,524	508,951
Additions	76	71	17	164	–	8,233	8,397
Disposals	(5,454)	(759)	(7)	(6,220)	(4,180)	(1,188)	(11,588)
Bring into use	456	2,805	4	3,265	3,173	(6,438)	–
Change in capitalized part of the provision	18	15,400	–	15,418	–	–	15,418
Non-monetary contribution and other	(4,362)	(9,144)	(28)	(13,534)	–	(40)	(13,574)
Cost at December 31, 2020	107,943	365,792	1,238	474,973	22,540	10,091	507,604
Accumulated depreciation and impairment at January 1, 2020	(54,349)	(204,384)	(89)	(258,822)	(9,356)	(1,222)	(269,400)
Depreciation and amortization of nuclear fuel <sup>1)</sup>	(3,611)	(9,895)	(11)	(13,517)	(3,772)	–	(17,289)
Net book value of assets disposed	(3,351)	(43)	–	(3,394)	–	–	(3,394)
Disposals	5,454	759	4	6,217	4,180	1,183	11,580
Non-monetary contribution	3,631	8,877	1	12,509	–	–	12,509
Impairment losses recognized	(1)	–	–	(1)	–	–	(1)
Accumulated depreciation and impairment at December 31, 2020	(52,227)	(204,686)	(95)	(257,008)	(8,948)	(39)	(265,995)
<b>Total property, plant and equipment at December 31, 2020</b>	<b>55,716</b>	<b>161,106</b>	<b>1,143</b>	<b>217,965</b>	<b>13,592</b>	<b>10,052</b>	<b>241,609</b>

<sup>1)</sup> The amortization of nuclear fuel as at December 31, 2020 also includes the creation of a provision for temporary storage of spent nuclear fuel in the amount of CZK 396 million.

	Buildings	Plant and equipment	Land and other	Total plant in service	Nuclear fuel	Construction work in progress	Total
Cost at December 31, 2018	109,572	343,606	1,176	454,354	23,025	8,373	485,752
Recognition of right-of-use asset on application of IFRS 16	1,978	470	76	2,524	–	–	2,524
Cost at January 1, 2019	111,550	344,076	1,252	456,878	23,025	8,373	488,276
Additions	4,362	59	8	4,429	–	8,496	12,925
Disposals	(141)	(346)	(15)	(502)	(3,104)	(7)	(3,613)
Bring into use	1,326	2,379	7	3,712	3,626	(7,338)	–
Change in capitalized part of the provision	132	11,251	–	11,383	–	–	11,383
Non-monetary contribution	(20)	–	–	(20)	–	–	(20)
Cost at December 31, 2019	117,209	357,419	1,252	475,880	23,547	9,524	508,951
Accumulated depreciation and impairment at January 1, 2019	(50,660)	(194,087)	(83)	(244,830)	(8,694)	(1,131)	(254,655)
Depreciation and amortization of nuclear fuel <sup>1)</sup>	(3,774)	(10,607)	(6)	(14,387)	(3,766)	–	(18,153)
Net book value of assets disposed	(53)	(36)	–	(89)	–	–	(89)
Disposals	141	346	–	487	3,104	–	3,591
Non-monetary contribution	10	–	–	10	–	–	10
Impairment losses recognized	(13)	–	–	(13)	–	(91)	(104)
Accumulated depreciation and impairment at December 31, 2019	(54,349)	(204,384)	(89)	(258,822)	(9,356)	(1,222)	(269,400)
<b>Total property, plant and equipment at December 31, 2019</b>	<b>62,860</b>	<b>153,035</b>	<b>1,163</b>	<b>217,058</b>	<b>14,191</b>	<b>8,302</b>	<b>239,551</b>

<sup>1)</sup> The amortization of nuclear fuel as at December 31, 2019 also includes the creation of a provision for temporary storage of spent nuclear fuel in the amount of CZK 293 million.

In 2020 and 2019 a composite depreciation rate of Plant in service was 2.8% and 3.1%, respectively.

In 2020 and 2019 capitalized interest costs amounted to CZK 273 million and CZK 229 million, respectively, and the interest capitalization rate was 3.4% and 3.9%, respectively.

Construction work in progress contains mainly investments related to the acquisition of nuclear fuel and refurbishments performed on Temelín, Dukovany and Počerady II (CCGT power plant) and Trmice heating plant.

The Company drew in 2020 and 2019 grants related to the property, plant and equipment in amount CZK 411 million and CZK 11 million, respectively.

### Company as a Lessee

The following table shows selected information as of December 31, 2020 and for the year ended 2020, respectively, relating to rights-of-use assets according to the classes of leased tangible fixed assets (in CZK millions):

	2020			
	Buildings	Plant and equipment	Land and other	Total plant in service
Additions of right-of-use assets	76	71	17	164
Depreciation charge for right-of-use assets	(3,389)	(44)	(3)	(3,436)
Carrying amounts as at December 31	813	381	79	1,273

The following table shows selected information as of December 31, 2019 and for the year ended 2019, respectively, relating to rights-of-use assets according to the classes of leased tangible fixed assets (in CZK millions):

	2019			
	Buildings	Plant and equipment	Land and other	Total plant in service
Additions of right-of-use assets	4,362	59	8	4,429
Depreciation charge for right-of-use assets	(1,134)	(92)	(7)	(1,233)
Carrying amounts as at December 31	5,205	427	77	5,709

### Company as a Lessor

The carrying amounts of property, plant and equipment that are subject to an operating lease (in CZK millions):

	Buildings	Land and other	Total plant in service
Carrying amount as at December 31, 2020	583	278	861
Carrying amount as at December 31, 2019	830	271	1,101

### Testing Assets for Impairment

The Company's generation assets are tested for potential impairment as a single cash-generating unit except for specific assets such as the CCGT plant at Počerady. The cash-generating unit of the Company's generation assets is characterized by portfolio management in the deployment of generating facilities, in their maintenance, and in the cash flows arising from this activity.

Testing of the recoverable amount of non-current assets of the ČEZ, a. s., cash-generating unit (ČEZ value) included an analysis of the sensitivity of test results to change in selected significant parameters of the model used – change in wholesale electricity prices (hereinafter the EE prices), the discount rate used in calculating the present value of future cash flows, and the CZK/EUR exchange rate.

A key assumption of the ČEZ value model is developments in commodity prices and, most importantly, developments in the wholesale price of electricity in Germany, which has a profound impact on developments in wholesale electricity prices in Czech Republic. Developments in wholesale prices are determined primarily by the EU's political decisions, developments in global commodity demand and supply, and technological progress.

Developments in EE prices are affected by a number of external factors, in particular changes in the structure and availability of generating facilities in Czech Republic and its neighboring countries, macroeconomic developments in the region of Central Europe, and energy sector regulation in the EU and Germany (fundamental impacts of the premature decommissioning of nuclear plants in Germany 2022, the EU's approved climate and energy targets for 2030). The model is built for a period matching the operating life of generating facilities, which means that its time frame greatly exceeds the period for which commodities, including wholesale electricity price contracts, are traded in public liquid markets. In addition, there have been structural changes in the electricity market ("Market Design") and substantial sector regulation, so it is really possible that market mechanisms for electricity pricing will be abandoned completely and alternative, centrally regulated payments for the availability and deliveries of generating facilities will be introduced within the lifetime of generating facilities.

Due to the long-term nature of the model, the sensitivity of the ČEZ value to developments in electricity prices is also affected by internal factors and assumptions. These are, in particular, generation portfolio deployment varying with different changes in the prices of electricity, emission allowances, and variable generation costs and, in the longer term, also with respect to changes in fixed costs reflecting changes in the gross margin of generating facilities.

In the determining the ČEZ value, the impact of the covid-19 pandemic was taken into account, as it was considered an indicator of a possible impairment of the Company's assets in 2020. The reliability of the estimate of the long-term effects of the covid-19 pandemic on the Company is considerably limited due to the uncertainty of the extent of the effects of the pandemic itself and of countries' countermeasures on economic growth, unemployment and debt growth in relevant European countries.

The negative impact on the Company's operations is assessed to a relatively limited extent in the order of percentage units on EBITDA in 2020. The covid-19 has a negative effect on the Company, especially as a factor causing a decline in consumption, and thus in market electricity prices. On the other hand, there has been a significant increase in market prices of emission rights due to increased ambitions to reduce CO<sub>2</sub> emissions within the EU, which has led to an increase in market electricity prices. Therefore, the covid-19 combined with effect of the increase in prices of emission rights have a negative effect on the lower use of coal-based generation sources. From the point of view of the medium-term economic outlook of the Company, the negative impact of the covid-19 is limited due to the high level of cash flow hedging. As of December 31, 2020, approximately 89% of expected generation for 2021 has already been contracted, for 2022 approximately 56% has been contracted and for 2023 approximately 26%. Along with these presales of electricity, the emission rights for emission sources have been contracted.

The impact of the covid-19 in the coming years will depend mainly on the measures taken in individual countries and their impact on the overall development of the economy in Europe.

The result of the sensitivity test shown below reflects an expert estimation of the status and changes of the abovementioned factors within the modeled period time frame and the status of price and currency hedges for future generation as at December 31, 2020.

The test is based on the business plan of ČEZ for 2021–2025 and on the assumptions of long-term development of relevant electricity prices. The business plan was prepared in the fourth quarter of 2020 based on market parameters from August and September 2020 (electricity prices on the EEX energy exchange in Germany, prices on the PXE energy exchange in Czech Republic, prices of emission rights, foreign exchange rates, interest rates, etc.). Electricity contracts traded on EEX are liquid for the whole period covering the business plan time frame and the interconnectedness of the German and Czech transmission grids makes them a fundamental market indicator for EE prices in Czech Republic. For the purposes of the sensitivity analysis, the input EE prices, emission rights prices and foreign exchange rates were applied to the relevant opened positions of the Company.

A change in the assumed EE prices according to models by 1%, while other parameters remain unchanged, has an impact of approximately CZK 9 billion on the ČEZ value test result. Future cash flows were discounted at a rate of 4.0%. A change of 0.1 percentage points in the discount factor, while other parameters remain unchanged, would change the ČEZ value by approximately CZK 7 billion. A 1% change in the CZK/EUR exchange rate, while other parameters remain unchanged, would result in a change of approximately CZK 8 billion in the ČEZ value. Such changes in ČEZ value would not lead to an impairment.

#### 4. Restricted Financial Assets, Net

The overview of restricted financial assets, net at December 31, 2020 and 2019, was as follows (in CZK millions):

	2020	2019
Czech government bonds	13,737	11,318
Cash in banks, net	1,484	2,985
<b>Total restricted financial assets, net</b>	<b>15,221</b>	<b>14,303</b>

The Czech government bonds are measured at fair value through other comprehensive income. At December 31, 2020 and 2019, the most significant restricted financial assets are the financial assets to cover the costs of nuclear decommissioning totaled CZK 15,005 million and CZK 14,058 million, respectively, and financial assets to cover the costs for waste storage reclamation totaled CZK 158 million and CZK 189 million, respectively.

## 5. Other Financial Assets, Net

The overview of other financial assets, net at December 31, 2020 and 2019, is as follows (in CZK millions):

	2020			2019		
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total
Loans granted	26,444	12,332	38,776	19,779	10,559	30,338
Receivables from Group cashpooling	–	2,085	2,085	–	3,546	3,546
Term deposits	–	2,755	2,755	–	–	–
Receivables from the sale of subsidiaries	2,360	2,415	4,775	–	–	–
Other financial receivables	582	66	648	135	92	227
<b>Total financial assets at amortized costs</b>	<b>29,386</b>	<b>19,653</b>	<b>49,039</b>	<b>19,914</b>	<b>14,197</b>	<b>34,111</b>
Equity financial assets (Inven Capital, SICAV, a.s., Podfond ČEZ)	2,511	–	2,511	3,327	–	3,327
Commodity and other derivatives	208	57,039	57,247	901	60,341	61,242
<b>Total financial assets at fair value through profit or loss</b>	<b>2,719</b>	<b>57,039</b>	<b>59,758</b>	<b>4,228</b>	<b>60,341</b>	<b>64,569</b>
Equity financial assets (Veolia Energie ČR, a.s.)	1,394	–	1,394	2,444	–	2,444
Fair value of cash flow hedge derivatives	2,864	284	3,148	4,732	1,064	5,796
<b>Total financial assets at fair value through other comprehensive income</b>	<b>4,258</b>	<b>284</b>	<b>4,542</b>	<b>7,176</b>	<b>1,064</b>	<b>8,240</b>
Financial assets at cost – share on subsidiaries, associates and joint-ventures	122,817	–	122,817	149,883	–	149,883
<b>Total</b>	<b>159,180</b>	<b>76,976</b>	<b>236,156</b>	<b>181,201</b>	<b>75,602</b>	<b>256,803</b>

Derivatives balance comprises mainly positive fair value of commodity trading contracts.

The Company concluded two put option agreements with Vršanská uhelná a.s. in March 2013. Under these contracts the Company has the right to transfer 100% of the shares of its subsidiary Elektrárna Počerady, a.s. to Vršanská uhelná a.s. First option for the year 2016 was not exercised, second option could be exercised in 2024 for cash consideration of CZK 2 billion. The option agreement could have been inactivated until December 31, 2019, which the Company did not apply. The contracts represent derivatives that would be settled by the delivery of unquoted equity instrument. Elektrárna Počerady, a.s. is not quoted on any market. There is significant variability in the range of reasonable fair values for this equity instrument (there is no similar power plant in the Czech Republic for sale and also no similar transaction has taken place) and thus it is difficult to reasonably assess the probabilities of various estimates. As a result, the fair value cannot be reliably measured. Consequently, the put option is measured at cost. No option premium was paid when the contracts were concluded and therefore the cost of these instruments is zero. The second put option expired on the exercise of the sale on December 31, 2020.

Movements in impairment provisions of financial assets at amortized costs were as follows (in CZK millions):

	2020	2019
Balance at January 1	(34,312)	(37,515)
Additions (see Note 29)	(5,138)	(3,574)
Reversals (see Note 29)	3	6,922
Derecognition of financial assets	2,417	256
Reclassification	(125)	(406)
Transfer to assets classified as held for sale	16,818	–
Currency translation difference	–	5
<b>Balance at December 31</b>	<b>(20,337)</b>	<b>(34,312)</b>

In 2020, the provision for obligation in case of claim from guarantee for Akcez group loans was reclassified to impairment provision following the cash contribution to the company Akcez Enerji A.S. in the amount of CZK 125 million.

In 2020, an impairment loss of CZK 1,567 million was derecognized in connection with the sale of the share in ŠKODA PRAHA a.s. In addition, an impairment loss of CZK 850 million was derecognized in connection with the decrease in the share capital of the company Elektrárna Dětmarovice, a.s.

In 2019, the provision for obligation in case of claim from guarantee for Akcez group loans was reclassified to impairment provision following the cash contribution to the company Akcez Enerji A.S. in the amount of CZK 406 million.

In 2019, an impairment loss of CZK 256 million was derecognized in connection with the sale of the share in CEZ Trade Polska sp. z o.o.

The contractual maturity of loans granted and other financial assets, net at December 31, 2020 is shown in the following table (in CZK millions):

	Loans granted	Receivables from Group cashpooling	Term deposits	Receivables from the sale of subsidiaries	Other financial receivables
Due in 2021	12,332	2,085	2,755	2,415	66
Due in 2022	1,418	–	–	11	574
Due in 2023	1,424	–	–	2,349	2
Due in 2024	1,424	–	–	–	2
Due in 2025	1,285	–	–	–	4
Thereafter	20,893	–	–	–	–
<b>Total</b>	<b>38,776</b>	<b>2,085</b>	<b>2,755</b>	<b>4,775</b>	<b>648</b>

The contractual maturity of loans granted and other financial assets, net at December 31, 2019 is shown in the following table (in CZK millions):

	Loans granted	Receivables from Group cashpooling	Other financial receivables
Due in 2020	10,559	3,546	92
Due in 2021	584	–	131
Due in 2022	560	–	1
Due in 2023	560	–	2
Due in 2024	560	–	1
Thereafter	17,515	–	–
<b>Total</b>	<b>30,338</b>	<b>3,546</b>	<b>227</b>

The structure of provided loans and other financial assets, net, according to effective interest rates as at December 31, 2020 is shown in the following table (in CZK millions):

	Loans granted	Receivables from Group cashpooling	Term deposits	Receivables from the sale of subsidiaries	Other financial receivables
Less than 2.00%	10,194	2,085	2,755	2,426	648
From 2.00% to 2.99%	11,322	–	–	2,349	–
From 3.00% to 3.99%	17,260	–	–	–	–
<b>Total</b>	<b>38,776</b>	<b>2,085</b>	<b>2,755</b>	<b>4,775</b>	<b>648</b>

The structure of provided loans and other financial assets, net, according to effective interest rates as at December 31, 2019 is shown in the following table (in CZK millions):

	Loans granted	Receivables from Group cashpooling	Other financial receivables
Less than 2.00%	9,593	3,546	227
From 2.00% to 2.99%	3,566	–	–
From 3.00% to 3.99%	17,142	–	–
From 4.00% to 4.99%	37	–	–
<b>Total</b>	<b>30,338</b>	<b>3,546</b>	<b>227</b>

The structure of provided loans and other financial assets, net, by currency as at December 31, 2020 is shown in the following overview (in CZK millions):

	Loans granted	Receivables from Group cashpooling	Term deposits	Receivables from the sale of subsidiaries	Other financial receivables
CZK	27,983	1,537	–	4,770	645
EUR	10,793	355	2,755	5	3
PLN	–	193	–	–	–
<b>Total</b>	<b>38,776</b>	<b>2,085</b>	<b>2,755</b>	<b>4,775</b>	<b>648</b>

The structure of provided loans and other financial assets, net, by currency as at December 31, 2019 is shown in the following overview (in CZK millions):

	Loans granted	Receivables from Group cashpooling	Other financial receivables
CZK	20,424	1,618	156
EUR	9,914	1,541	5
PLN	–	53	66
HUF	–	334	–
<b>Total</b>	<b>30,338</b>	<b>3,546</b>	<b>227</b>

The investments in subsidiaries, associates and joint-ventures and other ownership interests at December 31, 2020 and 2019 are shown in the following overview:

Company	Country	% Interest <sup>1)</sup>	2020		2019	
			Interest, net in CZK millions	Dividends in CZK millions	Interest, net in CZK millions	Dividends in CZK millions
ČEZ Distribuce, a. s.	CZ	100.00	32,742	4,345	32,742	5,777
CEZ Holdings B.V.	NL	100.00	19,955	–	17,969	–
Energotrans, a.s.	CZ	100.00	17,731	810	17,986	721
Severočeské doly a.s.	CZ	100.00	14,343	1,707	14,343	1,707
ČEZ OZ uzavřený investiční fond a.s.	CZ	99.56	11,816	898	12,327	864
ČEZ ESCO, a.s.	CZ	100.00	6,041	–	4,493	–
ČEZ Korporátní služby, s.r.o.	CZ	100.00	3,931	–	3,931	184
ČEZ ICT Services, a. s.	CZ	100.00	3,849	201	3,849	300
ČEZ Bohunice a.s.	CZ	100.00	2,809	–	2,809	–
ČEZ Teplárenská, a.s.	CZ	100.00	2,527	–	2,527	150
Elektrárna Temelín II, a. s.	CZ	100.00	1,989	–	1,993	–
ČEZ Prodej, a.s.	CZ	100.00	1,396	1,100	1,396	2,579
Elektrárna Dukovany II, a. s.	CZ	100.00	1,344	–	1,028	–
CEZ Bulgarian Investments B.V.	NL	100.00	589	–	589	–
Elektrárna Dětmarovice, a.s.	CZ	100.00	400	–	771	–
Energetické centrum s.r.o.	CZ	100.00	250	25	279	–
Ústav aplikované mechaniky Brno, s.r.o.	CZ	100.00	248	–	–	–
ÚJV Řež, a. s.	CZ	52.46	185	–	185	–
CEZ Deutschland GmbH	DE	100.00	167	–	167	–
CEZ MH B.V.	NL	100.00	145	–	1	–
LOMY MOŘINA spol. s r.o.	CZ	51.05	133	4	169	5
ČEZ Obnovitelné zdroje, s.r.o.	CZ	100.00	78	–	78	–
Distributie Energie Oltenia S.A. <sup>2)</sup>	RO	100.00	–	–	11,333	–
Tomis Team S.A. <sup>2)</sup>	RO	100.00	–	790	9,653	–
Ovidiu Development S.R.L. <sup>2)</sup>	RO	99.98	–	576	5,912	–
Elektrárna Počeradky, a.s.	CZ	–	–	405	1,280	634
ŠKODA PRAHA a.s.	CZ	–	–	–	927	–
CEZ Vanzare S.A. <sup>2)</sup>	RO	100.00	–	–	817	–
CEZ Romania S.A. <sup>2)</sup>	RO	100.00	–	–	92	–
CEZ Towarowy Dom Maklerski sp. z o.o. <sup>3)</sup>	PL	100.00	–	–	41	28
Other			149	31	196	50
<b>Total financial assets at cost</b>			<b>122,817</b>	<b>10,892</b>	<b>149,883</b>	<b>12,999</b>
Inven Capital, SICAV, a.s., Podfond ČEZ	CZ	99.81	2,511	–	3,327	–
Veolia Energie ČR, a.s.	CZ	15.00	1,394	–	2,444	118
<b>Total financial assets at fair value</b>			<b>3,905</b>	<b>–</b>	<b>5,771</b>	<b>118</b>
<b>Total</b>			<b>126,722</b>	<b>10,892</b>	<b>155,654</b>	<b>13,117</b>

<sup>1)</sup> Equity interest is equal to voting rights as at December 31, 2020.

<sup>2)</sup> As at October 22, 2020, shares in Romanian companies were reclassified to assets held for sale (see Note 11).

<sup>3)</sup> As at June 30, 2020, the share was reclassified to assets held for sale (see Note 11).

Used country shortcuts: CZ – Czech Republic, DE – Germany, NL – Netherlands, PL – Poland, RO – Romania.

Movements in investments in share on subsidiaries, associates and joint-ventures at amortized costs in 2020 and 2019, were as follows (in CZK millions):

<b>Net investments at January 1, 2020</b>	<b>149,883</b>
Additions – newly acquired companies:	
Ústav aplikované mechaniky Brno, s.r.o.	248
Additions – cash and non-monetary contributions to equity:	
CEZ Holdings B.V.	1,986
ČEZ ESCO, a.s.	1,548
Energotrans, a.s.	1,106
Elektrárna Dukovany II, a. s.	316
Other	275
<b>Total additions</b>	<b>5,479</b>
Decreases – decrease of equity with payment:	
ČEZ OZ uzavřený investiční fond a.s.	(511)
LOMY MOŘINA spol. s r.o.	(36)
Decreases – sale:	
Elektrárna Počerady, a.s.	(1,280)
ŠKODA PRAHA a.s.	(808)
Decreases – non-monetary contribution of the investment in subsidiary:	
ČEZ Asset Holding, a. s.	(9)
Decreases – reclassification to assets held for sale:	
Shares in Romanian companies	(26,514)
CEZ Towarowy Dom Maklerski sp. z o.o.	(41)
<b>Total decreases</b>	<b>(29,199)</b>
Impairment provisions – additions (see Note 29):	
Energotrans, a.s.	(1,361)
Tomis Team S.A.	(756)
Distributie Energie Oltenia S.A.	(537)
Elektrárna Dětmarovice, a.s.	(371)
Other	(196)
Impairment provisions – reclassification:	
Akcez Enerji A.S.	(125)
<b>Total impairment provisions</b>	<b>(3,346)</b>
<b>Net investments at December 31, 2020</b>	<b>122,817</b>



<b>Net investments at January 1, 2019</b>	<b>147,478</b>
Additions – cash and non-monetary contributions to equity:	
CEZ Holdings B.V.	2,101
Akcezní Enerji A.S.	594
ČEZ ESCO, a.s.	323
Other	55
<b>Total additions</b>	<b>3,073</b>
Decreases – decrease of equity with payment:	
Ovidiu Development S.R.L.	(1,762)
Tomis Team S.A.	(698)
ČEZ OZ uzavřený investiční fond a.s.	(546)
Distributie Energie Oltenia S.A.	(351)
CEZ Towarowy Dom Maklerski sp. z o.o.	(66)
<b>Total decreases</b>	<b>(3,423)</b>
Impairment provisions – additions (see Note 29):	
Distributie Energie Oltenia S.A.	(1,337)
ČEZ Bohunice a.s.	(783)
Elektrárna Dětmarovice, a.s.	(572)
ČEZ Teplárenská, a.s.	(526)
Other	(353)
Impairment provisions – reversals (see Note 29):	
Tomis Team S.A.	2,963
CEZ Holdings B.V.	2,951
ČEZ Korporátní služby, s.r.o.	630
Ovidiu Development S.R.L.	376
Impairment provisions – reclassification:	
Akcezní Enerji A.S.	(594)
<b>Total impairment provisions</b>	<b>2,755</b>
<b>Net investments at December 31, 2019</b>	<b>149,883</b>

### Sale of 100% Share in Subsidiary Elektrárna Počerady in 2020

On October 22, 2020, a share purchase agreement was signed for the sale of 100% share in subsidiary Elektrárna Počerady, a.s. (hereinafter EPC) to the company Vršanská uhelná a.s. The closing date of the transaction was on December 31, 2020 after the prior approval of Office for the Protection of Competition. At the same time this canceled the previous arrangement for the sale of a 100% share in EPC, which has already been concluded between the parties with the date of realization of January 2, 2024 for a purchase price CZK 2.0 billion. According to the new agreement the initial purchase price amounts to CZK 2.5 billion and is due on November 30, 2023.

The transaction includes an agreement between the parties to terminate the existing contract for the purchase of coal from the company Vršanská uhelná a.s., under which the company ČEZ, a. s. was obliged to purchase 5 million tons of coal per year by the end of 2023, and conclusion of a new contract for the purchase of 5 TWh of electricity per year by ČEZ, a. s. from subsidiary of the Vršanská uhelná group for the period from January 1, 2021 to December 31, 2023 for a fixed price of CZK 700/MWh plus the cost for the emission right required for the supply of 1 MWh of electricity.

The present value of the total contractual transaction price including adjustments to take into account the amount of working capital as at the closing date is CZK 8,861 million. The part of the transaction price attributable to the sale of shares is CZK 7,056 million, the remaining value of CZK 1,805 million corresponds to the fair value of the terminated contract for the purchase of coal and the new contract for the purchase of electricity. Part of the total transaction price in the amount of CZK 4,500 million was settled as of the closing date of the transaction by offsetting part of receivables from the sale and liabilities arising from Group's cash pooling.

In connection with the realization of this transaction, the contracts for the sale of electricity and purchase of emission rights, concluded in the past as cash-flow hedge for EPC operations for years 2021 to 2023 (so-called "own-use" contracts and hedging contracts abroad), were reclassified to derivatives, respectively hedge accounting was terminated, because future sales of electricity from the Company's own generation is no longer probable. The corresponding amounts of the hedge accounting were transferred from the other comprehensive income to the income statement. The current contract for the supply of coal from the company Vršanská uhelná a.s. (originally an "own use" contract where the physical delivery for the needs of the Company was assumed, therefore such a contract was not within the scope of IFRS 9) was prematurely terminated by this transaction with financial settlement included in the total transaction price and for this reason the fair value of this contract was recognized in the income statement.

The total impact of the transaction on the income statement is given in the following table (in CZK million):

Statement of income line	Description	Impact in 2020
Gains and losses from commodity derivative trading	Termination of hedging including reclassification of own-use into derivatives	1,274
Gains and losses from commodity derivative trading	Reclassification of a contract for the purchase of coal into derivatives	(1,760)
Income before other income (expenses) and income taxes		(486)
Other financial income	Revenue from sale of shares	7,056
Other financial income	Cost of derecognition from consolidation	(1,280)
Income before income taxes		5,290
Income taxes		435
<b>Net income</b>		<b>5,725</b>

## 6. Intangible Assets, Net

Intangible assets, net, at December 31, 2020 and 2019, is as follows (in CZK millions):

	Software	Rights and other	Intangibles in progress	Emission rights	Total
Cost at January 1, 2020	2,239	1,260	365	8,332	12,196
Additions	–	459	157	451	1,067
Disposals	(32)	(2)	(25)	–	(59)
Bring to use	53	27	(80)	–	–
Non-monetary contribution and other	(12)	(41)	–	(6,524)	(6,577)
Cost at December 31, 2020	2,248	1,703	417	2,259	6,627
Accumulated amortization at January 1, 2020	(2,005)	(1,177)	–	–	(3,182)
Amortization	(106)	(18)	–	–	(124)
Disposals	32	2	–	–	34
Non-monetary contribution	12	–	–	–	12
Accumulated amortization at December 31, 2020	(2,067)	(1,193)	–	–	(3,260)
<b>Net intangible assets at December 31, 2020</b>	<b>181</b>	<b>510</b>	<b>417</b>	<b>2,259</b>	<b>3,367</b>

	Software	Rights and other	Intangibles in progress	Emission rights	Total
Cost at January 1, 2019	2,231	1,244	219	3,625	7,319
Additions	–	–	219	6,729	6,948
Disposals	(15)	(35)	–	–	(50)
Bring to use	22	51	(73)	–	–
Reclassification and other	1	–	–	(2,022)	(2,021)
Cost at December 31, 2019	2,239	1,260	365	8,332	12,196
Accumulated amortization at January 1, 2019	(1,896)	(1,188)	–	–	(3,084)
Amortization	(124)	(24)	–	–	(148)
Disposals	15	35	–	–	50
Accumulated amortization at December 31, 2019	(2,005)	(1,177)	–	–	(3,182)
<b>Net intangible assets at December 31, 2019</b>	<b>234</b>	<b>83</b>	<b>365</b>	<b>8,332</b>	<b>9,014</b>

Research and development costs, net of grants and subsidies received, that are not eligible for capitalization have been expensed in the period incurred and amounted to CZK 320 million and CZK 290 million, respectively, in 2020 and 2019, respectively.

## 7. Cash and Cash Equivalents, Net

The composition of cash and cash equivalents, net at December 31, 2020 and 2019, were as follows (in CZK millions):

	2020	2019
Cash on hand and current accounts with banks	1,009	516
Term deposits	–	3,000
<b>Total</b>	<b>1,009</b>	<b>3,516</b>

At December 31, 2020 and 2019, cash and cash equivalents included balances in foreign currencies in the amount of CZK 780 million and CZK 228 million, respectively.

As at December 31, 2020, the weighted average interest rate on term deposits was 1.9%. For the years 2020 and 2019, the weighted average interest rate was 0.5% and 1.4%, respectively.

## 8. Trade Receivables, Net

The composition of trade receivables, net at December 31, 2020 and 2019, was as follows (in CZK millions):

	2020	2019
Trade receivables	58,657	58,208
Allowance	(156)	(166)
<b>Total</b>	<b>58,501</b>	<b>58,042</b>

The information about receivables from related parties is included in Note 33.

At December 31, 2020 and 2019, the ageing analysis of trade receivables, net was as follows (in CZK millions):

	2020	2019
Not past due	58,407	58,020
Past due:		
less than 3 months	79	14
3–6 months	7	6
6–12 months	8	2
<b>Total</b>	<b>58,501</b>	<b>58,042</b>

Receivables include impairment allowance based on the collective assessment of impairment of receivables that are not individually significant.

The overview of movements in allowance for doubtful receivables was as follows (in CZK millions):

	2020	2019
Balance at January 1	(166)	(145)
Additions	(43)	(58)
Reversals	39	36
Derecognition of impaired receivables	13	–
Non-monetary contribution	3	–
Currency translation difference	(2)	1
<b>Balance at December 31</b>	<b>(156)</b>	<b>(166)</b>

## 9. Emission Rights

The following table summarizes the movements in the quantity (in thousand tons) and book value of emission rights and credits held by the Company during 2020 and 2019 (in CZK millions):

	2020		2019	
	in thousands tons	in CZK millions	in thousands tons	in CZK millions
<b>Emission rights and credits for own use:</b>				
Emission rights and credits for own use at January 1	47,503	18,650	33,687	7,392
Emission rights granted	1,749	–	255	–
Settlement with register	(19,568)	(5,155)	(15,752)	(2,486)
Emission rights purchased	8,718	3,211	33,768	14,678
Emission rights sold	(8,493)	(2,911)	(4,578)	(935)
Emission rights reclassification <sup>1)</sup>	(2,977)	(1,657)	–	–
Non-monetary contribution in Energotrans, a.s.	(1,065)	(402)	–	–
Emission credits purchased	–	–	123	1
<b>Emission rights and credits for own use at December 31</b>	<b>25,867</b>	<b>11,736</b>	<b>47,503</b>	<b>18,650</b>
Thereof:				
Long-term	4,553	2,259	14,426	8,332
Short-term	21,314	9,477	33,077	10,318
<b>Emission rights and credits held for trading:</b>				
Emission rights and credits held for trading at January 1	22,496	14,008	14,797	9,390
Emission rights purchased	152,835	98,810	79,862	49,899
Emission rights reclassification <sup>1)</sup>	2,977	1,657	–	–
Emission rights sold	(149,408)	(102,742)	(72,163)	(45,333)
Emission credits purchased	231	13	–	–
Emission credits sold	(62)	(12)	–	–
Fair value adjustment	–	13,112	–	52
<b>Emission rights and credits held for trading at December 31</b>	<b>29,069</b>	<b>24,846</b>	<b>22,496</b>	<b>14,008</b>

<sup>1)</sup> The reclassification is related to the sale of the investment in the company Elektrárna Počerady, a.s.

At December 31, 2020 and 2019 emission rights for own use and held for trading amounted to CZK 34,323 million and CZK 24,326 million, respectively and are presented in current assets in the line Emission rights. Non-current emission rights for own use are presented as part of the intangible assets (see Note 6).

In 2020 and 2019, total emissions of greenhouse gases made by the Company amounted to an equivalent of 13,081 thousand tons and 17,118 thousand tons of CO<sub>2</sub>, respectively. At December 31, 2020 and 2019, the Company recognized a provision for CO<sub>2</sub> emissions in total amount of CZK 4,592 million and CZK 4,362 million, respectively (see Notes 2.10 and 16). As at October 1, 2020, part of the business unit “Elektrárna Mělník” was invested in equity of Energotrans, a.s. The business unit part “Elektrárna Mělník” emitted 1,065 thousand tons for the period 1–9/2020, the subject of the non-monetary contribution were the emission rights corresponding to the emitted emissions.

## 10. Other Current Assets, Net

Other current assets, net at December 31, 2020 and 2019, were as follows (in CZK millions):

	2020	2019
Prepayments	457	440
Taxes and fees, except income tax	748	841
Advances paid	995	929
Others	587	574
<b>Total</b>	<b>2,787</b>	<b>2,784</b>

## 11. Assets Classified as Held for Sale, Net

On February 23, 2018, a sales contract for the sale of interests in Bulgarian companies CEZ Razpredelenie Bulgaria AD (including its interest in CEZ ICT Bulgaria EAD), CEZ Trade Bulgaria EAD, CEZ Bulgaria EAD, CEZ Elektro Bulgaria AD, Free Energy Project Oreshets EAD and Bara Group EOOD was signed. The sellers for CEZ Group are ČEZ, a. s. and CEZ Bulgarian Investments B.V. The requirements of standard IFRS 5 to classify the assets as held for sale were met by granting prior consent to the transaction by the supervisory board of ČEZ, a. s. which took place on February 22, 2018. Following the refusal of the transaction by the Bulgarian anti-trust authority, the transaction could not be carried out.

On June 20, 2019, a sales contract for the sale of the above-mentioned interests in Bulgarian companies was signed with the company Eurohold AD. The transaction is a subject to approval by the Bulgarian anti-trust authority and the Bulgarian Energy Regulatory Office.

On October 24, 2019, Bulgarian anti-trust authority refused the transaction for the sale of Bulgarian assets to the company Eurohold. The Company filed a lawsuit against this decision, and the negative decision of the Bulgarian anti-trust authority was overturned by the Administrative Court, Sofia City and the case was remanded. On October 29, 2020, the Bulgarian anti-trust authority approved the transaction for the sale of Bulgarian assets held for sale to Eurohold. The Bulgarian energy regulatory authority approved the transaction on January 19, 2021. The closing date of the transaction is expected in June 2021.

On October 22, 2020, a share purchase agreement was concluded for the sale of the interests in Romanian companies Distribuție Energie Oltenia S.A., CEZ Vanzare S.A., CEZ Romania S.A. (including its interest in TMK Hydroenergy Power S.R.L.), Tomis Team S.A. (including its interest in M.W. Team Invest S.R.L.) and Ovidiu Development S.A. The sellers for CEZ Group are ČEZ, a. s. and CEZ Holdings B.V. The buyer is the international infrastructure investor Macquarie Infrastructure and Real Assets (hereinafter MIRA). Total selling price for the respective interests in the companies is stated in EUR as of December 31, 2019 (so called "locked-box date"), it bears interest 2% p. a. and is due on the closing date. The requirements of standard IFRS 5 to classify the assets as held for sale were met by granting prior consent to the transaction by the supervisory board of ČEZ, a. s. which took place on October 22, 2020.

On December 23, 2020, MIRA received the antitrust approval of the transaction granted by the European anti-trust authorities (Directorate-General for Competition) and on January 5, 2021, the transaction was also approved by the Romanian Supreme Council of National Defence (Consiliul Suprem de Apărare a Țării). This fulfilled the conditions precedent for the execution of the transaction. Settlement of the transaction is expected at the end of March 2021.

The assets classified as held for sale, net at December 31, 2020 and 2019, are as follows (in CZK millions):

	2020	2019
CEZ Razpredelenie Bulgaria AD	6,529	6,529
Other Bulgarian companies	11	11
Shares in Bulgarian companies	6,540	6,540
Distribuție Energie Oltenia S.A.	10,027	-
Tomis Team S.A.	8,265	-
Ovidiu Development S.A.	5,492	-
CEZ Vanzare S.A.	759	-
CEZ Romania S.A.	85	-
Shares in Romanian companies	24,628	-
Other	41	-
<b>Assets classified as held for sale</b>	<b>31,209</b>	<b>6,540</b>

## 12. Equity

The Company's stated capital registered in the Commercial Register is CZK 53,798,975,900 as at December 31, 2020 and 2019. It consists of 537,989,759 shares with a par value of CZK 100. All shares are fully paid; they are dematerialized, bearer, quoted shares. They are common shares to which no special rights are attached.

Movements of treasury shares in 2020 and 2019 (in pieces):

	2020	2019
Number of treasury shares at beginning of period	2,551,240	3,125,021
Sales of treasury shares	(35,000)	(573,781)
Number of treasury shares at end of period	2,516,240	2,551,240

Treasury shares are recognized at cost in the balance sheet as an item reducing equity.

The payment of dividends of CZK 34 and CZK 24 per share, before tax, was approved in 2020 and 2019, respectively. Dividends for 2020 will be approved at the Company's shareholders' meeting that will be held in the first half of 2021.

### Capital Structure Management

The primary objective of the Company's capital structure management is to maintain its credit rating at an investment grade and a level that is standard in the sector and to maintain a healthy ratio of equity to borrowed capital to support the Group's business and maximize value for shareholders. The Company monitors its capital structure and makes adjustments to it with a view to changes in the business environment.

The Company primarily monitors its capital structure using the net debt-to-EBITDA ratio. Considering the current structure and stability of its cash flows and its development strategy, the Group aims to keep the ratio at 2.5–3.0. The Company also monitors its capital structure using the total debt-to-total capital ratio. The Company aims to keep the ratio below 50% in the long term.

EBITDA comprises earnings before taxes and other expenses and revenues plus depreciation and amortization and impairment of property, plant, and equipment and intangible assets less gain (or plus loss) from sales of property, plant, and equipment. Total debt comprises long-term debt including the current portion and short-term borrowings. Net debt represents total debt less cash and cash equivalents and highly liquid financial assets. For the purposes of capital structure management, highly liquid financial assets comprise short-term and long-term debt financial assets and short-term and long-term deposits. Total capital is equity attributable to parent company shareholders plus total debt. These calculations always include items relating to assets held for sale, which are reported separately in the balance sheet.

The calculation and evaluation of the ratios is done using consolidated figures (in CZK millions):

	2020	2019
Total long-term debt	150,843	167,633
Total short-term loans	984	4,260
Total long-term debt associated with assets held for sale	4,683	1,608
Total short-term loans associated with assets held for sale	37	170
Total debt <sup>1)</sup>	156,547	173,671
Less:		
Cash and cash equivalents	(6,064)	(9,755)
Cash and cash equivalents classified as held for sale	(4,105)	(2,151)
Highly liquid financial assets:		
Current debt financial assets	(111)	(403)
Non-current debt financial assets	-	(111)
Current term deposits	(2,755)	(3)
Total net debt	143,512	161,248
Income before income taxes and other income (expenses)	12,585	26,429
Depreciation and amortization	28,284	29,016
Impairment of property, plant and equipment and intangible assets	24,062	4,860
Gains and losses on sale of property, plant and equipment	(148)	(130)
EBITDA	64,783	60,175
Total equity attributable to equity holders of the parent	233,871	250,761
Total debt	156,547	173,671
Total capital	390,418	424,432
Net debt to EBITDA ratio	2.22	2.68
Total debt to total capital ratio	40.1%	40.9%

<sup>1)</sup> Part of total debt are accrued interest expenses, which amounted to CZK 1,743 million and CZK 2,151 million as at December 31, 2020 and 2019, respectively.

### 13. Long-term Debt

The overview of long-term debt at December 31, 2020 and 2019, was as follows (in CZK millions):

	2020	2019
3.005% Eurobonds, due 2038 (JPY 12,000 million)	2,505	2,516
2.845% Eurobonds, due 2039 (JPY 8,000 million)	1,671	1,679
5.000% Eurobonds, due 2021 (EUR 750 million)	19,872	19,228
4.875% Eurobonds, due 2025 (EUR 750 million)	20,328	19,671
4.500% Eurobonds, due 2020 (EUR 750 million)	–	19,478
2.160% Eurobonds, due in 2023 (JPY 11,500 million)	2,405	2,416
4.600% Eurobonds, due in 2023 (CZK 1,250 million)	1,288	1,287
2.150%*IR CPI Eurobonds, due 2021 (EUR 100 million) <sup>1)</sup>	2,688	2,602
4.102% Eurobonds, due 2021 (EUR 50 million)	1,315	1,273
4.375% Eurobonds, due 2042 (EUR 50 million)	1,314	1,271
4.500% Eurobonds, due 2047 (EUR 50 million)	1,312	1,269
4.383% Eurobonds, due 2047 (EUR 80 million)	2,130	2,062
3.000% Eurobonds, due 2028 (EUR 725 million)	19,713	19,133
0.875% Eurobonds, due 2022 (EUR 500 million)	13,106	12,675
0.875% Eurobonds, due 2026 (EUR 750 million)	19,499	18,847
4.250% U.S. bonds, due 2022 (USD 289 million)	6,226	6,578
5.625% U.S. bonds, due 2042 (USD 300 million)	6,448	6,817
4.500% Registered bonds, due 2030 (EUR 40 million)	1,040	1,006
4.750% Registered bonds, due 2023 (EUR 40 million)	1,092	1,056
4.700% Registered bonds, due 2032 (EUR 40 million)	1,083	1,048
4.270% Registered bonds, due 2047 (EUR 61 million)	1,583	1,531
3.550% Registered bonds, due 2038 (EUR 30 million)	806	780
<b>Total bonds and debentures</b>	<b>127,424</b>	<b>144,223</b>
Less: Current portion	(25,339)	(21,163)
<b>Bonds and debentures, net of current portion</b>	<b>102,085</b>	<b>123,060</b>
<b>Long-term bank loans and lease liabilities:</b>		
Less than 2% p.a.	13,383	8,624
2.00 to 2.99% p.a.	409	5,207
3.00 to 3.99% p.a.	174	507
4.00 to 4.99% p.a.	42	33
5.00 to 5.99% p.a.	11	14
<b>Total long-term bank loans and lease liabilities</b>	<b>14,019</b>	<b>14,385</b>
Less: Current portion	(2,175)	(3,597)
<b>Long-term bank loans and lease liabilities, net of current portion</b>	<b>11,844</b>	<b>10,788</b>
<b>Total long-term debt</b>	<b>141,443</b>	<b>158,608</b>
Less: Current portion	(27,514)	(24,760)
<b>Total long-term debt, net of current portion</b>	<b>113,929</b>	<b>133,848</b>

<sup>1)</sup> The interest rate is based on inflation realized in Eurozone Countries (Harmonized Index of Consumer Prices – HICP) and is fixed through the closed swap to the rate 4.553% p.a.

The interest rates indicated above are historical rates for fixed rate debt and current market rates for floating rate debt. The actual interest payments are affected by interest rate risk hedging carried out by the Company.

All long-term debt is recognized in original currencies while the related hedging derivatives are recognized using the method described in Note 2.12.

Future maturities of long-term debt are as follows (in CZK millions):

	2020	2019
<b>Current portion</b>	<b>27,514</b>	<b>24,760</b>
Between 1 year and 2 years	20,763	25,860
Between 2 and 3 years	6,109	21,696
Between 3 and 4 years	2,000	6,876
Between 4 and 5 years	21,176	1,095
Thereafter	63,881	78,321
<b>Total long-term debt</b>	<b>141,443</b>	<b>158,608</b>



The following table analyses long-term debt by currency (in millions):

	2020		2019	
	Foreign currency	CZK	Foreign currency	CZK
EUR	4,582	120,267	5,206	132,283
USD	593	12,674	592	13,395
JPY	31,719	6,581	31,716	6,611
CZK	–	1,921	–	6,319
<b>Total long-term debt</b>		<b>141,443</b>		<b>158,608</b>

Long-term debt exposes the Company to interest rate risk. The following table summarizes long-term debt by contractual repricing dates of interest rates at December 31, 2020 and 2019, without considering interest rate hedging (in CZK millions):

	2020	2019
Floating rate long-term debt with interest rate fixed from 3 months to 1 year	6,693	8,622
Fixed rate long-term debt	134,750	149,986
<b>Total long-term debt</b>	<b>141,443</b>	<b>158,608</b>

Fixed rate long-term debt exposes the Company to the risk of changes in fair values of these financial instruments. For related fair value information and risk management policies of all financial instruments see Notes 14 and 15.

The following table analyses changes in liabilities and receivables arising from financing activities in 2020 and 2019 (in CZK millions):

	Debt	Other long-term financial liabilities	Other short-term financial liabilities	Other current financial assets, net	Total liabilities / assets from financing activities
Amount at December 31, 2018	150,325	13,776	152,544	(106,133)	
Less: Liabilities / assets from other than financing activities	–	(13,619)	(114,203)	103,745	
Adoption of IFRS 16	2,513	–	–	–	
Liabilities / assets arising from financing activities at January 1, 2019	152,838	157	38,341	(2,388)	188,948
Cash flows	6,742	–	(18,118)	(1,188)	(12,564)
Additions of leases <sup>1)</sup>	4,429	–	–	–	4,429
Foreign exchange movement	166	–	(83)	–	83
Changes in fair values	(1,446)	–	–	–	(1,446)
Declared dividends	–	–	12,806	–	12,806
Reclassification	–	(51)	51	–	–
Other	(2)	–	(56)	4	(54)
Liabilities / assets from financing at December 31, 2019	162,727	106	32,941	(3,572)	192,202
Liabilities / assets arising from other than financing activities	–	8,110	67,013	(72,030)	
<b>Total amount on balance sheet at December 31, 2019</b>	<b>162,727</b>	<b>8,216</b>	<b>99,954</b>	<b>(75,602)</b>	
Less: Liabilities / assets from other than financing activities	–	8,110	67,013	(72,030)	
Liabilities / assets arising from financing activities at January 1, 2020	162,727	106	32,941	(3,572)	192,202
Cash flows	(20,946)	–	(8,711)	1,454	(28,203)
Additions of leases	164	–	–	–	164
Foreign exchange movement	(1,182)	–	73	–	(1,109)
Changes in fair values	5,106	–	–	–	5,106
Early termination of lease liabilities <sup>2)</sup>	(3,277)	–	–	–	(3,277)
Declared dividends	–	–	18,163	–	18,163
Reclassification	–	(55)	55	–	–
Other	(349)	–	(91)	3	(437)
Liabilities / assets from financing at December 31, 2020	142,243	51	42,430	(2,115)	182,609
Liabilities / assets arising from other than financing activities	–	8,677	65,153	(74,861)	
<b>Total amount on balance sheet at December 31, 2020</b>	<b>142,243</b>	<b>8,728</b>	<b>107,583</b>	<b>(76,976)</b>	

<sup>1)</sup> In 2019, the energy rework contract with the company Elektrárna Počeradý, a.s was extended until 2023, which caused an increase in leasing liabilities in the amount of CZK 4,296 million.

<sup>2)</sup> In 2020, the energy rework contract with the company Elektrárna Počeradý, a.s was terminated (following the signing of an agreement on the sale of investment in the company Elektrárna Počeradý, a.s), which corresponds to a reduction in leasing liabilities in the amount of CZK (3,225) million.

The column Debt consists of balance sheet items Long-term debt, net of current portion, Current portion of long-term debt and Short-term loans. In terms of financing activities, item Other long-term financial liabilities consists of long-term payable, which has the financing character, item Other short-term financial liabilities consists of dividend payable, payables from Group cashpooling and other short-term financial payables including current portion of long-term financial liability, item Other current financial assets, net consists of receivables from Group cashpooling and advanced payments to dividend administrator.

## 14. Fair Value of Financial Instruments

Fair value is defined as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction, which excludes a forced or liquidation sale. Fair value is determined as a quoted market price or a value obtained on the basis of discounted cash flow models or option pricing models.

The Company uses the following methods and assumptions to determine the fair value of each class of financial instruments:

### Cash, Cash Equivalents and Short-term Investments

The fair value of cash and other current financial assets is deemed to be the carrying amount due to their relatively short maturity.

### Securities Held for Trading

The fair value of current equity and debt securities held for trading is based on their market price.

### Non-current Debt and Equity Financial Assets

The fair value of non-current debt and equity financial assets that are publicly traded in an active market is based on their quoted market price. The fair value of non-current and equity financial assets that are not publicly traded in an active market is determined using appropriate valuation techniques.

### Short-term Receivables and Payables

The fair value of receivables and payables is deemed to be the carrying amount due to their relatively short maturity.

### Short-term Borrowings

The fair value of these financial instruments corresponds to the carrying amount due to their short maturity.

### Long-term Debt

The fair value of long-term debt is deemed to be the market value of identical or similar instruments, or the measurement is based on current interest rates on debt with the same maturity. The fair value of long-term debt with a variable interest rate is deemed to be the carrying amount.

### Derivatives

The fair value of derivatives corresponds to their market value.

The overview of carrying amounts and the estimated fair values of financial assets (except for derivatives) at December 31, 2020 and 2019, is as follows (in CZK millions):

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets at amortized cost:				
Loans granted	26,444	26,941	19,779	19,779
Receivables from the sale of subsidiaries	2,360	2,360	–	–
Other financial receivables	582	582	135	135
Non-current assets at fair value through other comprehensive income:				
Restricted debt securities	13,737	13,737	11,318	11,318
Equity financial assets	1,394	1,394	2,444	2,444
Non-current assets at fair value through profit or loss:				
Equity financial assets	2,511	2,511	3,327	3,327
Current assets at amortized cost:				
Loans granted	12,332	12,332	10,559	10,559
Term deposits	2,755	2,755	–	–
Receivables from the sale of subsidiaries	2,415	2,415	–	–
Other financial receivables	2,151	2,151	3,638	3,638

The overview of carrying amounts and the estimated fair values of financial liabilities (except for derivatives) at December 31, 2020 and 2019, is as follows (in CZK millions):

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term debt	(141,443)	(154,579)	(158,608)	(170,139)
Other long-term financial liabilities	(63)	(63)	(1,863)	(1,863)
Short-term loans	(800)	(800)	(4,119)	(4,119)
Other short-term financial liabilities	(34,936)	(34,936)	(36,341)	(36,341)

The overview of carrying amounts and the estimated fair values of derivatives at December 31, 2020 and 2019, is as follows (in CZK millions):

	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash flow hedges:				
Short-term receivables	284	284	1,064	1,064
Long-term receivables	2,864	2,864	4,732	4,732
Short-term liabilities	(292)	(292)	(939)	(939)
Long-term liabilities	(7,776)	(7,776)	(5,464)	(5,464)
Commodity derivatives:				
Short-term receivables	56,203	56,203	59,996	59,996
Short-term liabilities	(71,766)	(71,766)	(62,511)	(62,511)
Other derivatives:				
Short-term receivables	836	836	345	345
Long-term receivables	208	208	901	901
Short-term liabilities	(589)	(589)	(163)	(163)
Long-term liabilities	(889)	(889)	(889)	(889)

#### 14.1. Fair Value Hierarchy

The Company uses and discloses financial instruments with the following structure according to the manner in which the fair value is determined:

Level 1: Measured at fair value using the market prices of identical assets and liabilities quoted in active markets.

Level 2: Measured at fair value using methods under which significant inputs are directly or indirectly derived from data observable in active markets.

Level 3: Measured at fair value using methods under which significant inputs are not derived from data observable in active markets.

For assets and liabilities that occur regularly or repeatedly in financial statements, the Company reviews categorization in levels of the fair value hierarchy (according to the lowest input level that is significant to the measurement of fair value as a whole) at the end of each reporting period to determine whether there have been any transfers between levels of the fair value hierarchy.

There were no transfers between levels of financial instruments measured at fair value in 2020 and 2019.

As at December 31, 2020, the fair value hierarchy was the following (in CZK millions):

<b>Assets measured at fair value:</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Commodity derivatives	56,203	3,813	52,390	–
Cash flow hedges	3,148	38	3,110	–
Other derivatives	1,044	–	1,044	–
Restricted debt securities	13,737	13,737	–	–
Equity financial assets at fair value through other comprehensive income	1,394	–	–	1,394
Equity financial assets at fair value through profit or loss	2,511	–	–	2,511
<b>Liabilities measured at fair value:</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Commodity derivatives	(71,766)	(4,116)	(67,650)	–
Cash flow hedges	(8,068)	(1,272)	(6,796)	–
Other derivatives	(1,478)	–	(1,478)	–
<b>Assets and liabilities for which fair value is disclosed:</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Loans granted	39,273	–	39,273	–
Term deposits	2,755	–	2,755	–
Receivables from the sale of subsidiaries	4,775	–	4,775	–
Other financial receivables	2,733	–	2,733	–
Long-term debt	(154,579)	(114,370)	(40,209)	–
Short-term loans	(800)	–	(800)	–
Other financial liabilities	(34,999)	–	(34,999)	–

As at December 31, 2019, the fair value hierarchy was the following (in CZK millions):

<b>Assets measured at fair value:</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Commodity derivatives	59,996	1,796	58,200	–
Cash flow hedges	5,796	696	5,100	–
Other derivatives	1,246	–	1,246	–
Restricted debt securities	11,318	11,318	–	–
Equity financial assets at fair value through other comprehensive income	2,444	–	–	2,444
Equity financial assets at fair value through profit or loss	3,327	–	–	3,327
<b>Liabilities measured at fair value:</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Commodity derivatives	(62,511)	(5,193)	(57,318)	–
Cash flow hedges	(6,403)	(1,122)	(5,281)	–
Other derivatives	(1,052)	–	(1,052)	–
<b>Assets and liabilities for which fair value is disclosed:</b>	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
Loans granted	30,338	–	30,338	–
Other financial receivables	3,773	–	3,773	–
Long-term debt	(170,139)	(131,473)	(38,666)	–
Short-term loans	(4,119)	–	(4,119)	–
Other financial liabilities	(38,204)	–	(38,204)	–

The Company negotiates derivative financial instruments with various counterparties, especially large groups operating in the energy sector and large financial institutions with high credit ratings. Derivatives that are measured by means of techniques using market inputs include, in particular, commodity forward and futures contracts, foreign exchange forward contracts, interest rate swaps, and options. The most frequently applied valuation methods use commodity price curves, swap models, present value calculations, and option pricing models (e.g., Black-Scholes, Black-76). The models use various inputs including the forward curves of underlying commodities, foreign exchange spot and forward rates, and interest rate curves.

The following table shows roll forward of the financial assets measured at fair value – Level 3, for the years ended December 31, 2020 and 2019 (in CZK millions):

	Equity financial assets at fair value through profit or loss	Equity financial assets at fair value through other comprehensive income
Balance at January 1, 2019	3,286	2,791
Revaluation	41	(347)
<b>Balance at December 31, 2019</b>	<b>3,327</b>	<b>2,444</b>
Disposals	(961)	–
Revaluation	145	(1,050)
<b>Balance at December 31, 2020</b>	<b>2,511</b>	<b>1,394</b>

The most significant investment in the portfolio of Equity financial assets at fair value through other comprehensive income is a 15% interest in company Veolia Energie ČR, a.s. (see Note 5). The company's shares are not traded in any market. The fair value at December 31, 2020 and 2019, was determined using available public information on EBITDA and usual range of 8 to 10 EBITDA multiples which corresponds to the purchase price of a 100% stake in a company in transactions observed in the market in the industry in question before adjustment for the amount of debt. The fair value at December 31, 2020 and 2019, was determined using 8 EBITDA multiple, 9 EBITDA multiple, respectively, as the best estimate of the fair value.

Equity financial assets at fair value through profit or loss include an investment in ČEZ's investment fund at Inven Capital, SICAV, a.s. (see Note 5). The fair value of the investment at December 31, 2020 and 2019, was determined by a valuation expert. The determination of fair value takes into consideration, in particular, capital contributions and other forms of funding recently provided by co-investors. In addition, the measurement takes into account future development and any subsequent significant events, such as received offers to buy a share.

#### 14.2. Offsetting of Financial Instruments

The following table shows the recognized financial instruments that are offset, or subject to enforceable master netting agreement or other similar agreements but not offset, as of December 31, 2020 and 2019 (in CZK millions):

	2020		2019	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Derivatives	60,395	(81,312)	67,038	(69,966)
Other financial instruments <sup>1)</sup>	47,377	(43,332)	46,938	(43,218)
Collaterals paid (received) <sup>2)</sup>	1,919	(2,452)	1,182	(683)
Gross financial assets / liabilities	109,691	(127,096)	115,158	(113,867)
Assets / liabilities set off under IAS 32	–	–	–	–
Amounts presented in the balance sheet	109,691	(127,096)	115,158	(113,867)
Effect of master netting agreements	(100,191)	100,191	(96,017)	96,017
<b>Net amount after master netting agreements</b>	<b>9,500</b>	<b>(26,905)</b>	<b>19,141</b>	<b>(17,850)</b>

<sup>1)</sup> Other financial instruments consist of invoices due from derivative trading and are included in Trade receivables, net or Trade payables.

<sup>2)</sup> Collaterals paid are included in Trade receivables, net and collaterals received are included in Trade payables.

The Company trades in derivatives under EFET and ISDA master agreements. The agreements allow mutual setoff of receivables and payables on early termination of contracts. The reason for early termination is the counterparty's insolvency or failure to fulfill agreed contract terms. All agreed contracts are settled financially on early termination. Their mutual setoff is either embedded in a contractual provision of the master agreements or results from the collateral provided. In addition, a CSA (Credit Support Annex) has been signed with several partners, defining the permitted limit of exposure between the partners. When the limit is exceeded, cash is transferred to reduce exposure below an agreed level. The deposited cash is also included in the final offset.

Short-term derivative assets are included in the balance sheet in Other current financial assets, net; long-term derivative assets are included in Other non-current financial assets, net; short-term derivative liabilities are included in Other current financial liabilities; and long-term derivative liabilities are included in Other non-current financial liabilities.

## 15. Financial Risk Management

### Risk Management Approach

A risk management system is being successfully developed in order to protect the Group's value while taking the level of risk acceptable for the shareholders. In the Group, the risk is defined as a potential difference between the actual and the expected (planned) developments and is measured by means of the extent of such difference in CZK and the likelihood with which such a difference may occur.

A risk capital concept is applied within the Group. The concept allows the setting of basic cap for partial risk limits and, in particular, the unified quantification of all kinds of risks. The value of aggregate annual risk limit (Profit@Risk) is approved by the Board of Directors based on the Risk Management Committee proposal for every financial year. The proposed limit value is derived from historical volatility of profit, revenues and costs of the Group (the top-down method). The approved value in CZK is set on the basis of a 95% confidence level and expresses a maximum profit decrease, which is the Group willing to take in order to reach the planned annual profit.

The bottom-up method is used for setting and updating the Risk frames. The Risk frames include the definition of risk and departments/units of the Group for which the frame is obligatory; definition of rules and responsibilities for risk management; permitted instruments and methods of risk management and actual risk limits, including a limit which expresses the share in the annual Profit@Risk limit.

The main Business Plan market risks are quantified in the Group (EBITDA@Risk based on MonteCarlo simulation in Y+1 to Y+5 horizon). The market risks are actively managed through gradual electricity sales and emission allowances' purchases in the following 6-year horizon, closed long-term contracts for electricity sale and emission allowances' purchase and the FX and IR risk hedging in medium-term horizon. In Business Plan horizon, the risk management is also based on Debt Capacity concept which enables to assess the impact of main Investment and other Activities (incl. the risk characteristics), on expected cash flow and total debt in order to maintain corporate rating.

### Risk Management Organization

The supreme authority responsible for risk management in ČEZ, a. s. is the CFO, except for approval of the aggregate annual budget risk limit (Profit@Risk) within the competence of the ČEZ, a. s. Board of Directors. CFO decides, based on the recommendation of the Risk Management Committee, on the development of a system of risk management, on an overall allocation of risk capital to the individual risks and organizational units, he approves obligatory rules, responsibilities and limit structure for the management of partial risks.

The Risk Management Committee (advisory committee of CFO) continuously monitors an overall risk impact on the Group, including Group risk limits utilization, status of risks linked to Business Plan horizon, hedging strategies status, assessment of impact of Investment and other Activities on potential Group debt capacity and cash flow in order to maintain corporate rating.

### Overview and Methods of Risk Management

The Group applies a unified categorization of the Group's risks which reflects the specifics of a corporate, i.e. non-banking company, and focuses on primary causes of unexpected development. The risks are divided into four basic categories listed below.

1. Market risks	2. Credit risks	3. Operation risks	4. Business risks
1.1 Financial (FX, IR)	2.1 Counterparty default	3.1 Operating	4.1 Strategic
1.2 Commodity	2.2 Supplier default	3.2 Internal change	4.2 Political
1.3 Volumetric	2.3 Settlement	3.3 Liquidity management	4.3 Regulatory
1.4 Market liquidity		3.4 Security	4.4 Reputation

From the view of risk management, the Group activities can be divided into two basic groups:

- activities with the unified quantification of the share of respective activity in the aggregate risk limit of the Group (i.e. using specific likelihood, it is possible to objectively determine what risk is associated with an activity / planned profit). These risks are managed by the rules and limits set by the CFO of ČEZ, a. s. based on the recommendation of the Risk Management Committee and, concurrently, in accordance with governing documents of the respective units / processes of the Group;
- activities whose share in the aggregate risk limit of the Group has not been quantified so far or for objective reasons. These risks are managed by the responsible owners of the relevant processes in accordance with internal governing documents of the respective units / processes of the Group.

For all risks quantified on a unified basis, a partial risk limit is set whose continuous utilization is evaluated on a monthly basis and is usually defined as a sum of the actually expected deviation of expected annual profit from the plan and the potential risk of loss on a 95% confidence. The Group's methodologies and data provide for a unified quantification of the following risks:

- market risks: financial (currency, interest and stock price) risks, commodity prices (electricity, emission allowances, coal, gas, crude oil), volume (volume of electricity produced by wind power plants);
- credit risks: financial and business counterparty risk and electricity, gas and heat end customer risk;
- operational risks: risks of nuclear and fossil power plants operation, investment risks.

The development of quantified risks is reported to the Risk Management Committee every month through 3 regular reports:

- Annual budget risks (annual Profit@Risk limit utilization);
- Business plan risks (EBITDA@Risk based on MonteCarlo simulation);
- Debt capacity (actual deviation from the optimal debt within Y+5 horizon, derived from rating agency requirements on debt indicators in order to preserve the ČEZ rating).

### 15.1. Qualitative Description of ČEZ, a. s. Risks Associated with Financial Instruments

#### Commodity Risks

The development of electricity, emission allowances, coal and gas prices is a key risk factor of the ČEZ value. The current system of commodity risk management is focused on (i) the margin from the own electricity production sales, i.e. from trades resulting in optimizing the sales of ČEZ's production and in optimizing the emission allowances position for production (the potential risk is managed on the EaR, VaR and the EBITDA@Risk bases), and (ii) the margin from the proprietary trading of commodities (the potential risk is managed on the VaR basis).

#### Market Financial Risks (currency and interest risks)

The development of foreign exchange rates and interest rates is a significant risk factor of the ČEZ value. The current system of financial risk management is focused mainly on (i) the future cash flows and (ii) financial trades which are realized for the purposes of an overall risk position management in accordance with the risk limits (the potential risk is managed on the basis of VaR, EBITDA@Risk and complementary position limits). Own financial instruments (i.e. active and passive financial trades and derivative trades) are realized entirely in the context of an overall expected cash flows (including operational and investment foreign currency flows).

#### Credit Risks

Credit exposures of individual financial partners and wholesale partners are managed in accordance with individual credit limits. The individual limits are set and continuously updated according to the counterparty's credibility (in accordance with international rating and internal financial evaluation of counterparties with no international rating).

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Company's maximum exposure to credit risk to receivables and other financial instruments as at December 31, 2020 and 2019, is the carrying value of each class of financial assets except for financial guarantees.

In accordance with the credit risk methodology applied to the banking sector per Basel II, every month the expected and potential losses are quantified on a 95% confidence level. It means that the share of credit risks in the aggregate annual Profit@Risk limit is quantified and evaluated.

#### Liquidity Risks

Liquidity risk is primarily perceived as an operational risk (risk of liquidity management) and a risk factor is the internal ability to effectively manage the future cash flows planning process and to secure the adequate liquidity and effective short-term financing (the risk is managed on a qualitative basis). The fundamental liquidity risk management (i.e. liquidity risk within the meaning for banking purposes) is covered by the risk management system as a whole. In any given period, the future deviations of the expected cash flows are managed in accordance with the aggregate risk limit and in the context of the actual and the targeted debt/equity ratio of ČEZ.

### 15.2. Quantitative Description of ČEZ, a. s. Risks Associated with Financial Instruments

#### Commodity Risks

The required quantitative information on risks (i.e. a potential change of market value resulting from the effects of risk factors as at December 31) was prepared based on the assumptions given below:

- the indicator of risk associated with financial instruments is defined as the monthly parametric VaR (95% confidence) which expresses a maximum potential decrease in fair value of contracts classified as derivatives under IFRS 9 (the underlying commodities in the Company's derivative transactions are: electricity, EUA and CER/ERU emission allowances, gas, coal ARA, Richards Bay, Newcastle and crude oil and crude oil products) on the given confidence level;
- highly probable forecasted future electricity generation sales with the delivery in the CZ power grid are included in the VAR calculation to reflect the hedging character of significant portion of the existing derivative sales of electricity with delivery in Germany;
- for the calculation of volatility and correlations (between commodity prices), the SMA (Simple Moving Average) method is applied to 60 daily time series;
- the source of market data is mainly EEX, PXE and ICE;
- the indicator VaR illustrates mainly the impact of revaluation of above-mentioned financial instruments to Income Statement.



Potential impact of the above risk factors as at December 31 (in CZK millions):

	2020	2019
Monthly VaR (95%) – impact of changes in commodity prices	5,635	2,760

### Currency Risks

The required quantitative information on risks (i.e. a potential change of market value resulting from the effects of currency risk as at December 31) was prepared based on the assumptions given below:

- the indicator of currency risk is defined as the monthly VaR (95% confidence);
- for the calculation of VaR, based on volatility and internal correlations of each considered currency, the method of historical simulation VaR is applied to 90 daily historical time series;
- the relevant currency position is defined mainly as a discounted value of foreign currency cash flows from all contracted financial instruments, from expected foreign currency operational revenues and costs in 2021 and from highly probable forecasted foreign currency revenues, costs or capital expenditures that are being hedged by financial instruments etc.;
- the relevant currency positions reflect all significant foreign-currency flows in the monitored basket of foreign currencies;
- the source of market FX and interest rate data is mainly IS Reuters and IS Bloomberg;
- the indicator VaR illustrates mainly the impact of revaluation of above-mentioned currency position to Income Statement.

Potential impact of the currency risk as at December 31 (in CZK millions):

	2020	2019
Monthly currency VaR (95% confidence)	231	68

### Interest Risks

For the quantification of the potential impact of the interest risk was chosen the sensitivity of the interest revenue and cost to the parallel shift of yield curves. The approximate quantification as at December 31 was based on these assumptions:

- parallel shift of the yield curves (+10bp) was selected as the indicator of interest risk;
- the Income Statement sensitivity is measured as an annual change of the interest revenue and cost resulting from the interest-sensitive positions as at December 31;
- the considered interest positions reflect all significant interest-sensitive positions;
- the source of market interest rates is mainly IS Reuters and IS Bloomberg.

Potential impact of the interest rate risk as at December 31 (in CZK millions):

	2020	2019
IR sensitivity* to parallel yield curve shift (+10bp)	1	(2)

\* Negative result denotes higher increase in interest costs than interest income.

### Credit Exposure

The Company is exposed to credit risk on all financial assets presented in the balance sheet as well as credit risk from provided guarantees. Credit exposure from provided guarantees that are not included in the balance sheet, as at December 31 (millions of CZK):

	2020	2019
Guarantees provided to subsidiaries not recorded on balance sheet	3,767	4,486
Guarantees provided to joint-ventures not recorded on balance sheet	959	1,317
<b>Total</b>	<b>4,726</b>	<b>5,803</b>

Provided guarantees are, in particular, warranties for performed contracts and guarantees for bank loans and other liabilities of relevant companies. A beneficiary may only make a warranty claim under the conditions set out in the warranty document, usually following the nonpayment of an amount arising from the contract or on default. At present, companies whose obligations are covered by warranty meet their obligations. Warranties have various expiration dates; as at December 31, 2020 and 2019, the latest deadline for making a warranty claim is December 2030.

## Liquidity Risk

Maturity profile of financial liabilities based on contractual undiscounted payments as at December 31, 2020 (in CZK millions):

	Bonds and debentures	Loans and lease payables	Derivatives <sup>1)</sup>	Other financial liabilities	Trade payables	Guarantees issued <sup>2)</sup>
Due in 2021	27,892	2,212	543,714	(34,937)	63,093	5,993
Due in 2022	22,249	1,542	103,314	(58)	–	–
Due in 2023	7,402	1,458	33,551	(7)	–	–
Due in 2024	2,587	2,026	104,843	–	–	–
Due in 2025	22,234	1,549	850	–	–	–
Thereafter	74,721	5,444	27,856	–	–	–
<b>Total</b>	<b>157,085</b>	<b>14,231</b>	<b>814,128</b>	<b>(35,002)</b>	<b>63,093</b>	<b>5,993</b>

Maturity profile of financial liabilities based on contractual undiscounted payments as at December 31, 2019 (in CZK millions):

	Bonds and debentures	Loans and lease payables	Derivatives <sup>1)</sup>	Other financial liabilities	Trade payables	Guarantees issued <sup>2)</sup>
Due in 2020	24,110	5,833	434,196	36,342	53,748	7,165
Due in 2021	27,057	3,122	76,143	1,813	–	–
Due in 2022	22,122	2,598	26,066	56	–	–
Due in 2023	7,331	2,256	4,074	–	–	–
Due in 2024	2,541	1,114	946	–	–	–
Thereafter	95,220	1,997	28,120	–	–	–
<b>Total</b>	<b>178,381</b>	<b>16,920</b>	<b>569,545</b>	<b>38,211</b>	<b>53,748</b>	<b>7,165</b>

<sup>1)</sup> Contractual maturities for derivatives represent contractual cash out-flows of these instruments, but at the same time the Company will receive corresponding consideration. For fair values of derivatives see Note 14.

<sup>2)</sup> Maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

The committed credit facilities available to the Company as at December 31, 2020 and 2019, amounted to CZK 35.3 billion and CZK 26.9 billion, respectively. In addition, in December 2019, the Company signed a committed loan facility agreement with the European Investment Bank to support financing of the distribution grid renewal and further development program in the Czech Republic up to EUR 330 million. As at December 31, 2020, EUR 100 million had not been drawn from this loan facility agreement; as at December 31, 2019, the loan facility agreement had not been drawn at all.

### 15.3. Hedge Accounting

The Company hedges cash flows arising from highly probable future revenue in EUR for the purposes of currency and interest risk hedging. The hedged cash flows are expected to occur in 2021 to 2026. The relevant hedging instruments as at December 31, 2020 and 2019, are the EUR denominated liabilities from the issued Eurobonds and bank loans in the total amount of EUR 3.3 billion and EUR 5.1 billion, respectively, and currency forward contracts and swaps. The fair value of these hedging derivatives was CZK (896) million and CZK 695 million at December 31, 2020 and 2019, respectively.

In addition, the Company hedges cash flows arising from highly probable future sales of electricity in Czech Republic, which will occur in 2021 to 2025. The relevant hedging instrument is futures and forward contracts for electricity sales in Germany. The fair value of these hedging derivatives was CZK (4,023) million and CZK (1,302) million at December 31, 2020 and 2019, respectively.

In 2020 and 2019, cash flow hedging amounts transferred from equity were reported in the statement of profit or loss in Sales of electricity, heat, and gas; Gains and losses from derivative commodity trading; Other financial expenses; and Other financial income and in the balance sheet in non-current Intangible assets, net, and Emission rights. CZK 371 million and CZK 503 million was recognized in profit or loss in 2020 and 2019 respectively, due to ineffectiveness of cash flow hedging. In 2020 and 2019, the ineffectiveness was primarily caused by the fact that the hedged future cash flows were no longer highly probable.

## 16. Provisions

The following is a summary of the provisions at December 31, 2020 and 2019 (in CZK millions):

	2020			2019		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Nuclear provisions	88,928	2,368	91,296	73,194	2,199	75,393
Provision for waste storage reclamation	480	22	502	595	71	666
Provision for CO <sub>2</sub> emissions (see Note 9)	–	4,592	4,592	–	4,362	4,362
Provision for employee benefits	1,717	103	1,820	1,526	96	1,622
Provision for environmental claims	–	–	–	–	470	470
Provision for legal and commercial disputes	–	511	511	–	490	490
Provision for obligation in case of claim from guarantee for Akcez group loans	–	1,267	1,267	–	1,362	1,362
Other provisions	–	233	233	–	232	232
<b>Total</b>	<b>91,125</b>	<b>9,096</b>	<b>100,221</b>	<b>75,315</b>	<b>9,282</b>	<b>84,597</b>

### 16.1. Nuclear Provisions

The Company operates two nuclear power plants. The Dukovany Nuclear Power Plant comprises four units commissioned in 1985 to 1987. The Temelín Nuclear Power Plant consists of two units that were commissioned in 2002 and 2003. The Nuclear Energy Act sets down obligations for nuclear facility decommissioning and disposal of radioactive waste and spent nuclear fuel. In accordance with the Nuclear Energy Act, all the nuclear parts and equipment of a nuclear power plant must be disposed of after the end of operation. For the purpose of determining the amount of nuclear provisions, it is estimated that the Dukovany Nuclear Power Plant will stop generating electricity in 2047; the Temelín plant in 2062. Studies for the Dukovany Nuclear Power Plant and for the Temelín Nuclear Power Plant from 2020 assume that the costs of decommissioning of these power plants will reach in the amount CZK 26.5 billion and CZK 21.0 billion, respectively. The Company makes contributions to a restricted bank accounts in the amount of the nuclear provisions recorded under the Nuclear Energy Act. These funds can be invested in government bonds in accordance with legislation. These restricted financial assets are reported in the balance sheet as part of the line item Restricted financial assets, net (see Note 4).

The Ministry of Industry and Trade established the Radioactive Waste Repository Authority (SÚRAO) as the central organizer and operator of facilities for the final disposal of radioactive waste and spent fuel. The SÚRAO operates, supervises and is responsible for disposal facilities and for disposal of radioactive waste and spent fuel therein. The activities of the SÚRAO are financed through a nuclear account funded by the originators of radioactive waste. Contribution to the nuclear account is stated by Nuclear Energy Act at 55 CZK per MWh produced at nuclear power plants. In 2020 and 2019, the payments to the nuclear account amounted to CZK 1,652 million and CZK 1,663 million, respectively. The originator of radioactive waste and spent fuel directly covers all costs associated with interim storage of radioactive waste and spent fuel.

The Company has established provisions for estimated future expenses on nuclear decommissioning and interim storage and permanent disposal of spent nuclear fuel in accordance with the principles described in Note 2.20.

The following is a summary of the nuclear provisions for the years ended December 31, 2020 and 2019 (in CZK millions):

	Accumulated provisions			Total
	Nuclear decommissioning	Spent fuel storage		
		Interim	Long-term	
Balance at January 1, 2019	23,510	7,638	32,229	63,377
Discount accretion and effect of inflation	604	191	806	1,601
Provision charged in profit or loss	–	487	–	487
Effect of change in estimate recognized in profit or loss	–	979	–	979
Effect of change in estimate added to fixed assets	10,385	–	865	11,250
Current cash expenditures	–	(638)	(1,663)	(2,301)
<b>Balance at December 31, 2019</b>	<b>34,499</b>	<b>8,657</b>	<b>32,237</b>	<b>75,393</b>
Discount accretion and effect of inflation	758	191	709	1,658
Provision charged in profit or loss	–	618	–	618
Effect of change in estimate recognized in profit or loss	–	253	–	253
Effect of change in estimate added to fixed assets	3,344	–	12,056	15,400
Current cash expenditures	–	(374)	(1,652)	(2,026)
<b>Balance at December 31, 2020</b>	<b>38,601</b>	<b>9,345</b>	<b>43,350</b>	<b>91,296</b>

The use of the provision for permanent disposal of spent nuclear fuel in a current year comprises payments made to the government-controlled nuclear account and the use of the provision for interim storage represents, in particular, purchases of casks and other related equipment for these purposes.

In 2020 the Company recorded the change in estimate for interim storage of spent nuclear fuel in connection with the change in expectations of future storage cost and change in discount rate, the change in estimate in provision for nuclear decommissioning due to the update of the expert decommissioning studies for Dukovany Nuclear Power Plant and for Temelín Nuclear Power Plant and change in discount rate and the change in long-term spent fuel storage in connection with the extension of the expected production time of the nuclear power plants by 10 years and change in discount rate.

In 2019 the Company recorded the change in estimate for interim storage of spent nuclear fuel in connection with the change in expectations of future storage cost and change in discount rate, the change in estimate in provision for nuclear decommissioning due to the update of the expert decommissioning study for Temelín Nuclear Power Plant and change in discount rate and the change in long-term spent fuel storage in connection with the modification of the expected output of the nuclear power plants and change in discount rate.

The actual costs of nuclear decommissioning, interim storage, and permanent disposal of spent nuclear fuel may vary substantially from the above estimates due to changes in legislation or technology or increase in labor costs and the costs of materials and equipment, as well as due to a different timing of all activities relating to nuclear decommissioning and storage and disposal of spent nuclear fuel.

## 16.2. Provision for Waste Storage Reclamation

The following table shows the movements of the provision for waste storage reclamation for the years ended December 31, 2020 and 2019 (in CZK millions):

	2020	2019
Balance at January 1	666	566
Discount accretion and effect of inflation	14	14
Effect of change in estimate added to fixed assets	18	131
Current cash expenditures	(31)	(45)
Non-monetary contribution	(165)	–
Balance at December 31	502	666

## 17. Other Financial Liabilities

Other financial liabilities at December 31, 2020 were as follows (in CZK millions):

	2020		Total
	Long-term liabilities	Short-term liabilities	
Payables from Group cashpooling	–	34,549	34,549
Other	63	387	450
Financial liabilities at amortized costs	63	34,936	34,999
Cash flow hedge derivatives	7,776	292	8,068
Commodity and other derivatives	889	72,355	73,244
Financial liabilities at fair value	8,665	72,647	81,312
<b>Total</b>	<b>8,728</b>	<b>107,583</b>	<b>116,311</b>

Other financial liabilities at December 31, 2019 were as follows (in CZK millions):

	2019		Total
	Long-term liabilities	Short-term liabilities	
Payables from Group cashpooling	–	32,606	32,606
Intra-group loans	–	3,400	3,400
Payables from purchase of emission rights held for trading	1,757	–	1,757
Other	106	335	441
Financial liabilities at amortized costs	1,863	36,341	38,204
Cash flow hedge derivatives	5,464	939	6,403
Commodity and other derivatives	889	62,674	63,563
Financial liabilities at fair value	6,353	63,613	69,966
<b>Total</b>	<b>8,216</b>	<b>99,954</b>	<b>108,170</b>

Short-term payables from purchase of emission rights held for trading are included in the line Trade payables.

## 18. Short-term Loans

Short-term loans as at December 31, 2020 and 2019, were as follows (in CZK millions):

	2020	2019
Short-term bank loans	787	4,117
Bank overdrafts	13	2
<b>Total</b>	<b>800</b>	<b>4,119</b>

Short-term loans bear interest at variable interest rates. The weighted average interest rate was 0.01% and 0.6% at December 31, 2020 and 2019, respectively. For the years 2020 and 2019 the weighted average interest rate was 0.2% and 1.0%, respectively.

## 19. Other Short-term Liabilities

Other short-term liabilities as at December 31, 2020 and 2019, were as follows (in CZK millions):

	2020	2019
Taxes and fees, except income tax	692	675
Deferred income	16	31
Advances received	136	132
<b>Total</b>	<b>844</b>	<b>838</b>

## 20. Leases

### 20.1. Company as a Lessee

The Company has lease contracts for various items of offices, cars, buildings and land used to place its own electricity and heat production facilities, and in some cases leases the entire production factory. Leases of cars generally have lease terms between 2 to 8 years, while buildings and lands between 4 to 21 years.

The Company has entered into lease contracts with fixed and variable payments. The variable payments are regularly adjusted according to the inflation index or are based on use of the underlying assets.

The Company leases buildings, machinery or equipment with lease terms of 12 months or less or with low value. In this case the Company applies recognition exemption for these leases.

The net book values of the right-of-use assets presented under Property, plant and equipment are described in the Note 3.

The amounts of lease liability are presented under Long-term Debt (see Note 13).

The following table sets out total cash outflows for lease payments (in CZK millions):

	2020	2019
Payments of principal	1,378	1,159
Payments of interests	130	134
Lease payments not included in valuation of lease liability	3,743	4,003
<b>Total cash outflow for leases</b>	<b>5,251</b>	<b>5,296</b>

The following are the amounts that are recognized in profit or loss (in CZK millions):

	2020	2019
Expense relating to short-term leases	181	188
Expense relating to low-value assets	3	2
Variable lease payments	3,743	4,003
Depreciation charge for right-of-use assets	1,214	1,233
Interest expenses	130	134

The most significant part of variable lease payments are costs related with energy rework contract with the company Elektrárna Počerady, a.s.

Next year, the Company expects to pay lease payments that are not included in valuation of lease liability of CZK 15 million.

## 20.2. Company as a Lessor

Rental income recognized by the Company during 2020 and 2019 was CZK 109 million and CZK 118 million, respectively. In the following years, the Company expects rental income to be similar to the year 2020.

The net book values of the property, plant and equipment leased out under operating lease are disclosed in the Note 3.

## 21. Revenues and Other Operating Income

The composition of revenues and other operating income for the years ended December 31, 2020 and 2019, is as follows (in CZK millions):

	2020	2019
Sale of electricity, heat and gas:		
Electricity sales – domestic:		
ČEZ Prodej, a.s.	24,281	20,492
OTE, a.s.	11,414	13,554
Slovenské elektrárne, a.s.	4,098	1,392
E.ON Energie, a.s.	2,792	2,917
investmentsdia s.r.o.	2,225	–
POWER EXCHANGE CENTRAL EUROPE, a.s.	2,220	742
Pražská energetika, a.s.	1,346	1,566
ZSE Energia a.s.	1,271	490
innogy Energie, s.r.o.	1,121	713
RWE Supply & Trading GmbH	1,085	2,893
ALPIQ ENERGY SE	894	1,254
EDF Trading Limited	771	509
Energie ČS, a.s.	698	707
Lumius, spol. s r.o.	671	391
Veolia Energie ČR, a.s.	615	301
MND a.s.	503	522
Uniper Global Commodities SE	485	1,243
BOHEMIA ENERGY entity s.r.o.	119	2,836
Other customers	9,441	10,793
Total sales of electricity – domestic	66,050	63,315
Sales of electricity – foreign	12,755	17,705
Effect of hedging – presales of electricity (Note 15.3)	(2,396)	(9,662)
Effect of hedging – currency risk hedging (Note 15.3)	277	1,302
Total sales of electricity	76,686	72,660
Sales of gas	5,610	7,132
Sales of heat	2,078	2,151
Total sales of electricity, heat and gas	84,374	81,943
Sale of services and other income:		
Distribution services	26	30
Sales of ancillary and other services	4,702	4,819
Rental income	109	118
Other revenues	136	35
Total sales of services and other revenues	4,973	5,002
Other operating income	1,152	1,353
<b>Total revenues and other operating income</b>	<b>90,499</b>	<b>88,298</b>

Revenues from contracts with customers for the years ended December 31, 2020 and 2019, were CZK 91,357 million and CZK 95,187 million, respectively, and can be linked to the figures in the previous table as follows:

	2020	2019
Sales of electricity, gas and heat	84,374	81,943
Sales of services and other revenues	4,973	5,002
Total revenues	89,347	86,945
Adjustments:		
Effect of hedging – presales of electricity	2,396	9,662
Effect of hedging – currency risk hedging	(277)	(1,302)
Rental income	(109)	(118)
<b>Revenues from contracts with customers</b>	<b>91,357</b>	<b>95,187</b>

## 22. Gains and Losses from Commodity Derivative Trading

The composition of gains and losses from commodity derivative trading for the years ended December 31, 2020 and 2019, is as follows (in CZK millions):

	2020	2019
Electricity trading:		
Sales – domestic	14,429	19,376
Sales – foreign	252,266	292,305
Purchases – domestic	(10,370)	(18,836)
Purchases – foreign	(246,106)	(293,186)
Changes in fair value of derivatives	(6,558)	7,906
Total gains from electricity derivative trading, net	3,661	7,565
Other commodity trading:		
Gain (loss) from gas derivative trading	1,092	(513)
Gain from oil derivative trading	7	6
Loss from coal derivative trading	(1,894)	(299)
Gain from emission rights derivative trading	3,447	400
Total gains and losses from commodity derivative trading	6,313	7,159

## 23. Purchase of Electricity, Gas and Other Energies

The composition of cost for the purchase of electricity, gas and other energies at December 31, 2020 and 2019, is as follows (in CZK millions):

	2020	2019
Purchase of electricity for resale	(19,962)	(20,373)
Purchase of gas for resale	(5,595)	(6,915)
Purchase of other energies	(2,231)	(1,805)
Energy rework contract	(3,727)	(3,989)
Total purchase of electricity, gas and other energies	(31,515)	(33,082)

## 24. Fuel and Emission Rights

The overview of fuel cost and emission rights for production as at December 31, 2020 and 2019, was as follows (in CZK millions):

	2020	2019
Fossil fuel and biomass consumption	(5,400)	(6,880)
Amortization of nuclear fuel	(4,168)	(4,059)
Gas consumption	(1,904)	(2,656)
Emission rights for production	(5,251)	(4,332)
Total fuel and emission rights	(16,723)	(17,927)



## 25. Services

The composition of services as at December 31, 2020 and 2019, was as follows (in CZK millions):

	2020	2019
Repairs and maintenance	(3,737)	(3,855)
Technology and operation support services	(1,019)	(981)
Rental, property management and security	(686)	(654)
IT related services	(799)	(792)
Equipment operation services	(731)	(719)
Other services	(2,490)	(2,548)
<b>Total services</b>	<b>(9,462)</b>	<b>(9,549)</b>

Information about fees charged by independent auditor is provided in the annual report of CEZ Group.

## 26. Salaries and Wages

The overview of salaries and wages for the years ended December 31, 2020 and 2019, is as follows (in CZK millions):

	2020		2019	
	Total	Key management personnel <sup>1)</sup>	Total	Key management personnel <sup>1)</sup>
Salaries and wages including remuneration of board members	(5,328)	(260)	(5,009)	(251)
Share options	–	–	(38)	(38)
Social and health security	(1,674)	(45)	(1,564)	(47)
Other personal expenses	(640)	(18)	(554)	(14)
<b>Total</b>	<b>(7,642)</b>	<b>(323)</b>	<b>(7,165)</b>	<b>(350)</b>

<sup>1)</sup> Members of Supervisory Board, Audit Committee and Board of Directors and selected managers of departments with group field of activity. The remuneration of former members of company bodies is included in personal expenses.

The individual components of the remuneration of the members of the Board of Directors are described in the Remuneration Policy of ČEZ, a. s. approved by the general meeting of the Company on June 29, 2020.

At December 31, 2020 and 2019, the aggregate number of share options granted to members of Board of Directors and selected managers was 1,421 thousand and 1,651 thousand, respectively.

Members of the Board of Directors and selected managers were entitled until December 31, 2019 to receive share options based on the conditions stipulated in the share option agreement. Members of the Board of Directors and selected managers were granted certain quantity of share options each year of their tenure according to rules of the share option plan until the share option plan was terminated as of December 31, 2019. The exercise price for the granted options was based on the average quoted market price of the shares on the regulated exchange in the Czech Republic during one-month period preceding the grant date each year.

Beginning on January 1, 2020, the new program of long-term performance bonus has been started, replacing the options program. New options were no longer granted in 2020 and the existing granted options as at December 31, 2019 in the number of 1,651 thousand were preserved, i.e. after a proportional reduction of the original annual allocations in 2019. The program of long-term performance bonus is based on performance units that will be allocated to each beneficiary every year. The number of performance units allocated is based on the defined yearly value of a given long-term bonus and the price of stocks before the allocation. The Supervisory Board sets out the performance indicators for each year's allocation of the performance units. The defined performance indicators will be evaluated by the Supervisory Board and number of performance units allocated to a beneficiary will be adjusted accordingly. Then a two-year holding period will follow. The long-term performance bonus will be paid three years after the initial allocation, and the amount will be based on the adjusted number of performance units as well as on the stock price at the end of the holding period and the amount of dividends distributed during the holding period.

The following table shows changes during 2020 and 2019, in the number of granted share options and the weighted average exercise price of these options:

	Number of share options			Weighted average exercise price (CZK per share)
	Board of Directors '000s	Selected managers '000s	Total '000s	
Share options at January 1, 2019	1,494	410	1,904	485.52
Options granted <sup>1)</sup>	239	117	356	536.25
Options exercised <sup>2)</sup>	(454)	(120)	(574)	434.74
Options forfeited	–	(35)	(35)	536.96
<b>Share options at December 31, 2019<sup>3)</sup></b>	<b>1,279</b>	<b>372</b>	<b>1,651</b>	<b>513.02</b>
Options exercised <sup>2)</sup>	–	(35)	(35)	421.50
Options forfeited	(180)	(15)	(195)	442.83
<b>Share options at December 31, 2020<sup>3)</sup></b>	<b>1,099</b>	<b>322</b>	<b>1,421</b>	<b>524.90</b>

1) The original annual allocations in 2019 were proportionally reduced on the termination of the share options plan at December 31, 2019 to correspond to the number of options determined based on the number of days remaining from the date of the relevant 2019 allocation until the end of the share option plan. The presented number corresponds to the total number of options granted in 2019 after this reduction.

2) In 2020 and 2019 the weighted average share price at the date of the exercise for the options exercised was CZK 508 and CZK 542.81, respectively.

3) At December 31, 2020 and 2019 the number of exercisable options was 1,421 thousand and 540 thousand, respectively. The weighted average exercise price of the exercisable options was CZK 524.90 per share and CZK 455.32 per share at December 31, 2020 and 2019, respectively.

The fair value of the options is estimated on the date of grant using the binomial option-pricing model. Because these stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the existing models do not necessarily provide a reliable single measure of the fair value of stock options.

At the grant dates, the underlying assumptions and the resulting fair values per option were as follows:

	2020	2019
Weighted average assumptions:		
Dividend yield	–	3.6%
Expected volatility	–	15.7%
Mid-term risk-free interest rate	–	1.6%
Expected life (years)	–	1.4
Share price (CZK per share)	–	533.7
Weighted average grant-date fair value of options (CZK per 1 option)	–	36.3

The expected life of the options is based on historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

At December 31, 2020 and 2019, the exercise prices of outstanding options (in thousands pieces) were in the following ranges:

	2020	2019
CZK 400–500 per share	310	540
CZK 500–600 per share	1,111	1,111
<b>Total</b>	<b>1,421</b>	<b>1,651</b>

The options granted which were outstanding as at December 31, 2020 and 2019, had an average remaining contractual life of 1.1 years and 1.9 years, respectively.

## 27. Other Operating Expenses

Other operating expenses as at December 31, 2020 and 2019, were as follows (in CZK millions):

	2020	2019
Change in provisions	1,965	1,017
Taxes and fees	(2,042)	(2,000)
Costs related to trading of commodities	(460)	(447)
Insurance	(349)	(317)
Gifts	(139)	(110)
Other	(672)	(668)
<b>Total</b>	<b>(1,697)</b>	<b>(2,525)</b>

The taxes and fees include payment of the contributions to the nuclear account (see Note 16.1). The settlement of the provision for long-term spent fuel storage is accounted for in the amount of contributions to nuclear account. Settlement of provision for long-term spent fuel storage is included in Change in provisions.

## 28. Interest Income

Interest income for each category of financial instruments for the years ended December 31, 2020 and 2019, was as follows (in CZK millions):

	2020	2019
CEZ Group cashpooling	227	295
Loans and receivables	819	728
Debt financial assets at fair value through other comprehensive income	215	228
Bank accounts	36	41
<b>Total</b>	<b>1,297</b>	<b>1,292</b>

## 29. Impairment of Financial Assets

Additions and reversals of impairment of financial assets for each category for the years ended December 31, 2020 and 2019, were as follows (in CZK millions):

	2020	2019
Shares in subsidiaries, associates and joint-ventures (see Note 5)		
Additions	(3,221)	(3,571)
Reversals	-	6,920
Additions – shares in subsidiaries classified as assets held for sale	(1,886)	-
Loans granted	(21)	(1)
Financial guarantee for Akcez group loans	-	(837)
Other	(1)	-
<b>Total</b>	<b>(5,129)</b>	<b>2,511</b>

The Company is a guarantor for the liabilities of companies within the joint-venture Akcez Enerji A.S. in the amount of USD 95.5 million and TRY 63.8 million as of December 31, 2020. Based on calculation of recoverable amount from future cash flows, a provision in the amount of CZK 1,267 million and CZK 1,362 million was recognized as of December 31, 2020 and 2019, respectively.

### 30. Other Financial Expenses

Other financial expenses for the years ended December 31, 2020 and 2019, were as follows (in CZK millions):

	2020	2019
Loss on exchange rate differences	(589)	(155)
Loss on derivatives	–	(231)
Creation and settlement of provisions	(21)	(26)
Other	(56)	(50)
<b>Total</b>	<b>(666)</b>	<b>(462)</b>

### 31. Other Financial Income

Other financial income as at December 31, 2020 and 2019, were as follows (in CZK millions):

	2020	2019
Dividends received (see Note 5)	10,892	13,117
Gain on disposal of subsidiaries	5,766	4
Interest related to the refunded overpayment of gift tax on emission rights	1,463	–
Gain from exchange rate differences	1,221	–
Gain from revaluation of financial assets	145	41
Gain on sale of debt restricted financial assets	15	27
Other	36	45
<b>Total</b>	<b>19,538</b>	<b>13,234</b>

### 32. Income Taxes

The Company calculated corporate income tax in accordance with the Czech tax regulations at the rate of 19% in 2020 and 2019.

The Company's management believes that the tax expense was recognized in the financial statements in an appropriate amount. However, it cannot be ruled out that the relevant tax authorities may take a different view on issues allowing for different interpretations of the law, which could have an impact on the reported income.

The components of the income tax provision were as follows (in CZK millions):

	2020	2019
Current income tax charge	(149)	(510)
Deferred income taxes	(1,355)	106
<b>Total</b>	<b>(1,504)</b>	<b>(404)</b>

The following table summarizes the differences between the income tax expense and accounting profit before taxes multiplied by the applicable tax rate (in CZK millions):

	2020	2019
Income before income taxes	22,581	17,797
Statutory income tax rate	19%	19%
"Expected" income tax expense	(4,290)	(3,381)
Adjustments:		
Non-deductible provisions, net	(975)	477
Non-tax gains/losses associated with changes in shareholding interest	1,473	1
Non-taxable income from dividends	2,070	2,492
Non-deductible share-based payment expense	(16)	(7)
Tax incentives, tax discounts	1	1
Interest related to the refunded overpayment of gift tax on emission rights	278	–
Other non-deductible items, net	(45)	13
<b>Income tax</b>	<b>(1,504)</b>	<b>(404)</b>
Effective tax rate	7%	2%

Deferred income tax liability, net at December 31, 2020 and 2019, was calculated as follows (in CZK millions):

	2020	2019
Nuclear provisions	15,253	12,384
Other provisions	1,361	1,393
Allowances	213	285
Revaluation of financial instruments	1,931	727
Lease liabilities	246	1,095
Other temporary differences	354	315
Total deferred tax assets	19,358	16,199
Tax depreciation in excess of financial statement depreciation	(25,408)	(22,141)
Revaluation of financial instruments	(131)	(73)
Right-of-use assets	(239)	(1,085)
Other temporary differences	(1,815)	(944)
Total deferred tax liability	(27,593)	(24,243)
<b>Total deferred tax liability, net</b>	<b>(8,235)</b>	<b>(8,044)</b>

Movements in net deferred tax liability in 2020 and 2019, were as follows (in CZK millions):

	2020	2019
Balance at January 1	8,044	4,539
Effect of contribution	(7)	–
Deferred tax recognized in profit or loss	1,362	(106)
Deferred tax recognized in other comprehensive income	(1,164)	3,611
<b>Balance at December 31</b>	<b>8,235</b>	<b>8,044</b>

Tax impact related to individual items of other comprehensive income was as follows (in CZK millions):

	2020			2019		
	Before tax amount	Tax effect	Net of tax amount	Before tax amount	Tax effect	Net of tax amount
Change in fair value of cash flow hedges	(8,198)	1,558	(6,640)	10,891	(2,070)	8,821
Cash flow hedges reclassified to statement of income	2,916	(554)	2,362	8,253	(1,568)	6,685
Change in fair value of debt instruments	202	(39)	163	207	(40)	167
Change in fair value of equity instruments	(1,050)	199	(851)	(347)	67	(280)
<b>Total</b>	<b>(6,130)</b>	<b>1,164</b>	<b>(4,966)</b>	<b>19,004</b>	<b>(3,611)</b>	<b>15,393</b>

### 33. Related Parties

The Company purchases/sells products, goods and services from/to related parties in the ordinary course of business.

The following table shows receivables from related parties and payables to related parties as at December 31, 2020 and 2019 (in CZK million):

	Receivables		Payables	
	2020	2019	2020	2019
AZ KLIMA a.s.	1	–	26	101
CEZ Bulgarian Investments B.V.	–	–	239	281
CEZ Deutschland GmbH	–	–	150	73
CEZ Erneubare Energien Beteiligung	194	102	–	–
CEZ ESCO II GmbH	60	90	–	–
CEZ Holdings B.V.	7,048	6,985	323	392
CEZ Hungary Ltd.	319	763	45	237
CEZ Chorzów S.A.	424	880	78	–
CEZ MH B.V.	25	741	–	–
CEZ Polska sp. z o.o.	108	310	315	1,190
CEZ Razpredelenie Bulgaria AD	817	784	–	–
CEZ RES International B.V.	–	–	656	–
CEZ Romania S.A.	7	8	1,916	709
CEZ Skawina S.A.	292	730	75	29
CEZ Slovensko, s.r.o.	181	994	20	110
CEZ Trade Bulgaria EAD	121	141	131	26
CEZ Vanzare S.A.	71	146	–	–
ČEZ Bohunice a.s.	–	–	171	170
ČEZ Distribuce, a. s.	28,037	20,350	10,177	4,191
ČEZ Energetické produkty, s.r.o.	305	184	320	299
ČEZ Energetické služby, s.r.o. <sup>1)</sup>	222	533	1	72
ČEZ Ergo, s.r.o.	–	–	94	–
ČEZ ENERGOSEKVIS spol. s r.o.	65	150	406	440
ČEZ ESCO, a.s.	96	140	1,220	330
ČEZ ICT Services, a. s.	3	60	361	628
ČEZ Korporátní služby, s.r.o.	–	113	1,789	1,835
ČEZ Obnovitelné zdroje, s.r.o.	13	14	423	374
ČEZ OZ uzavřený investiční fond a.s.	–	–	907	780
ČEZ Prodej, a.s.	3,969	3,397	11,912	9,409
ČEZ Teplárenská, a.s.	173	221	310	379
Elektrárna Dětmarovice, a.s.	1,017	431	340	401
Elektrárna Počerady, a.s.	–	430	–	12,763
Elektrárna Temelín II, a. s.	2	9	48	81
Elevion GmbH	1,930	1,727	–	–
Elevion Group B.V.	100	–	–	344
Energotrans, a.s.	1,426	1,036	2,313	1,832
ENESA a.s.	320	146	22	9
Inven Capital, SICAV, a.s.	–	–	706	1,842
Kofler Energies Ingenieurgesellschaft GmbH	–	123	–	–
MARTIA a.s.	127	169	102	142
PRODECO, a.s.	36	1	–	268
SD - Kolejová doprava, a.s.	1	2	64	176
Severočeské doly a.s.	97	99	3,370	4,756
Solární servis, s.r.o. <sup>2)</sup>	61	141	–	–
Telco Pro Services, a. s.	2	2	52	203
Tomis Team S.A.	–	–	52	78
ÚJV Řež, a. s.	415	1	321	298
Other	226	399	548	379
<b>Total</b>	<b>48,311</b>	<b>42,552</b>	<b>40,003</b>	<b>45,627</b>

The following table provides the total amount of transactions (sales and purchases), which were entered into with related parties in 2020 and 2019 (in CZK millions):

	Sales to related parties		Purchases from related parties	
	2020	2019	2020	2019
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.S.	4	–	25	102
CEZ Holdings B.V.	72	67	–	–
CEZ Hungary Ltd.	2,051	2,389	155	266
CEZ Chorzów S.A.	427	868	–	–
CEZ Polska sp. z o.o.	1,075	3,676	400	669
CEZ Skawina S.A.	292	717	52	337
CEZ Slovensko, s.r.o.	1,844	3,986	403	1,018
CEZ Trade Bulgaria EAD	892	285	784	726
CEZ Vanzare S.A.	731	2,170	5	–
ČEZ Distribuce, a. s.	1,085	927	59	80
ČEZ Energetické produkty, s.r.o.	34	33	1,139	1,040
ČEZ Energetické služby, s.r.o. <sup>1)</sup>	29	60	5	79
ČEZ ENERGOSERVIS spol. s r.o.	28	28	1,355	1,293
ČEZ ESCO, a.s. <sup>3)</sup>	12,012	9,556	4,418	1,313
ČEZ ICT Services, a. s.	63	69	1,041	1,035
ČEZ Korporátní služby, s.r.o.	56	65	191	301
ČEZ Obnovitelné zdroje, s.r.o.	16	12	427	380
ČEZ Prodej, a.s. <sup>3)</sup>	17,829	15,386	765	1,097
ČEZ Teplárenská, a.s.	1,732	1,708	166	216
Distributie Energie Oltenia S.A.	283	419	–	–
Elektrárna Dětmorovice, a.s.	1,077	715	1,184	1,230
Elektrárna Dukovany II, a. s.	106	55	–	–
Elektrárna Počerady, a.s.	5,706	3,457	4,240	4,045
Elektrárna Temelín II, a. s.	17	49	–	–
Energotrans, a.s.	2,336	1,594	1,975	1,238
LOMY MOŘINA spol. s r.o.	–	–	219	194
MARTIA a.s.	8	9	604	512
OSC, a.s.	–	–	92	126
Ovidiu Development S.R.L.	1	1	252	478
SD - Kolejová doprava, a.s.	11	15	435	629
Severočeské doly a.s.	764	731	3,760	4,763
ŠKODA PRAHA a.s. <sup>3)</sup>	14	292	144	206
TMK Hydroenergy Power S.R.L.	–	–	72	69
Tomis Team S.A.	1	1	383	639
ÚJV Řež, a. s.	1	1	674	602
Ústav aplikované mechaniky Brno, s.r.o.	–	–	104	169
Other	173	174	62	35
<b>Total</b>	<b>50,770</b>	<b>49,515</b>	<b>25,590</b>	<b>24,887</b>

<sup>1)</sup> The company Energocentrum Vítkovice, a. s., merged with the successor company ČEZ Energetické služby, s.r.o. with the effective date of the merger on January 1, 2020.

<sup>2)</sup> The name of ČEZ Solární, s.r.o. to Solární servis, s.r.o. was changed in 2020.

<sup>3)</sup> Due to re-invoicing in the company ČEZ Prodej, s.r.o. in 2020 and 2019, the relevant part of sales was transferred to the company ČEZ ESCO, a.s. in the amount of CZK 10,875 million and CZK 9,358 million, respectively.

The Company and some of its subsidiaries are included in the cash-pool system. Receivables from subsidiaries related to cashpooling are included in other financial assets, net (see Note 5), payables to subsidiaries related to cashpooling and similar borrowings are included in other financial liabilities (see Note 17).

Information about compensation of key management personnel is included in Note 26. Information about guarantees is included in Note 15.2.



### 34. Segment Information

The Company is mainly engaged in the generation of electricity and trade in electricity and other commodities, which is a separate operating segment. The vast majority of the Company's activities takes place in the markets of the European Union. The Company did not identify other separate operating segments.

### 35. Net Income per Share

	2020	2019
Numerator (in CZK millions)		
Basic and diluted:		
<b>Net income</b>	<b>21,077</b>	<b>17,393</b>
Denominator (in thousands shares)		
Basic:		
Weighted average shares outstanding	535,470	535,288
Dilutive effect of share options	13	119
Diluted:		
<b>Adjusted weighted average shares</b>	<b>535,483</b>	<b>535,407</b>
Net income per share (CZK per share)		
Basic	39.4	32.5
Diluted	39.4	32.5

### 36. Commitments and Contingencies

#### Investment Plans

Capital expenditures for the next five years as at December 31, 2020 are estimated as follows (in CZK billion):

2021	13.2
2022	14.6
2023	12.5
2024	14.4
2025	14.9
<b>Total</b>	<b>69.6</b>

The above values do not include planned acquisitions of subsidiaries, associates and joint-ventures and specific development investments, where their eventual implementation will depend on particular future market and regulatory conditions. They do not include especially development ambitions in the area of renewable sources in the Czech Republic, where the Company assumes to build and put into operation photovoltaic power plants with an output of more than 1 GW by 2025 within the valid strategy. The capital expenditures invested will depend especially on the development of the regulatory environment and on the rate of return of individual project.

The Company reviews regularly investment plan and actual construction may vary from the above estimates. At December 31, 2020 significant purchase commitments were outstanding in connection with the investment plan.

#### Insurance Matters

The Nuclear Energy Act sets limits for liabilities for nuclear damages so that the operator of nuclear installations is liable for up to CZK 8 billion per incident. The Nuclear Energy Act limits the liability for damage caused by other activities (such as transportation) to CZK 2 billion. The Nuclear Energy Act also requires an operator to insure its liability connected with the operation of a nuclear power plant up to a minimum of CZK 2 billion and up to a minimum of CZK 300 million for other activities (such as transportation). The Company concluded the above-mentioned insurance policies with company Generali Česká pojišťovna a.s. (representing the Czech Nuclear Insurance Pool) and European Liability Insurance for the Nuclear Industry. The Company has obtained all insurance policies with minimal limits as required by the law.

The Company also maintains the insurance policies covering the assets of its coal-fired, hydroelectric, CCGT and nuclear power plants and general third-party liability insurance in connection with main operations of the Company.

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### 37. Events after the Balance Sheet Date

ČEZ Korporátní služby, s.r.o. merged with the succession company ČEZ, a. s. with the legal effective date of January 1, 2021.

These separate financial statements have been authorized for issue on March 15, 2021.

**Daniel Beneš**  
Chairman of Board of Directors

**Martin Novák**  
Member of Board of Directors



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

The report below is an unsigned translation of an independent auditor's report which relates solely and exclusively to the official annual report prepared in XHTML format dated on 15 March 2021. Signed independent auditor's report relates to the official annual report prepared in accordance with the provisions of Commission Delegated Regulation (EU) 2019/815 on the European single electronic format ("ESEF Regulation"). The attached annual report is not prepared in accordance with the ESEF Regulation and therefore does not constitute a statutory annual report and, as well as this copy of the auditor's report, is therefore not a legally binding document.

## Independent Auditor's Report

To the Shareholders of ČEZ, a. s.:

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### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of ČEZ, a. s. (hereinafter also the "Company") prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS EU"), which comprise the balance sheet as at 31 December 2020, and the statement of income, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Company, see Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of ČEZ, a. s. as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with the IFRS EU.

#### Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



### 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

#### Impairment of assets

The Company conducts annual impairment tests of assets' balances. The impairment test involves determining the recoverable amount of the cash-generating unit as a whole or individual assets, which corresponds to the value in use or selling price less cost to sell. Value in use is the present value of the future cash flows expected to be derived from a cash-generating unit.

These calculations of potential impairment amounts are a key audit matter as there is a significant uncertainty in relation to regulatory matters or government support for renewable energy, which are, together with other significant assumptions included in the estimated future cash flows, main inputs to the calculations. Main assumptions that are subject to significant estimation uncertainty are projected future wholesale electricity prices, prices of emission allowances, market access, development of the regulatory environment and discount rates as well as the strategy of the Company. Future cash flows relate to events and actions that have not yet occurred and may not occur. Another reason for impairment to be a key audit matter is the fact that the determination of cash-generating unit is to some extent subject to management judgement.

Our procedures included assessing the assumptions and methodologies used by the Company in their value in use models and assessment of the selling price less cost to sell. We involved our internal valuation specialists in assessing the adequacy of the Company's model used for the calculation of weighted average cost of capital and we also evaluated mathematical accuracy, underlying data and assumptions used in the calculation. We evaluated main assumptions that are subject to significant estimates such as future wholesale electricity prices, prices of emission allowances, development of the regulatory environment and compared them to those observable on the market. We compared electricity prices as well as the prices of emission allowances to the contracts, which are actively traded on the market, and we assessed reasonableness of the Company's projections of these future prices for periods, for which the market data are not available. We also discussed the assumptions with our internal valuation specialists in the respective countries.

We analyzed the budgets and future cash flows of the cash-generating units. We compared the expected developments in budgeted cash flows to the expectations presented by the management while assessing the main assumptions of the models and discussing alternatives. We also assessed the adequacy of the model used for the impairment test calculation together with the definition of the cash-generating units and mathematical accuracy of the calculations.

We also focused on whether the Company's disclosures in the financial statements in relation to the impairment of assets, as presented and disclosed in Notes 3. Property, Plant and Equipment, 5. Other Financial Assets, Net and 29. Impairment of Financial Assets, are compliant with the IFRS EU.



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#### **Fair value measurement of financial instruments**

Due to the significance of financial instruments measured at fair value, and a high degree of judgement related to their valuation, we consider this as a key audit matter.

We involved the internal valuation specialists to assist us in performing our audit procedures. We assessed the design and tested the operating effectiveness of internal controls over the valuation, data integrity, independent price verification and model approval.

For areas of higher risk and estimation, our audit procedures focused on the comparison of judgments made to market practice and reperformance of valuations over a selection of instruments, assessing the key inputs, assumptions and models used in the valuation process. We compared our results with the Company's valuation.

We also focused on whether the Company's disclosures in the financial statements in relation to the valuation of financial instruments, as presented and disclosed in Note 14. Fair Value of Financial Instruments, are compliant with the IFRS EU.

#### **Classification of commodity contracts**

The Company is entering into commodity contracts on different markets and platforms mainly in Central Europe and Germany. Commodity trading activities include trading with electricity, gas, emission allowances, oil and coal.

This is a key audit matter as the distinction between the contracts in scope of IFRS 9 Financial Instruments: Recognition and Measurement, which are treated as derivatives at fair value, and "own use" contracts, which are not remeasured to fair value, might be subject to a judgement and classification patterns set by the Company. This classification depends among other factors on the terms of the contract, whether the contract is considered to have been entered into as part of ordinary business activity, whether contract requires physical delivery of the commodity, and depends on various assumptions such as expected amount of commodity to be delivered, generation capacity of the portfolio mix and prices of commodities.

We tested the design and operating effectiveness of internal controls over the initial recognition of the contract, consistency of the commodity contract designation and the Company's ability to deliver the physical commodity over the contractual period.

We performed audit procedures focusing on the analysis and comparison of volume of commodities physically delivered during 2020 and the volumes of the "own use" contracts portfolio. We reviewed the ability of the Company to physically deliver the contracted future "own use" sales retrospectively and prospectively and the stability of portfolio to ensure that the contracts are not reclassified during their existence.

We also focused on whether the Company's disclosures in the financial statements in relation to the commodity contracts classification, as presented and disclosed in Notes 2.13. Commodity Contracts and 22. Gains and Losses from Commodity Derivative Trading, are compliant with the IFRS EU.



### Other Information

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

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

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

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

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

### Responsibilities of the Board of Directors and the Audit Committee for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with the IFRS EU and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Company's financial reporting process.



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### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee 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 the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 the Audit Committee, 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.





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## Report on Other Legal and Regulatory Requirements

In compliance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

### **Appointment of Auditor and Period of Engagement**

We were appointed as the auditors of the Company by the General Meeting of Shareholders on 29 June 2020 and our uninterrupted engagement has lasted for 19 years.

### **Consistence with Additional Report to Audit Committee**

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 11 March 2021 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

### **Provision of Non-audit Services**

We declare that no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided by us to the Company. In addition, there are no other non-audit services which were provided by us to the Company and its controlled undertakings and which have not been disclosed in the annual report.

### **Statutory auditor responsible for the engagement**

Jiří Křepelka is the statutory auditor responsible for the audit of the financial statements of the Company as at 31 December 2020, based on which this independent auditor's report has been prepared.

Ernst & Young Audit, s.r.o.  
License No. 401

Jiří Křepelka, Auditor  
License No. 2163

15 March 2021  
Prague, Czech Republic

## Identification of ČEZ, a. s.

### ČEZ, a. s.

Duhová 2/1444  
140 53 Praha 4  
Czechia

Registered in the Commercial Register kept  
by the Municipal Court in Prague, Section B, File 1581

Established: 1992  
Legal form: Joint-stock company  
Company reg. No.: 452 74 649  
LEI: 529900S5R9YHJHYKKG94  
Banking details: KB Praha 1, acc. No. 71504011/0100

Phone: +420 211 041 111  
Fax: +420 211 042 001  
Internet: [www.cez.cz](http://www.cez.cz)  
E-mail: [cez@cez.cz](mailto:cez@cez.cz)

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





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

Name/Share	ID No.	Country	Registered Office Address	
<b>69.78% CEZ a.s.</b>	0008947	Czechia	Praha 1, Letenská 525/15, Malá Strana, postcode 118 10	
100% CEZ Distribuce, a.s.	4527649	Czechia	Praha 4, Duhoňová 2/1444, postcode 144 03	
100% CEZ Energetické profidy, s.r.o.	2472826	Czechia	Dělná, Topička 874/8, Dělná II-Předměstí, postcode 405 02	
100% in PROJEKT LOUNY ENGINEERING s.r.o.	28255933	Czechia	Hostivice, Komenského 534, postcode 253 01	
100% in Opravná společnost, s.r.o.	45699888	Czechia	Louny, Na Valích 899, postcode 440 01	
Company acquisition, June 15, 2020; change of company name, July 13, 2020 (previous name VÍTKOVICE - IOS s.r.o.)	47306891	Czechia	Kadaň, Tušímecká 13, postcode 432 01	
100% CEZ ENERGOSEVIS s.r.o.	60998101	Czechia	Třebíč, Bratřova tř. 1371/16, Horka-Domky, postcode 674 01	
100% CEZ Energetické služby, s.r.o.	27804721	Czechia	Praha 4, Duhoňová 1444/2, Michle, postcode 140 00	
100% HA EM OSTRAVA, s.r.o.	47972033	Czechia	Ostrava, Vystaví 114/103, Vítkovice, postcode 703 00	
100% CEZ Energo, s.r.o.	29060109	Czechia	Ostrava, Na Jezdkách 2767/21a, Moravská Ostrava, postcode 702 00	
Change of registered seat, April 22, 2020 (previously Praha 8, Karlovská 661/4, Karlín, postcode 186 00); increase in share by 49.90%, June 30, 2020; CEZ ESCO, a.s. is 100% shareholder	01873237	Czechia	Praha 4, Duhoňová 1444/2, Michle, postcode 140 00	
100% Esílní servis, s.r.o.	27262074	Czechia	Praha 4, K Verneráku 1193/4, Kurnatice, postcode 148 00	
Change of registered seat, January 6, 2020 (previously Liberec X, Mydlářská 105/10, Františkov, postcode 460 10); change of company name, November 16, 2020 (previous name CEZ SLOVENSKO, a.s.)	27382052	Czechia	Praha 9, U Voborníků 852/10, Vysočany, postcode 190 00	
100% ENESA a.s.	03936040	Czechia	Praha 4, Duhoňová 1444/2, Michle, postcode 140 00	
100% EnergoCentrum Vitkovice, a.s.	03936040	Czechia	Praha 4, Duhoňová 1444/2, Michle, postcode 140 00	
Dissolution of company by merger with CEZ Energetické služby, s.r.o., January 1, 2020				
100% AZ KLIMA a.s.	24772631	Czechia	Brno, Tuřanská 1519/115a, Slatina, postcode 627 00	
100% AZ VENI s.r.o.	04019261	Czechia	Brno, Tuřanská 1519/115a, Slatina, postcode 627 00	
Share of 500% share, January 16, 2020				
5% SKO-ENERGO FIN, s.r.o.	61675954	Czechia	Mladá Boleslav, tř. Václava Klementa 869, Mladá Boleslav II, postcode 293 01	
12% SKO-ENERGO, s.r.o.	61675938	Czechia	Mladá Boleslav, tř. Václava Klementa 869, postcode 293 00	
100% AirPlus, spol. s r.o.	25414931	Czechia	Modlary, č.čev. 22, postcode 417 13	
100% HORMEN CE a.s.	21754742	Czechia	Praha 4, Na dolních 168/6, Pod líp, postcode 147 00	
100% HORMEN SK s.r.o.	44021470	Slovakia	Bratislava, Hattalova 12, postcode 831 03	
100% CEZ Slovensko, s.r.o.	36797332	Slovakia	Bratislava, Mlynský nív 45, postcode 821 09	
100% Domat Control System s. r. o.	27189465	Slovakia	Pardubice, U Panaronicu 376, Staré Ččvice, postcode 530 06	
100% Domat Control System s. r. o.	44570473	Slovakia	Bratislava, Udemnická 11, postcode 851 01	
100% KART, spol. s r.o.	45791023	Czechia	Praha 4, Duhoňová 1444/2, Michle, postcode 140 00	
100% KART TŽB, spol. s r.o.	43002781	Czechia	Praha 10, V korytech 3234/18a, Strašnice, postcode 100 100	
100% CEZ ESCO Slovensko, a.s.	52963659	Slovakia	Bratislava, Mlynský nív 48, Ružinov, postcode 821 09	
Establishment of company, February 25, 2020				
51% D-Dama a.s.	47256265	Slovakia	Bratislava, Plynárska 7/C, postcode 821 09	
Change of company owner, November 30, 2020 (previously CEZ ESCO, a.s.)				
100% CEZ Distribučné systavy a.s.	47474238	Slovakia	Trnava, Františkánska 4, postcode 917 01	
Change of company owner from CEZ LDS s.r.o. to CEZ ESCO, a.s., October 20, 2020; change of company owner from CEZ ESCO, a.s. to CEZ ESCO Slovensko, a.s., November 30, 2020				
100% AZ KLIMA SK, s.r.o.	35798644	Slovakia	Bratislava, Nová Rožňavská 3018/134/A, Nové Mesto, postcode 831 04	
Change of company owner from AZ KLIMA a.s. to CEZ ESCO, a.s., November 10, 2020; change of company owner from CEZ ESCO, a.s. to CEZ ESCO Slovensko, a.s., December 5, 2020				
55% SPRÁVYTIKOMFORY, a.s. Prešov	31716523	Slovakia	Prešov, Volgogradská 88, postcode 080 00	
Change of company owner, December 17, 2020 (previously CEZ ESCO, a.s.)				
100% CEZ SERVIS, s.r.o.	31706053	Slovakia	Prešov, Volgogradská 88, postcode 080 01	
Change of company owner, December 11, 2020 (previously CEZ ESCO, a.s.)				
100% CEZ Asset Holding, a.s.	07334214	Czechia	Praha 4, Duhoňová 1444/2, Michle, postcode 140 00	
Change of company owner, June 22, 2020 (previously CEZ, a.s.)				
<b>52.46% UJV Rež. a.s.</b>	46356088	Czechia	Husinec, Hlavní 130, Rež, postcode 250 68	
100% SKODA PRAHA a.s.	00128201	Czechia	Praha 4, Duhoňová 1444/2, Michle, postcode 140 00	
Change of company owner, July 1, 2020 (previously CEZ, a.s.)				
100% Vyzkumny a zkušební ústav Plzeň s.r.o.	47718684	Czechia	Plzeň, Týlova 1581/46, Jižní Předměstí, postcode 301 00	
100% Centrum výzkumu Rež s.r.o.	26722445	Czechia	Husinec, Hlavní 130, Rež, postcode 250 68	
100% EOP INVESTI spol. s r.o., likvidaci	16361679	Czechia	Praha 8, Na Žerzavích 2247/29, Libeň, postcode 180 00	
Dissolution of company, May 20, 2020				
100% Ústav aplikované mechaniky Brno, s.r.o.	60715871	Czechia	Brno, Reslskova 972/3, Veverí, postcode 602 00	
Change of company owner, July 1, 2020 (previously UJV Rež, a.s.)				
100% CEZ Bohunice a.s.	28861736	Czechia	Praha 4, Duhoňová 2/1444, postcode 140 03	
49% Jadróva energetická spoločnosť Slovenska, a.s.	45337241	Slovakia	Bratislava, Tomáškova 22, postcode 821 02	
100% CEZ ICT Services, a.s.	26470411	Czechia	Praha 4, Duhoňová 1531/3, postcode 140 03	
100% Telco Pro Services, a.s.	29342878	Czechia	Praha 4, Duhoňová 1531/3, Michle, postcode 140 00	
100% Telco Infrastructure, s.r.o.	08425817	Czechia	Praha 4, Duhoňová 1531/3, Michle, postcode 140 00	
77.82% TINET West s.r.o.	26378191	Czechia	Tachov, Vlíemňská 1602, postcode 347 01	22.18%
Acquisition of share, December 31, 2020				
60% TINET Borsko s.r.o.	04589513	Czechia	Tachov, Vlíemňská 1602, postcode 347 01	40%
Acquisition of 40% share in TINET Borsko s.r.o. by Telco Pro Services, a.s., December 31, 2020				
77.82% ISP West s.r.o.	03310159	Czechia	Tachov, Vlíemňská 1602, postcode 347 01	22.18%
Acquisition of share, December 31, 2020				
100% KTN Servis s.r.o.	03194043	Czechia	Tachov, Vlíemňská 1602, postcode 347 01	
Company acquisition, December 31, 2020				
100% FDlnet.CZ, s.r.o.	27310631	Czechia	Frydlant, Březová 1306, postcode 464 01	
Company acquisition, December 31, 2020				
100% CEZ Koperlné služby s.r.o.	26206803	Czechia	Ostrava, 28. října 3123/152, Moravská Ostrava, postcode 702 00	
100% CEZ Obnovitelné zdroje, s.r.o.	25939824	Czechia	Hradec Králové, Kláškov 768/2, postcode 500 03	
99% CEZ Recyklače, s.r.o.	03479919	Czechia	Praha 4, Duhoňová 1444/2, Michle, postcode 140 00	
CEZ OZ uzavrený investiční fond a.s.	24135780	Czechia	Praha 4, Duhoňová 1444/2, postcode 140 03	0.02%
100% CEZ Prodej, a.s.	27232433	Czechia	Praha 4, Duhoňová 1/425, postcode 140 03	0.39%
100% TEMAUR, s.r.o.	26349451	Czechia	Náměstí č.p. 63, postcode 345 02	
100% CEZ Tepelná č.p.s.	27309941	Czechia	Říčany, Bezručova 2212/30, postcode 251 01	
100% MARTIA a.s.	25006754	Czechia	Ústí nad Labem, Mezni 2854/4, Severní Terasa, postcode 400 11	
55.83% Tepelné hospodářství města Ústí nad Labem s.r.o.	49101684	Czechia	Ústí nad Labem, MaláTova 2437/11, Ústí nad Labem-centrum, postcode 400 11	
100% Toplo Klášterec s.r.o.	22801600	Czechia	Klásterec nad Ohří, Jana Amosa Komenského 450, Miletice u Klášterec nad Ohří, postcode 431 51	
100% Elektrárna Dětmarovice, a.s.	29452279	Czechia	Dětmarovice, č.p. 1202, postcode 735 71	
100% Elektrárna Divnyany II, B. s.	04698207	Czechia	Praha 4, Duhoňová 1444/2, Michle, postcode 140 00	
100% Elektrárna Mladá II, a.s.	24283397	Czechia	Praha 4, Duhoňová 1444/2, Michle, postcode 140 00	
100% Elektrárna Počerady, a.s.	24288110	Czechia	Praha 4, Duhoňová 1444/2, postcode 140 00	
Sale of 100% share, December 31, 2020				
100% Elektrárna Tamelín II, a.s.	04689134	Czechia	Praha 4, Duhoňová 1444/2, Michle, postcode 140 00	
100% Energetické centrum s.r.o.	26051818	Czechia	Jindřichův Hradec, Otín 3, postcode 377 01	
100% EnergoCapital, s.r.o.	47115726	Czechia	Praha 4, Duhoňová 1444/2, Michle, postcode 140 00	
100% Aest Teboradice, a.s.	29122282	Czechia	Praha 4, Duhoňová 1444/2, Michle, postcode 140 00	
100% Inven Capital, SICAV, a.s.	02059533	Czechia	Praha 4, Pod křížkem 1773/2, Braník, postcode 147 00	
These are founders' shares as defined in Section 158 et seq. of Act No. 240/2013 Sb., on investment companies and investment funds, as amended				
51.05% LOMY MORINA spol. s r.o.	61465569	Czechia	Mořina, č.p. 73, postcode 267 17	
66.67% OSC, a.s.	60714794	Czechia	Brno, Staňkova 557/18a, Ponava, postcode 602 00	
100% Severníská dílny a.s.	49901962	Czechia	Komárov, Boženy Němcové 5359, postcode 430 01	
100% PRODECO, a.s.	25023790	Czechia	Blina, Důlní č.p. 437, Mostecká Předměstí, postcode 418 01	
100% Ravitrans, a.s.	25028197	Czechia	Blina, Důlní č.p. 429, postcode 418 01	
100% SD - Kolejová doprava, a.s.	25438107	Czechia	Kadaň, Tušímecká 7, postcode 432 01	
51% GEOMET s.r.o.	27752976	Czechia	Dubí, Ruská 287, Bystrice, postcode 417 01	
Acquisition of share, April 27, 2020; change of registered seat, June 8, 2020 (previously Brno, Jaseňská 193/10, Veverí, postcode 602 00)				
100% CEZ Bulgarian Investments B.V.	51681969	Netherlands	Amsterdam, Herikerbergweg 157, postcode 1101 CN	
100% Free Energy Project Oreshets EAD	20126227	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
100% Bara Group EOOD	120545968	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
100% CEZ ESCO Bulgaria EOOD	204516571	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
87% CEZ Razpredelenie Bulgaria AD	130277958	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
100% CEZ ICT Bulgaria EAD	203571599	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
100% CEZ Trade Bulgaria EAD	113570147	Bulgaria	Sofia, 2 Pozitano Sq., Office 7, floor 7, postcode 1000	
100% CEZ Bulgaria EAD	131434768	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
87% CEZ Elektro Bulgaria AD	117513327	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
100% CEZ MH B.V.	24426242	Netherlands	Amsterdam, Herikerbergweg 157, postcode 1101 CN	
50% Akce Enerji Yatirimleri Sanayi ve Ticaret A.Ş.	28317	Turkey	Izmit, Kocaeli, Yahyıkaptan Mahallesi, Şevval Sokak, No. 4/4, postcode 41050	
Change of registered seat, May 12, 2020 (previously Izmit, Kocaeli, Körfez Mah. Şahit Rahat Karacan Bulvarı Üçüncü Kat Sok. No. 10, postcode 41040)				
100% Sakarya Elektrik Şirketi A.Ş.	109413673	Turkey	Adapazarı, Sakarya, Maltepe Mahallesi, Örnektepe Cad. No. 258, TEK Trafo İstasyonu PK. 160, postcode 54100	
100% Sakarya Elektrik Parkından Satış A.Ş.	26349451	Turkey	Izmit, Kocaeli, Yahyıkaptan Mahallesi, Şevval Sokak, No. 4/1, postcode 41050	
Change of registered seat, February 21, 2020 (previously Izmit, Kocaeli, Karabag Mahallesi, Hatiz Salim Sokak D-100, Karayolu Üstü No. 14 Ofis, No. 25-26-27, postcode 35430)				
<b>37.36% Akenerji Elektrik Üretim A.Ş.</b>	255005	Turkey	Istanbul, Miralay Şefik Bey Sokak, Akhan No. 15, Gumussuyu Beyoğlu, postcode 34437	
100% AK-EL Kemah Elektrik Üretim A.Ş.	736921	Turkey	Istanbul, Miralay Şefik Bey Sokak, Akhan No. 15, Kat: 1, Oda: 1, Gumussuyu Beyoğlu, postcode 34437	
100% Akenerji Doğalgaz İthalat İhracat ve Toptan Ticaret A.Ş.	745367	Turkey	Istanbul, Miralay Şefik Bey Sokak, Akhan No. 15, Kat: 3, Oda: 3, Gumussuyu Beyoğlu, postcode 34437	
100% Akenerji Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş.	512971	Turkey	Istanbul, Miralay Şefik Bey Sokak, Akhan No. 15, Kat: 3-4, Oda: 2, Gumussuyu Beyoğlu, postcode 34437	
99.80% Distribúte Energia Otlenia S.A.	14481102	Romania	Oradea, Jd. Doj. 97, Calea Severinului, postcode 200731	0.01%
100% CEZ Otlenia S.A.	18195291	Romania	Bucuresti, 2B lon Inesuc de la Brad, Sector 1, postcode 013813	1 share
100% TMK Hydroenergy Power S.R.L.	21789093	Romania	Resita, Jd. Carag-Severin, 4B Primaveri, postcode 320012	
100% Tomis Team S.A.	18874690	Romania	Bucuresti, 2B lon Inesuc de la Brad, Sector 1, postcode 013813	1 share
100% M.W. Team Invest S.R.L.	18926986	Romania	Bucuresti, 2B lon Inesuc de la Brad, Sector 1, postcode 013813	
99.99% CEZ Trade Romania S.R.L.	21447690	Romania	Bucuresti, 2B lon Inesuc de la Brad, Sector 1, postcode 013813	0.01%
99.98% Ovidia Development S.A.	18874682	Romania	Bucuresti, 2B lon Inesuc de la Brad, Sector 1, postcode 013813	0.02%
Change of legal form of company from October 1, 2020 (previously S.R.L.)				
100% CEZ Zanvars S.A.	21349608	Romania	Oradea, Jd. Doj. 97, Calea Severinului, postcode 200731	1 share
100% CEZ Hungary Ltd.	13520670-4013-113-01	Hungary	Budapest, Rétköz u. 5, postcode 1118	
100% CEZ Srbija d.o.o.	20180650	Serbia	Beograd, Bulevar Zorana Đinđića 65, postcode 110 70	
100% CEZ Ukraine LLC	34728482	Ukraine	Kyiv, Velyka Vasylkvska 5, postcode 01004	
100% CEZ Deutschland GmbH	HRB 143377	Germany	Hamburg, Am Sandtorf 74, postcode 20457	
100% CEZ Produktiv Energetyczne Polska sp. z o.o.	0000321793	Poland	Chorzów, ul. Marii Skłodowskiej-Curie 30, postcode 41-503	
100% CEZ Tzaroway Dom Maklarski sp. z o.o.	0000287855	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697	
100% CEZ Holdings B.V.	24301380	Netherlands	Amsterdam, Herikerbergweg 157, postcode 1101 CN	
100% Baltic Green Construction sp. z o.o.	0000580205	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697	
Change of registered seat, May 1, 2020 (previously Warszawa, Aleje Jerozolimskie 61, postcode 00-697)				
100% Baltic Green I sp. z o.o.	0000441069	Poland	Warszawa, Aleje Jerozolimskie 61, postcode 00-697	
Sale of 100% share, May 4, 2020				
100% Baltic Green II sp. z o.o.	0000441363	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697	
Change of registered seat, May 1, 2020 (previously Warszawa, Aleje Jerozolimskie 61, postcode 00-697)				
100% Baltic Green III sp. z o.o.	0000440952	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697	
Change of registered seat, May 1, 2020 (previously Warszawa, Aleje Jerozolimskie 61, postcode 00-697)				
100% A.E. Wind S.A.	0000010284	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697	
Change of registered seat, May 1, 2020 (previously Warszawa, Aleje Jerozolimskie 61, postcode 00-697)				
100% Baltic Green V sp. z o.o.	0000543397	Poland	Warszawa, Aleje Jerozolimskie 61, postcode 00-697	
Sale of 100% share, May 4, 2020				
100% Baltic Green VI sp. z o.o.	0000516616	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697	
Change of registered seat, May 1, 2020 (previously Warszawa, Aleje Jerozolimskie 61, postcode 00-697)				
100% Baltic Green IX sp. z o.o.	0000610092	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697	



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

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