



**Elektrárna Dukovany II, a. s.**  
**(Dukovany Power Plant II)**  
Member of ČEZ Group

**ANNUAL REPORT FOR 2021**

## Presentation of ČEZ Group

Employing more than 28,000 employees, ČEZ Group is a stable energy group that is one of the largest economic entities in the Czech Republic and Central Europe. In its activities, ČEZ Group highlights the implementation of global climate goals, decarbonization, and the impacts of business activities on the environment in general. The focus of value is created from emission-free production, distribution and sale of electricity.

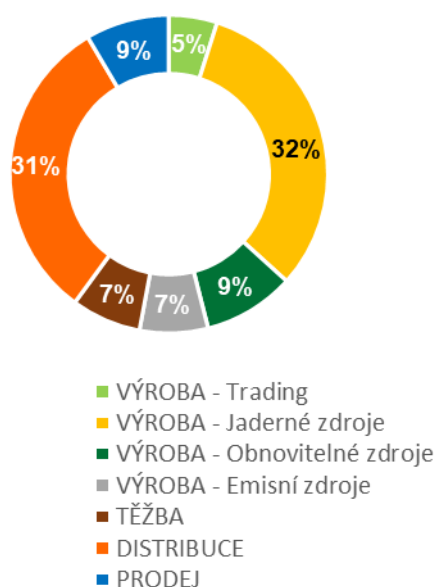
The largest shareholder of the parent company ČEZ is the Czech Republic with a nearly 70% stake in the Company's registered capital. ČEZ shares are traded on the Prague and Warsaw stock exchanges and included in the PX and WIG-CEE stock exchange indices. As at 31 December, 2021, ČEZ's market capitalization was CZK 444 billion, and during its existence, ČEZ paid CZK 343 billion in dividends to shareholders.

### ČEZ Group is a Vertically Integrated Energy Company

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

ČEZ Group's total operating revenues for 2021 amounted to CZK 227.8 billion. The importance of individual activities for the total value for shareholders indicates their share in EBITDA:

### Share of ČEZ Group's Main Activities in EBITDA 2021



VÝROBA – Trading	GENERATION – Trading
VÝROBA – Jaderné zdroje	GENERATION – Nuclear Plants
VÝROBA – Obnovitelné zdroje	GENERATION – Renewable Energy Sources
VÝROBA – Emisní zdroje	GENERATION – Emission Sources
TĚŽBA	MINING
DISTRIBUCE	DISTRIBUTION
PRODEJ	SALE

In the Czech Republic, ČEZ 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. They focus on innovations and investments in cleantech companies.

They operate abroad in the field of energy services, in the field of production, trade and sale of electricity and heat, and in the field of gas sales and commodity trading. Outside the Czech Republic, ČEZ Group operates mainly in Germany, Poland, Slovakia, as well as in France and Italy.

#### ČEZ Group's Vision and Corporate Responsibility

The long-term vision of ČEZ Group is to bring innovative energy solutions and contribute to higher quality of life. In the area of production, ČEZ Group's strategy places emphasis on the transformation of its production portfolio to low emissions and achieving carbon neutrality. As part of the accelerated strategy VISION 2030 – Clean Energy of Tomorrow, ČEZ Group has committed itself to ending coal-fired heat generation by 2030, to substantially reducing coal-fired electricity generation, and to become completely carbon neutral by 2050. In line with ambitious emission-free goals, it envisages the construction of new renewable energy sources with an output of 6,000 MW by 2030 and, in cooperation with the Czech state, is preparing a tender for the construction of at least one new nuclear unit.

In the field of distribution and sale, a permanent objective is to provide the most advantageous energy solutions and the best customer experience on the market. ČEZ Group therefore invests significantly in the upgrading and digitization of distribution networks and is building its position as a reliable leading supplier of energy and comprehensive energy services, which helps decarbonise industry in the Czech Republic and Central Europe.

ČEZ Group's business activities are governed by strict ethical standards that include responsible behaviour toward employees, society, and the environment. As part of its business activities, it adheres to the principles of sustainable development with emphasis on the area of ESG (Environmental, Social, Governance), which is an integral part of its management. ČEZ 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. Donation forms an integral part of social responsibility: Since 2002, the ČEZ Foundation has been one of the largest corporate foundations in the Czech Republic.

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

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## Statutory Declaration by Persons Responsible for the ČEZ Group 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 company for 2021, and the prospects for the future development of the financial position, business activities, and financial results of the company, and does not obscure any facts that could change the meaning of this report.

In Prague, 23 May 2022

Ing. Petr Závodský

Chairman of the Board of Directors of Elektrárna Dukovany II, a. s. (Dukovany Power Plant II)

Ing. Pavel Kamenický

Member of the Board of Directors of Elektrárna Dukovany II, a. s. (Dukovany Power Plant II)

This document is an English translation of the official Annual Report. In the event of differences in content, the official Czech version of the Annual Report shall always take precedence over this document. The official 2021 Annual Report of Elektrárna Dukovany II, a. s., prepared in accordance with the applicable Czech legislation, is available here: [https://www.cez.cz/webpublic/file/edee/2022/06/21-edu-annual-report\\_final\\_cz.pdf](https://www.cez.cz/webpublic/file/edee/2022/06/21-edu-annual-report_final_cz.pdf)

## **Independent Auditor's Report**

In connection with the audit of the Financial Statements of Elektrárna Dukovany II, a. s. (EDU II), the independent auditor became acquainted with the information in the Annual Report and assessed its compliance with the Financial Statements and other known facts.

As required by the Czech Act on Auditors, its opinion on the Annual Report is not stated in a separate report, but is part of the Independent Auditor's Report on the Financial Statements. Independent Auditor's Report on the Financial Statements.



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

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Elektrárna Temelín, a. s.:

### *Opinion*

We have audited the accompanying financial statements of Elektrárna Temelín II, a. s. (the Company) prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise the balance sheet as at 31 December 2021, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Company, see Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with accounting principles generally accepted in the Czech Republic.

### *Basis for Opinion*

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Emphasis of matter*

We draw your attention to Note 4b) to the Financial Statements which describes the construction in progress of tangible assets of Elektrárna Dukovany II, a. s. and mainly the matter that the value of fixed assets depends on the successful realization of the project of construction and operation of the New nuclear unit in the area of Dukovany nuclear power plant. Our opinion is not modified in respect of this matter.

### *Other Information*

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

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

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

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

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

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

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with above regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Ernst & Young Audit, s.r.o.  
License No. 401

Luděk Jireček, Auditor  
License No. 2164

23 May 2022  
Prague, Czech Republic

## Introduction by the Chairman of the Board of Directors

Dear Shareholders,

Dear Business Partners,

In 2021, we continued the new dynamics of the New Nuclear Power Plant at the Dukovany Site project, which started after the adoption of key state decisions in 2019 and continued in 2020 by approving the financing model for new nuclear sources by providing repayable financial assistance and concluding the “Framework Agreement on Cooperation in the Construction of a New Nuclear Power Plant in the Czech Republic” and the “First Implementing Agreement on Cooperation in the Construction of a New Nuclear Power Plant in the Dukovany Site in the Czech Republic” between the State, represented by the Ministry of Industry and Trade, ČEZ, a. s., and Elektrárna Dukovany II, a. s. These agreements enable the State to gain, with regard to the basic security interests of the Czech Republic, the necessary control over the project and at the same time commit the State to provide the necessary support.

In March 2021, the company obtained a permit from the State Office for Nuclear Safety for siting a new nuclear power source in Dukovany under the Atomic Act and was granted a state authorization for the construction of an electricity generation plant by the Ministry of Industry and Trade in April 2021. On 1 June, 2021, Elektrárna Dukovany II, a. s., submitted to the Municipal Authority Třebíč an application for the issuance of a zoning decision, which included documentation for the zoning procedure, incorporating the requirements of the affected administrative bodies and infrastructure owners. Subsequently, on 29 July 2021, the Municipal Authority Třebíč issued a notice on the commencement of zoning procedure for the siting of the “New Nuclear Source in the Dukovany Site” and the zoning procedure was thus initiated.

Elektrárna Dukovany II, a. s. made considerable efforts in 2021 to prepare a tender for the supplier of one unit of the New Nuclear Source Dukovany and fuel assemblies, including preparation of tender documents, as required by the first implementing agreement, and thus continued the previous year's activities. On the basis of the resolution of the Government of the Czech Republic, a safety assessment of bidders for the construction of a new nuclear unit in Dukovany was launched on 21 June 2021. Elektrárna Dukovany II, a. s., sent the relevant letters, launching the safety assessment of three potential bidders for the construction of a new nuclear unit. These are EDF from France, Westinghouse from the USA, and the South Korean company KHNP. Based on the safety assessment evaluation of all three bidders for the construction of a new nuclear source, the Ministry of Industry and Trade granted approval for launching the tender on 17 March 2022 and Elektrárna Dukovany II, a. s., launched the tender on 17 March 2022.

During 2021, intensive preparation of documents defining the financing of further phases of the New Nuclear Source at the Dukovany Site project continued, based on the previously adopted financing model involving representatives of the State, ČEZ, a. s., Elektrárna Dukovany II, a. s., and consultants and advisers of individual participants. On 15 September 2021, the Act on Measures for the Transition of the Czech Republic to Low-Carbon Energy was adopted, which is a necessary precondition for the implementation of the chosen financing model. Furthermore, the State negotiated with the European Commission on the compatibility of State aid with EU rules.

In addition to the previously mentioned activities, the Company's key activities in 2021 included the continuation of other project preparation activities in accordance with the valid business plan and the first implementing agreement, proper care of assets and ensuring the Company's operation. The Company pays great attention to securing capacities for the next phases of the project, including increasing the number of the Company's own employees and developing their skills.

In addition, the Company continued to support the Working Groups of the Standing Committee for the Construction of New Nuclear Sources in fulfilling the individual tasks of the National Action Plan for the Development of the Nuclear Energy Sector in connection with the valid State Energy Policy.

Ing. Petr Závodský

Chairman of the Board of Directors

## Overview of Selected Company Indicators

### Selected indicators of Elektrárna Dukovany II, a. s.

Selected indicators	Unit	2019	2020	2021
After-tax profit	th. CZK	(10,127)	(32,179)	(35,295)
Total assets	th. CZK	1,105,254	1,453,467	1,814,425
Equity	th. CZK	1,069,717	1,353,538	1,686,243
Investments in fixed assets (CAPEX)	th. CZK	86,224	332,068	292,870
Headcount as at 31 December	number	2	84	108

## Ownership Structure

The registered capital of Elektrárna Dukovany II, a. s., did not change compared to 31 December 2020 and amounted to a total of CZK 969,000,000 as at 31 December 2021. The Company's registered capital consisted of 969 bearer shares in paper form with a nominal value of CZK 1,000,000.

The sole shareholder of Elektrárna Dukovany II, a. s., is ČEZ, a. s., Duhová 2/1444, 140 53 Prague, 4, Company ID: 452 74 649.

## Selected Events of 2021 and 2022 up to the Closing Date of the Annual Report

### Year 2021

#### January

- Annual financial statements of Elektrárna Dukovany II, a. s., as at 31 December 2020 were drawn up
- Elektrárna Dukovany II, a. s., issued a safety policy that develops the Group's Safety and Environmental Protection Policy of ČEZ Group

#### February

- The evaluation of the fulfilment of specific duties (KPI) of the Vice-Chairman of the Board of Directors for 2020 was approved
- The definition of specific duties (KPI) of Members of the Board of Directors for 2021 was approved
- Decision of the Board of Directors to the Annual Tasks for 2021 was approved

#### March

- A fundamental organizational change was implemented, aimed at optimizing the organizational structure
- Unaudited annual financial statements of Elektrárna Dukovany II, a. s., as at 31 December 2020 were discussed and approved by the Board of Directors
- The Report on Relations between Interconnected Entities for 2020 was drawn up, and discussed and approved by the Board of Directors
- The corporate income tax return for 2020 was submitted to the Specialized Tax Office
- The State Office for Nuclear Safety issued a permit to Elektrárna Dukovany II, a. s. for the siting of the New Nuclear Source at the Dukovany Site (8 March 2021)
- The application for state authorization for the construction of an electricity generation plant was submitted to the Ministry of Industry and Trade of the Czech Republic (15 March 2021)
- According to the judgement of the Supreme Administrative Court in Brno, the Appellate Financial Directorate in Brno issued a new decision on 17 March 2021, assessing the tax in the correct amount and returned the originally assessed tax to Elektrárna Dukovany II, a. s., on 29 March 2021  
The Government of the Czech Republic has approved the phase of safety assessment of bidders for the construction of a new nuclear unit in Dukovany before the actual launch of the tender.

#### April

- The conclusion of framework agreements on the provision of engineering and consulting services for nuclear power plant projects with five companies as a result of a public procurement launched by the association of contracting authorities was approved by the Company's Board of Directors
- The decision to award the state authorization for the construction of an electricity generation plant by the Ministry of Industry and Trade of the Czech Republic (April 27, 2021) was issued
- The meeting of the Standing Committee for the Construction of New Nuclear Sources was held (29 April 2021)
- A change was made in the management of the Company's Supervisory Board - Tomáš Pleskač was elected Chairman of the Supervisory Board, Tomáš Ehler Vice-Chairman (meeting of the Supervisory Board on 30 April 2021)

#### May

- The audit of the annual financial statements as at 31 December 2020 conducted by Ernst & Young Audit, s.r.o., was completed

#### June

- The Annual Report for 2020 discussed and approved, which includes the Auditor's Report, the Report on the Company's Business Activity and on the Assets of the Company for 2020 with the annual financial statements for 2020 annexed thereto, including accounts and the Report on Relations between Interconnected Entities for 2020
- The proposal of the Company's Board of Directors for the issuance of the Decision on Compensation of Loss for 2020 was discussed and approved by the sole shareholder
- The Report on the Activities of the Supervisory Board for 2020 was approved
- Adoption of the content of the updated Group management policies with effect from 1 July 2021 by the Board of Directors
- The documentation for the zoning procedure was submitted together with the application for the issuance of a zoning decision for siting the New Nuclear Source at the Dukovany Site to the Municipal Authority Třebíč (1 June 2021)
- The safety assessment of bidders for the construction of a new nuclear unit in Dukovany was launched. On the basis of the resolution of the Government of the Czech Republic, Elektrárna Dukovany II, a. s., sent the relevant letters and launched the safety assessment of three potential bidders for the construction of a new nuclear unit. These are EDF from France, Westinghouse from the USA, and the South Korean company KHNP (21 June 2021)

#### July

- The Municipal Authority Třebíč issued a notice on the commencement of the zoning procedure for the siting of the New Nuclear Source in the Dukovany Site (29 July 2021).

#### August

- An organizational change aimed at optimizing the systemization of job positions was implemented (1 August 2021)
- Elektrárna Dukovany II, a. s., became the holder of a National Security Authority certificate for classification level "SECRET"

#### November

- The Annual Plan (Budget) for 2022 was approved by the Company's Board of Directors
- The Business Plan for the period 2022 to 2026 was approved by the Company's Board of Directors

#### December

- Adoption of the content of the updated Group management policies with effect from 1 January 2022 by the Board of Directors
- An organizational change in the company was implemented, which aimed at optimizing the systemization of job positions in relation to the activities performed in the affected departments in order to increase efficiency in the performance of the tasks of the departments (1 December 2021)

### **Year 2022 to the Closing Date of the Annual Report**

#### January

- The Board of Directors discussed and approved the intention to request the sole shareholder to make a decision in the exercise of the powers of the General Meeting to initiate a tender for the supplier of one unit of the New Nuclear Source at Dukovany and fuel assemblies
- Pavel Kamenický was elected a member of the Board of Directors on 1 January 2022

#### February

- The evaluation of the fulfilment of specific duties (KPI) of the Vice-Chairman of the Board of Directors for 2021 was approved
- The definition of specific duties (KPI) of Members of the Board of Directors for 2022 was

approved

### March

- Based on the safety assessment evaluation of three bidders for the construction of a new nuclear source, the Ministry of Industry and Trade granted approval for launching the tender on 17 March 2022 and Elektrárna Dukovany II, a. s., launched the tender on 17 March 2022
- The decision of the Board of Directors on the Annual Tasks for 2022 was approved

In 2021, the pandemic of COVID-19 caused by the SARS-CoV-2 virus continued. Throughout the period of 2021, various restrictive measures were announced in response to the current development of the pandemic. ČEZ Group responded accordingly and took a number of measures in all its companies and at all its workplaces to reduce the impact of the pandemic on employees and on the activities of the Group's companies. These included in particular the use of the home office regime for those employees where the nature of the work allowed it, the restriction of personal meetings and the transition to meetings by electronic means (video conferencing, MS Teams), restrictions on business trips between sites, restrictions on visits at workplaces, restrictions on meetings of employees from different work teams, organizational measures in common areas, measurement of body temperature at entrances to selected buildings, hygiene measures such as thorough disinfection, massive testing, promotion of vaccination and last but not least recording of employees with COVID 19, recording of tests and vaccination and the obligation to report travelling outside the Czech Republic.

The Company has taken appropriate measures in agreement with other Group companies. All activities during the project preparation continued within the measures taken (in particular with the massive use of the home office regime and meetings in the form of negotiations and meetings in MS Teams) and no significant impact on the fulfilment of tasks was recorded (both in terms of the quality of the outputs and deadlines or costs). The Company's management constantly monitored the potential impact and took all possible steps to mitigate any negative effects on the Company and its employees. The Company's management did not notice the COVID-19 pandemic and the resulting restrictions having a significant impact on the Company's business activities and concluded that they did not have a significant impact on the going concern basis of the Company. The preparation of the financial statements for 2021 is appropriate thereto.



## Company Governance Bodies

Elektrárna Dukovany II, a. s., was incorporated in the Commercial Register on 23 December 2015. The Company is headquartered in the Czech Republic at Duhová 1444/2, Michle, 140 00 Prague 4. Information about the company can be found on ČEZ Group's website at: <https://www.cez.cz/cs/o-cez/skupina-cez/vyznamne-spolocnosti-skupiny-cez/elektrarna-dukovany-ii>

Elektrárna Dukovany II, a. s., as a controlled entity, is part of a group controlled by ČEZ, a. s., as a controlling entity pursuant to Act No. 90/2012 Coll., on Business Companies and Cooperatives (Business Corporations Act).

## Company Profile

The establishment and operation of Elektrárna Dukovany II, a. s., is part of the plan to continue the preparation of new nuclear sources in the sites of the existing nuclear power plants. It is related to the "National Action Plan for the Development of Nuclear Energy", approved by the Government of the Czech Republic in 2015, which also includes the development of ČEZ Group's nuclear power plants. This plan assumes the continuation of the preparation of the project for new nuclear units in the Dukovany Site, in the variant of one unit with the possibility of extension to two units.

Elektrárna Dukovany II, a. s., is a project company (special purpose vehicle), to which the parent company allocated the project "New Nuclear Source at the Dukovany Site" in 2016, for which project financing is provided by the parent company in its first stage and which was provided by the parent company with a significant increase in staff numbers in 2020. This created the preconditions for the project company Elektrárna Dukovany II, a. s., to fulfil its basic mission - to ensure the construction and subsequent operation of one nuclear unit in the Dukovany Site.

The Company selected a dualistic system of internal structure. The Company had the following governance bodies in 2021:

- General Meeting,
- Supervisory Board,
- Board of Directors.

## General Meeting

The General Meeting is the supreme governance body of the Company.

### Powers of the General Meeting

The powers of the General Meeting include, in particular, the following:

- Making decisions on amendments to the Company's by-laws,
- Electing and removing members of the Board of Directors and members of the Supervisory Board,
- Approving the Contract on the Performance of the Duties of Member of the Board of Directors and the Supervisory Board and its amendments, including specification and evaluation of specific duties (criteria - KPI),
- Approving annual, extraordinary, consolidated and, where its approval by the General Meeting is stipulated by law, interim financial statements,
- Making decisions on the distribution of profits and other own resources, the determination of dividends, royalties and allocations to individual funds,
- Making a decision on compensation of loss,
- Making a decision on Company dissolution with liquidation, appointment and removal of a receiver, including approval of the contract on the performance of duties, or its amendment, and approval of the final report on the course of liquidation and the proposal for the use of the liquidation balance,
- 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 the Company's business concept and its changes,
- Approving the Company's (five-year) business plan and its changes,

- Discussing the annual report or the report on the Company's business activities and assets in the event that the annual report is not drawn up within the period of time when the annual financial statements are approved by the General Meeting,
- Appointing an auditor to conduct the statutory audit,
- Making a decision on Company transformation unless otherwise provided by law governing the transformation of companies and cooperatives,
- Giving instructions to members of the Board of Directors, if they are not in conflict with legislation; the General Meeting may, in particular, prohibit members of the Board of Directors from certain legal conduct if it is in the interest of the Company,
- Making a decision on the total financial volume of donations that the Company may provide in a specified period of time,
- Making a decision on the provision of other benefits within the meaning of Section 61 of the Business Corporations Act to members of the Board of Directors and the Supervisory Board,
- Approving a silent partner agreement and other agreements establishing a right to a share in the profits or other own funds of the company, and
- Other cases which are entrusted to the powers of the General Meeting by the law or by-laws.

The Company is entitled to provide financial assistance under the conditions stipulated by the Act on Business Corporations.

The share in the profit may also be distributed among the members of the Board of Directors and the Supervisory Board (royalties), or among other persons, only on the basis of a decision of the General Meeting. At the same time, the General Meeting shall define the conditions for the payment of royalties.

The General Meeting may not reserve for decision-making matters which have not been entrusted to it by the law or by-laws.

#### General Meeting Decision-Making

The Company had a sole shareholder in 2021, therefore no general meetings were held in accordance with the Company's by-laws and this shareholder exercised the powers of the General Meeting.

The decision of the sole shareholder made in the exercise of the powers of the General Meeting must be made in writing and delivered to the Board of Directors. In cases where a public document is issued on the decision of the General Meeting, the decision of the sole shareholder must take the form of a public document. The sole shareholder has the right to request that the Board of Directors and the Supervisory Board participate in the decision-making process under the responsibility of the General Meeting.

### **Supervisory Board**

The Supervisory Board is the Company's control body. The Supervisory Board supervises the Company's activities and the exercise of the powers of the Board of Directors. In the area of its competence, the Supervisory Board is entitled to examine business and accounting books, other documents and financial statements and to control the data contained therein. The Supervisory Board reports once a year on its activities to the General Meeting, or to the sole shareholder.

#### Position and Powers of the Supervisory Board

The Supervisory Board is competent to review:

- Annual, extraordinary, consolidated, and/or interim financial statements
- Proposal for the distribution of profit or other own resources, including proposal for the amount and date of payment of dividends and royalties,
- Proposal for settlement of loss,
- Report on relationships (in the event that the Company has a sole shareholder, the Supervisory Board will discuss the report), drawn up within three months from the end of the accounting period, and

Submit its opinion to the General Meeting on these matters.

The Supervisory Board is also competent to consult:

- Interim financial results of the Company,
- Annual Report of the Company.

The Supervisory Board gives the Board of Directors prior consent to the implementation of its decisions (i.e. legal acts implementing such decisions) referred to in the Company's by-laws, with the Board of Directors being obliged to request the prior consent of the Supervisory Board to implement these decisions.

The Supervisory Board gives the Board of Directors an opinion on the matters referred to in the by-laws, where the Board of Directors must request the opinion of the Supervisory Board.

If the Supervisory Board does not give its consent to the Board of Directors to act on behalf of the Company or prohibits the Board of Directors from making certain legal acts, those members of the Supervisory Board who have not acted with due diligence are liable instead of members of the Board of Directors for any harm suffered by the Company.

The Supervisory Board shall express its opinion on matters for which the prior consent or opinion of the Supervisory Board is required pursuant to these by-laws or law within twenty days from the date of delivery of the request to the Chairman of the Supervisory Board. If the Supervisory Board does not express its opinion to the Board of Directors within the specified twenty-day period, it shall be deemed that the Supervisory Board has given its prior consent or delivered a positive opinion on the matter.

#### Composition and Activities of the Supervisory Board

The Supervisory Board has five members. The Supervisory Board elects and removes its Chairman and Vice-Chairman. The term of office of members of the Supervisory Board is four years.

#### Supervisory Board Decision-Making

The Supervisory Board constitutes a quorum if a majority of all its 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 (i.e. by a majority of the number of members determined by the by-laws). In the event of a tie, the Chairman of the Supervisory Board shall not have the casting vote.

The Supervisory Board may take decisions outside the meeting in writing or using technical means. The consent of a majority of the votes of all members of the Supervisory Board is required for such a decision-making process and for the adoption of a decision of the Supervisory Board outside the meeting. The statement of each member of the Supervisory Board, i.e. agreement or disagreement to the method of decision-making outside the meeting and agreement or disagreement to the draft decision of the Supervisory Board, must be made and delivered within a specified period of time and in a verifiable manner (delivery by e-mail is also allowed). The decision of the Supervisory Board adopted in this way must be stated in the minutes of the next meeting of the Supervisory Board.

In 2021, there were seven regular meetings of the Supervisory Board (36th to 42nd meetings) and no meeting/decision per rollam. In 2022, three regular meetings of the Supervisory Board (43rd, 44th and 45th meetings) were held to the closing date of this Annual Report.

#### Supervisory Board Members from October 14, 2020 to April 30, 2021

Chairman:	Ing. Jaroslav Míl, Date of birth 10 August 1958	Date of appointment: 9 April 2019 Date of membership: 1 March 2019
Vice-Chairman:	Ing. Bohdan Zronek, Date of birth 21 January 1971	Date of appointment: 14 October 2020 Date of membership: 1 March 2019
Member:	PhDr. Tomáš Ehler, MBA, Date of birth 2 July 1981	Date of membership: 1 August 2020
Member:	JUDr. Michaela Chaloupková, MBA, Date of birth 4 June 1975	Date of membership: 1 August 2020
Member:	Mgr. Michaela Soudná, MBA, Date of birth 22 April 1980	Date of membership: 1 October 2019

#### Supervisory Board Members from 30 April 2021

Chairman:	Ing. Tomáš Pleskač, MBA, Date of birth 8 November 1966	Date of appointment: 30 April 2021 Date of membership: 23 April 2021
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Vice-Chairman:	PhDr. Tomáš Ehler, MBA, Date of birth 2 July 1981	Date of appointment: 30 April 2021 Date of membership: 1 August 2020
Member:	Ing. Bohdan Zronek, Date of birth 21 January 1971	Date of membership: 1 March 2019
Member:	JUDr. Michaela Chaloupková, MBA, Date of birth 4 June 1975	Date of membership: 1 August 2020
Member:	Mgr. Michaela Soudná, MBA, Date of birth 22 April 1980	Date of membership: 1 October 2019

### Supervisory Board Committees

There were no Supervisory Board committees operating in 2021.

### Remuneration of Supervisory Board Members

Members of the Supervisory Board are entitled to a monthly remuneration for each calendar month under the service contracts.

Extraordinary remuneration may be provided to a member of the Supervisory Board only with the express consent of the sole shareholder in the exercise of the powers of the General Meeting of the Company.

According to the by-laws, the share in the profit may also be distributed among the members of the Board of Directors and the Supervisory Board (royalties), or among other persons, only on the basis of a decision of the General Meeting. At the same time, the General Meeting shall define the conditions for the payment of royalties.

Performance other than that to which the right derives from legislation or from a service contract may be provided to a member of the Supervisory Board only with the express consent of the sole shareholder in the exercise of the powers of the General Meeting of the Company.

## **Board of Directors**

The Board of Directors is a statutory body managing the Company's activities and representing the Company in compliance with the by-laws.

### Position of the Board of Directors

- The Board of Directors is responsible for the Company's business management. No one is entitled to give instructions to the Board of Directors concerning the business management of the Company, unless so provided by law.
- The Board of Directors decides on all matters of the Company, unless legislation or the by-laws entrust them to the area of competence of another body of the Company.
- The Board of Directors may, by its decision, entrust its individual members with the performance of business management in a certain area and at the same time define their competence.

### Composition and Activities of the Board of Directors

The Board of Directors has five members. The Board of Directors elects its chairman and vice-chairman. The members of the Board of Directors are elected and removed by the General Meeting. The term of office of each member is four years.

### Board of Directors Decision-Making

- The Board of Directors constitutes a quorum if a majority of all its members is present. Each member of the Board of Directors has one vote when making decisions.
- The Board of Directors makes decisions by a majority of the votes of all its members (i.e. by a majority of the number of members of the Board of Directors determined by the by-laws). In the event of a tie, the Chairman of the Board of Directors shall not have the casting vote.
- The Board of Directors may take decisions outside the meeting in writing or using technical means. The consent of a majority of the votes of all members of the Board of Directors is required for such a decision-making process and for the adoption of a decision of the Board of Directors outside the meeting. The statement of each member of the Board of Directors, i.e. agreement or

disagreement to the method of decision-making outside the meeting and agreement or disagreement to the draft decision of the Board of Directors, must be made and delivered within a specified period of time and in a verifiable manner (delivery by e-mail is also allowed). The decision of the Board of Directors adopted in this way must be stated in the minutes of the next meeting of the Board of Directors.

- In decision-making by the Board of Directors outside the meeting, the Chairman or Vice-Chairman of the Board of Directors, or authorized member, shall ensure all associated organizational activities.

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

The powers of the Board of Directors further include, in particular, the following:

- Ensuring proper keeping of prescribed records and accounting,
- Informing the Supervisory Board about the Company's affairs,
- Convening the General Meeting, or requesting the sole shareholder to make a decision in the exercise of the powers of the General Meeting,
- Implementing valid resolutions of the General Meeting,
- Making decisions on the Company's wage policy,
- Concluding contracts on behalf of the Company with members of the Board of Directors and members of the Supervisory Board in accordance with the law.

The Board of Directors is obliged to request the prior consent of the Supervisory Board to the implementation of these decisions (i.e. to the following legal acts through which such a decision is implemented):

- On investments with a total financial volume exceeding CZK 10,000,000
- On any disposition with ownership interests (shares) of the Company in other legal entities, including their acquisition,
- On acceptance or provision of a loan or credit, or to carry out another financial transaction with a total financial volume exceeding CZK 10,000,000; this does not apply in the relationship between controlling and controlled entities or between controlled entities to each other, as well as to financial transactions within investments for which the Supervisory Board has already given its consent or within annual plans on which the Supervisory Board has already given a positive opinion and to short-term financial transactions within one year,
- On the pledge or theft of immovable property, if its remaining accounting value exceeds CZK 10,000,000,
- On the lease or usufructuary lease of immovable property for an indefinite period or for more than 6 months in the case of a lease for a definite period, if its remaining accounting value exceeds CZK 10,000,000; this does not apply to the lease of immovable property in the relationship between the controlling and controlled entities or between the controlled entities to each other,
- On the conclusion of a contract under which the Company is to pledge or dispose of movable property whose remaining accounting value exceeds CZK 10,000,000, unless it is a contract in the ordinary course of business,
- On securing a debt in the form of a guarantee in favour of third parties (except the relationship between the controlling and controlled entities or between the controlled entities to each other).

The Board of Directors must request the opinion of the Supervisory Board on the following matters:

- On the intention to convene a General Meeting and determine the agenda of its meeting,
- On the supporting documents, for the General Meeting in full, including draft resolutions,
- On the draft annual plan (budget) and its amendments,
- On the proposal for determining the competence and responsibility in a certain part of the business management of individual members of the Board of Directors,
- On the proposal to make fundamental changes in the Company's organization,
- On the proposal of the Company's representatives to the bodies of those companies in which the

Company has an ownership interest,

- On the proposal to establish additional funds of the Company and the rules for their use,
- On the decision on the performance of a legal, economic, technical or environmental audit and in accordance with law, disclosure of information resulting therefrom, which does not exclude or limit the right of the Board of Directors to make a decision on such an audit within the business management of the Company independently, without a decision of the General Meeting for the needs of the Company
- On transfer of immovable property owned by the Company, in particular in cases of its alienation, pledge, exchange or any other disposition, in all other cases not regulated by the by-laws.

The Board of Directors must inform the Supervisory Board in particular about:

- Significant contracts concluded with customers and suppliers,
- Contracts concluded beyond the ordinary course of business,
- Changes to the organization rules and signature rules of the Company,
- Wage development in the Company,

The Board of Directors is obliged to submit to the Supervisory Board:

- Annual, extraordinary, consolidated, and/or interim financial statements for review,
- Proposal for the distribution of profit or other own resources, including proposal for the amount and date of payment of dividends and royalties for review,
- Proposal for settlement of loss for review,
- Report on relationships (in the event that the Company has a sole shareholder, the Supervisory Board will discuss the report) for review, drawn up within three months from the end of the accounting period,
- Interim financial results of the Company for discussion,
- Annual Report of the Company for discussion.

In 2021, 16 meetings of the Board of Directors took place. In 2022, four meetings of the Board of Directors took place before the closing date of the Annual Report.

#### Members of the Board of Directors from September 1, 2020 to December 31, 2021

Chairman:	Ing. Petr Závodský, Date of birth 1 October 1970	Date of appointment: 20 March 2019 Date of membership: 16 March 2019
Vice-Chairman:	Ing. Zbyněk Mrázek, Date of birth 23 October 1961	Date of appointment: 3 September 2020 Date of membership: 1 September 2020
Member:	Ing. Jiří Beneš, Date of birth 24 December 1955	Date of membership: 1 November 2016, 2 November 2020
Member:	Mgr. Jan Fajt, Date of birth 6 December 1977	Date of membership: 1 August 2020
Member:	Ing. Jiří Füzér, Date of birth 3 February 1982	Date of membership: 1 August 2020

#### Members of the Board of Directors from 1 January 2022

Chairman:	Ing. Petr Závodský, Date of birth 1 October 1970	Date of appointment: 20 March 2019 Date of membership: 16 March 2019
Vice-Chairman:	Ing. Zbyněk Mrázek, Date of birth 23 October 1961	Date of appointment: 3 September 2020 Date of membership: 1 September 2020
Member:	Ing. Pavel Kamenický, Date of birth 12 August 1975	Date of membership: 1 January 2022
Member:	Mgr. Jan Fajt, Date of birth 6 December 1977	Date of membership: 1 August 2020

Member:	Ing. Jiří Füzér, Date of birth 3 February 1982	Date of membership: 1 August 2020
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#### Working Commissions, Teams, and Committees of the Board of Directors or its Members

In 2021, the Company did not set up any working commissions, teams or committees of the Board of Directors or its members.

#### Remuneration of Members of the Board of Directors

Members of the Board of Directors are entitled to a monthly remuneration for each calendar month under the service contracts.

Extraordinary remuneration may be provided to a member of the Board of Directors only with the express consent of the sole shareholder in the exercise of the powers of the General Meeting of the Company.

According to the by-laws, the share in the profit may also be distributed among the members of the Board of Directors and the Supervisory Board (royalties), or among other persons, only on the basis of a decision of the General Meeting. At the same time, the General Meeting shall define the conditions for the payment of royalties.

Performance other than that to which the right derives from legislation or from a service contract may be provided to a member of the Board of Directors only with the express consent of the sole shareholder in the exercise of the powers of the General Meeting of the Company and statement of the Supervisory Board.

## Top Management

### **From 06/2020 to 02/2021**

Chief Executive Officer	Ing. Petr Závodský
Finance, Administration Section Director (PMO)	Ing. Jiří Beneš
VJE Engineering Section Director	Ing. Viktor Černý
Quality and Safety Section Director	Ing. Jiří Füzér
Commercial Section Director	Mgr. Jan Fajt
VJE Preparation and Implementation Section Director	Ing. Martin Uhlíř

### **From 03/2021 to 12/2021**

Chief Executive Officer	Ing. Petr Závodský
Site Manager	Ing. Zbyněk Mrázek
Finance, Administration Section Director (PMO)	Ing. Jiří Beneš
Quality and Safety Section Director	Ing. Jiří Füzér
Engineering Section Director	Ing. Viktor Černý
Commercial Section Director	Mgr. Jan Fajt
Preparation and Implementation Section Director	Ing. Martin Uhlíř, MBA

### **From 01/2022 to the closing date of the Annual Report**

Chief Executive Officer	Ing. Petr Závodský
Site Manager	Ing. Zbyněk Mrázek
Finance, Administration Section Director (PMO)	Ing. Pavel Kamenický
Quality and Safety Section Director	Ing. Jiří Füzér
Engineering Section Director	Ing. Viktor Černý
Commercial Section Director	Mgr. Jan Fajt
Preparation and Implementation Section Director	Ing. Martin Uhlíř, MBA

Elektrárna Dukovany II, a. s., did not set up any other bodies in 2021.

## Principles of Corporate Governance Compliance

Corporate governance is based on the recommendations of the G20/OECD Principles of Corporate Governance, 2015.

The Company places great emphasis on compliance with all statutory shareholder rights. All substantial changes in the Company are decided by the sole shareholder within the scope of the General Meeting in accordance with the law and by-laws. The company strictly adheres to the principle of transparency and openness of information, not only in connection with the convening of the General Meeting, but also in relation to information about events in the Company, including financial results, business plans and relationships with related parties. The company adheres to the principle of timely and accurate publication of essential information. The members of the Company's bodies act with due diligence, carefully and in an informed manner and comply with legislation in their actions. The powers and responsibilities of the individual bodies of the Company are clearly defined in the Company's by-laws. More detailed information on the Company's bodies, a description of the manner of their establishment, their scope and composition, and a description of the remuneration of their members can be found in Chapter "Company Governance Bodies" of this Annual Report.

The Company follows the rules regulated for this area by legislation, in particular the Act on Business Corporations, the Civil Code and the Act on Criminal Liability of Legal Entities. At the same time, the Company respects the principles of good corporate governance regulated at the level of the European Union.

As a member of ČEZ Group, Elektrárna Dukovany II, a. s., adopts ČEZ Group's long-term vision of bringing innovations to address energy needs and contribute to a better quality of life. It also adopts the accelerated strategy VISION 2030 - Clean Energy of Tomorrow and in line with ambitious emission-free goals it meets the strategic goal of constructing at least one new nuclear unit.

Business activities of Elektrárna Dukovany II, a. s., are governed by strict ethical standards that include responsible behaviour toward employees, society, and the environment. As part of its business activities, it adheres to the principles of sustainable development with emphasis on the area of ESG (Environmental, Social, Governance), which is an integral part of its management.

As a member of ČEZ Group, Elektrárna Dukovany II, a. s., respects and accepts the principles of corporate compliance applied within ČEZ Group.

## Strategic Plans

### Strategic Plan of the Company

Elektrárna Dukovany II, a. s., as a special purpose subsidiary of the parent company ČEZ, a. s., ensures the development of the New Nuclear Source at the Dukovany Site project according to the specification approved in the business plan of the project, whose current revision covers the period until July 2024. It is based on the fact that the National Action Plan for the Development of Nuclear Energy in the Czech Republic, in connection with the State Energy Policy, requires the continuation of the preparation of the project for the construction of nuclear units at the Dukovany Site. On 28 July 2020, the State, represented by the Ministry of Industry and Trade, ČEZ, a.s., and Elektrárna Dukovany II, a.s., concluded two important agreements - "Framework Agreement on Cooperation in the Construction of a New Nuclear Source in the Czech Republic" and "First Implementing Agreement on Cooperation in the Construction of a New Nuclear Source at the Dukovany Site in the Czech Republic". These agreements enable the State to gain the necessary control over the New Nuclear Source at the Dukovany Site project with regard to the basic security interests of the Czech Republic. The first implementing agreement includes activities carried out in the first phase of cooperation on the New Nuclear Source at the Dukovany Site project, covering the period from the signing of the agreements to the signing of the EPC contract.

The Company's current business plan is compiled until 2026, is part of ČEZ Group's business plan for the period, and is approved by the General Meeting.



## Report on Business Activity

Elektrárna Dukovany II, a. s., is a part of ČEZ Group's consolidation unit.

### Financial Results of the Company

#### Overview of Revenues and Expenses for 2021

Items in th. CZK	
Sales of services revenues	556
Power consumption	39,941
Capitalization (-)	(205,579)
Salaries and wages	195,043
Adjustments of values in the operating area	1,528
Other operating revenues	3,881
Other operating expenses	12,808
<b>Operating income (+/-)</b>	<b>(39,304)</b>
Interest income	642
Interest expenses	1
Other financial income	320
Other financial expenses	58
<b>Financial income</b>	<b>903</b>
Income before income tax (+/-)	(38,401)
Income tax on ordinary activities	(3,106)
<b>Income from ordinary activities</b>	<b>(35,295)</b>

#### Cash flow

Cash flow	th. CZK
Cash and cash equivalents at the beginning of the accounting period	0
Net cash flow from operating activities	(12,347)
Net cash flow attributable to investing activities	(305,809)
Net cash flows attributable to financing activities	318,156
<b>Cash and cash equivalents at the end of the period</b>	<b>0</b>

The Company is involved in the real cash pooling of ČEZ Group administered by Komerční banka, a.s.

#### Structure of Assets and Liabilities

##### Assets

As at 31 December 2021, the value of assets amounted to CZK 1,814,425 thousand, of which tangible fixed assets were CZK 1,696,342 thousand, current assets were CZK 116,909 thousand, and accruals were CZK 1,174 thousand.

Tangible fixed assets in the amount of CZK 1,696,342 thousand consisted of the net book value of lands and buildings in the amount of CZK 356,369 thousand, the net book value of the active valuation

difference in the amount of CZK 9,534 thousand, and the value of unfinished investments and provided advances for tangible fixed assets in the amount of CZK 1,330,439 thousand.

Current assets amounted to CZK 116,909 thousand. Short-term receivables consist mainly of a receivable for the controlling entity within the so-called cash pooling in the amount of CZK 104,787 thousand.

### **Liabilities**

The value of liabilities amounted to CZK 1,814,425 thousand, while the value of stated capital registered in the public register was CZK 969,000 thousand.

Short-term liabilities in the amount of CZK 69,127 thousand mainly represent trade payables in the amount of CZK 14,319 thousand and other liabilities in the amount of CZK 54,808 thousand (these are mainly outstanding contingent liabilities created for unbilled deliveries for services materially and temporally related to the year 2021).

### **Investments**

The main investment project is the continuation of the development of the New Nuclear Source at the Dukovany Site project. In the past, this investment project was initiated and developed in ČEZ, a. s., and by a decision of the General Meeting of ČEZ, a. s., it was allocated to Elektrárna Dukovany II, a. s., as at 1 October 2016, where the development of this investment project in progress continues.

Elektrárna Dukovany II, a. s., spent funds in 2021 for investments in fixed assets in the amount of CZK 292,870 thousand.

### **Risk Management**

Elektrárna Dukovany II, a. s., uses ČEZ Group's integrated risk management system. Under a concluded contract, individual activities are provided by ČEZ, a. s. In accordance with ČEZ Group's risk management system, the Company primarily evaluates market and credit risks.

The identification of insurance risks and the management of insurance contracts are an important part of the system.

#### Risk Management

With regard to its main mission, Elektrárna Dukovany II, a. s., has implemented a systematic, transparent and reliable risk management system for the New Nuclear Source at the Dukovany Site project in accordance with international risk management standards according to ISO 31000 and follow-up ISO 31010. Risks are systematically identified, harmonized in the risk register and analysed. Subsequent identification of measures for individual risks ensures future mitigation or direct elimination of these risks. Potential uncertainties endangering the project's objectives are identified through risk analysis in a timely manner and reliably addressed. A sophisticated analysis of the construction budget and schedule of NPP Dukovany NNS from the point of view of the impact of individual risks is provided.

#### Insurance

The Company is insured under comprehensive insurance in ČEZ Group. As it does not currently own effectively insurable tangible assets, property insurance has not been arranged. On the contrary, general liability insurance and liability insurance for members of the Company's statutory and supervisory bodies have been arranged.

#### Internal Audit

The Company uses ČEZ Group's integrated internal audit system, through which the Company's management and governance bodies are assured that the internal management and control system is functional and all significant risks are adequately managed. This contributes to achieving the goals of ČEZ Group and initiates improvement of the activities and reduction of business risks.

Since July 2020, ČEZ's Internal Audit Section has carried out continuous cost monitoring in the Company, which covered the period from January 2020 and is planned until July 2024. In addition to continuous cost monitoring, two other comprehensive audits of the functioning of internal systems were conducted. The results for 2021, including recommendations, were discussed and implemented.

## Safety and Quality Management

Elektrárna Dukovany II, a. s., has implemented and maintains the management system that contributes to ensuring and increasing the level of safety and to achieving the required level of quality of processes, activities, products and services.

The management system of Elektrárna Dukovany II, a. s., is based on existing legislation and recommendations of international organizations, in particular Act No. 263/2016 Coll., Atomic Act (Atomic Act) and Decree No. 408/2016 Coll., on management system requirements (Decree on Management System).

Within the management system of Elektrárna Dukovany II, a. s., the requirements of ČEZ Group are implemented in the form of relevant group policies and instruments.

The top document which describes the management system is the management system programme. Elektrárna Dukovany II, a. s., fulfils ČEZ Group's safety and environmental protection policy. In order to ensure specific activities in accordance with the requirements of the Atomic Act and Decree on Management System, Elektrárna Dukovany II, a. s., has issued and implements the safety policy, which develops the Group's safety and environmental protection policy of ČEZ Group.

The basic elements of the management system are considered to be the process model, organizational structure (including definition of responsibilities and powers) and the management system documentation, including working documentation.

The process model identifies the processes and activities that are necessary to achieve the set objective of the management system. The processes and activities are identified in such a way as to effectively contribute to ensuring and increasing the level of safety. The main processes used in securing the NNS EDU project include, in particular, the processes of the area of I01 NNS Project Management and B05 Safety of EDU II.

The organizational structure sets out all the necessary levels of management, with the sections responsible for monitoring and evaluating the level of safety and quality being an integral part thereof.

Relevant requirements for safety and required quality are fully implemented in the management system documentation.

The management system is regularly monitored, evaluated and reviewed in terms of its effectiveness, and based on the results obtained, measures are taken to improve the management system.

## Operation of the Company

### Business Activities

Elektrárna Dukovany II, a. s., is a project company (special purpose vehicle), to which the parent company allocated the project “New Nuclear Source at the Dukovany Site” in 2016, for which project financing is provided by the parent company in its first stage and which was provided by the parent company with a significant increase in staff numbers in 2020. This created the preconditions for the project company Elektrárna Dukovany II, a. s., to fulfil its basic mission - to ensure the construction and subsequent operation of one nuclear unit in the Dukovany Site.

The business activities of Elektrárna Dukovany II, a. s., include currently, according to the Commercial Register, the following:

- Lease of real estate, residential and non-residential premises
- Generation, trade and services not listed in Annexes 1 to 3 to the Trade Licensing Act

The scope of activities registered in the Commercial Register is as follows:

- Management of own assets

The business activities and the scope of activities will be specified in the future according to the current state of the project.

### Business Environment

The basic framework determining the business environment relevant for Elektrárna Dukovany II, a. s., includes the fundamental conceptual documents of the Czech Republic in the field of energy, approved in 2015, which are the updates of the State Energy Policy (ASEK) and the National Action Plan for the Development of the Nuclear Energy Sector in the Czech Republic (NAP JE).

The State Energy Policy (SEK) is a key state strategic document in the field of energy and gives a strategic specification for the development of the Czech energy sector until 2040. The mission of the SEK is to ensure a reliable, secure and environmentally friendly supply of energy for the needs of the population and the national economy, as well as to ensure that the Czech Republic has a stable supply of energy even in potential crisis situations. The SEK also takes into account the objectives of the European Union’s climate and energy policy. The approval of the SEK was a step towards creating a more stable and predictable environment in the energy sector, however, the follow-up tasks arising therefrom further shape the direction of ČEZ Group.

In the long term, the plans of the Czech Republic and the European Union in the field of energy and climate have a fundamental influence on business activities in the energy sector. Decarbonisation has been the number one topic in the energy industry for many years. Efforts to reduce CO<sub>2</sub> emissions became a truly global target in 2021. The European Commission has further specified the parameters of the “Green Agreement for Europe” and ambitious targets for reducing CO<sub>2</sub> emissions, building renewable energy sources, and set out a method of classifying the sustainability of individual types of generation sources. The European Commission has approved the conditions under which it is possible to classify nuclear sources as sustainable sources within the so-called green taxonomy; nuclear power plants must obtain a building permit by 2045 at the latest.

In terms of the expected use of individual types of resources, the State Energy Policy emphasizes decarbonization in connection with the expected life of coal resources in the period until 2040. In particular, the SEK proposes greater diversification of resources and an interest in maintaining the current full independence in the supply of electricity and heat, but without significant export of the energy produced. This can only be achieved through the further development of the nuclear energy sector in the Czech Republic; the National Action Plan for the Development of the Nuclear Energy Sector in the Czech Republic addresses this issue in detail.

The NAP JE, as a document following the SEK, defines, from the State’s point of view, the start of preparations for the construction of nuclear reactors at the sites of the existing ČEZ nuclear power plants - at the Dukovany and Temelín Sites as desirable.

In order to fulfil the tasks of the NAP JE, the Government set up the Standing Committee for Nuclear Energy (SVJE) in January 2016 and subsequently filled the position of Government Plenipotentiary for Nuclear Energy. In February 2019, the name was changed to the Standing Committee for the

Construction of New Nuclear Sources (SVVNJZ). In addition expert working groups set up by the Standing Committee work within this framework.

## Legislation in the Czech Republic and European Union Legislation

*Notice: This chapter contains selected information on legislation and was created with the utmost care. However, it cannot be understood as qualified legal advice or a complete list of relevant laws. Elektrárna Dukovany II, a. s., is not responsible for any legal act that anyone performs or waives on the basis of the given overview.*

The activities of Elektrárna Dukovany II, a. s., are significantly affected by basic legislation governing private-law relationships in the Czech Republic and the position and activities of business corporations - Act No. 89/2012 Coll., Civil Code, and Act No. 90/2012 Coll., on Business Companies and Cooperatives (Business Corporations Act), both effective from 1 January 2014. The Civil Code was amended in the period in question by Act No. 460/2016 Coll., while this amendment (part) entered into force on 1 January 2018, and the above-mentioned regulation was amended by Act No. 303/2017 Coll., which entered into force on 1 January 2018, Act No. 111/2018 Coll., which entered into force on 1 July 2018, Act No. 171/2018, which entered into force on 1 December 2018, Act No. 163/2020 Coll., which entered into force on 1 July 2020, Act No. 33/2020, which entered into force on 1 January 2021, and Act No. 192/2021 Coll., which entered into force on 1 July 2021.

Together with this general legislative framework for Elektrárna Dukovany II. a. s., key legislation for the field of nuclear energy is based on the Atomic Act, as amended by Act No. 183/2017 Coll., and Act No. 403/2020 Coll., and Act No. 264/2016 Coll., amending certain acts in connection with the adoption of the Atomic Act (both Acts entered into force on 1 January 2017) and regulations, which implement the above-mentioned Acts, or amend the implementing regulations.

For Elektrárna Dukovany II, a. s., legislation in particular in the area of public procurement and building law is also important in connection with the main mission of the Company. The new Building Act is the key regulation in this area, which was published on 29 July 2021 in the Collection of Laws under No. 283/2021 Coll., and Act No. 284/2021 Coll., which amends certain acts in connection with the adoption of the Building Act. Most of the provisions of both regulations will take effect on 1 July 2023, however, at present, proposals have been submitted to the Chamber of Deputies within the new legislative process, the subject of which is both a change in the effectiveness of adopted laws and a change in selected provisions.

Other important legislation, in particular from the point of view of project financing, is Act No. 367/2021 Coll., on measures for the transition of the Czech Republic to low-carbon energy and on the amendment of Act No. 165/2012 Coll., on supported energy sources. The Act entered into force on 1 January 2022.

Due to the membership of the Czech Republic in the European Union, EU legislation is also relevant for the Czech Republic. When adapting their national law, Member States are obliged to implement EU legal acts (in the case of directives) or to comply with them directly (in the case of regulations and decisions). At this level, new legislation was amended and adopted in 2021, including announcement of new proposals by the European Commission, whose activities are significant for ČEZ Group's business activities.

For the needs of Elektrárna Dukovany II, a. s., and the projects for new nuclear sources, extensive legislative monitoring is introduced, which includes proposals or changes in legislation of the Czech Republic, the European Union as well as requirements and recommendations of selected international organizations such as the International Atomic Energy Agency. (IAEA) and the Western European Nuclear Regulators Association (WENRA).

## Developments in the Relevant Raw Materials Markets

Commodity prices and their development are not directly related to the current operations of Elektrárna Dukovany II, a. s. On the other hand, forecasts of future evolution of commodity and electricity prices fundamentally affect the economic parameters of the planned project "New Nuclear Source at the Dukovany Site", have a direct connection with the project financing model, prepared in cooperation with the parent company and the State and are thus, in addition to strategic and security considerations of the State, an important factor for making decisions on the implementation of the project.

Electricity prices on the Central European market are significantly affected by the development of world commodity prices. The price of oil and coal has the most significant impact on the price of electricity, as

well as the price of emission allowances, and to a lesser extent the price of gas. Electricity prices are also affected by the development of electricity demand and the development of generation capacity, reflecting technological development and regulatory conditions in Europe and the growth of installed renewable power in Europe, benefiting from massive financial support in many EU countries.

## Research and Development

ČEZ Group's research and development coordination system makes it possible to define key activities with the optimal form of dealing with research and development projects across ČEZ Group. Areas and topics with significant application potential are emphasized. Research and development support in ČEZ Group is also focused on nuclear energy, in particular long-term research in the areas of nuclear power plant system safety and resilience.

Elektrárna Dukovany II. a. s., due to its very short history, economic situation and main mission, does not yet participate in these activities. However, the Company supports international cooperation in defining technical and safety requirements for new nuclear power plant projects within the European Utility Requirements Association and has actively participated in the certification of selected projects according to EUR. Of important international cooperation is also the SIGMA-2 project, aimed mainly at specifying the seismic hazard of nuclear sites in the Czech Republic.

Another area of potential future development in the field of nuclear energy, monitored by the Company, are, in addition to the conventional large units to cover the needs of the base load, the so-called SMR (small and modular reactors) units. The situation in the field of SMRs development is very dynamic in the world, various concepts of small and modular reactors are emerging, whereas the time horizon of future prototypes and licensing conditions can so far only be predicted. ČEZ Group has concluded memoranda with NuScale, GE Hitachi and Rolls Royce, which are developing SMRs. The first commercial SMR installations in the countries of origin are expected to take place at the end of this decade at the earliest. ČEZ Group is currently focusing its attention mainly on the study of the possibilities of the future deployment of SMRs in the Czech Republic for power generation, or combined heat and power generation. The affiliated company, Elektrárna Temelín II, a. s., has completed the feasibility study in cooperation with the ÚJV Řež Group. However, SMR units are not currently planned for construction at the Dukovany Site.

## Donorship

Social responsibility is an integral part of all ČEZ Group activities. It has long supported projects in its surroundings through sponsorship and corporate donorship, for example in the fields of education, culture, sports, environmental protection and community life.

Elektrárna Dukovany II. a. s., due to its very short history and in particular with regard to the economic results, does not independently participate in these activities beyond the activities of ČEZ Group.

Acceptance of nuclear energy in society as a whole and the New Nuclear Source at the Dukovany Site project in the regions adjacent to the site of the anticipated construction bring significant challenges in this area for the future.

## Human Resources

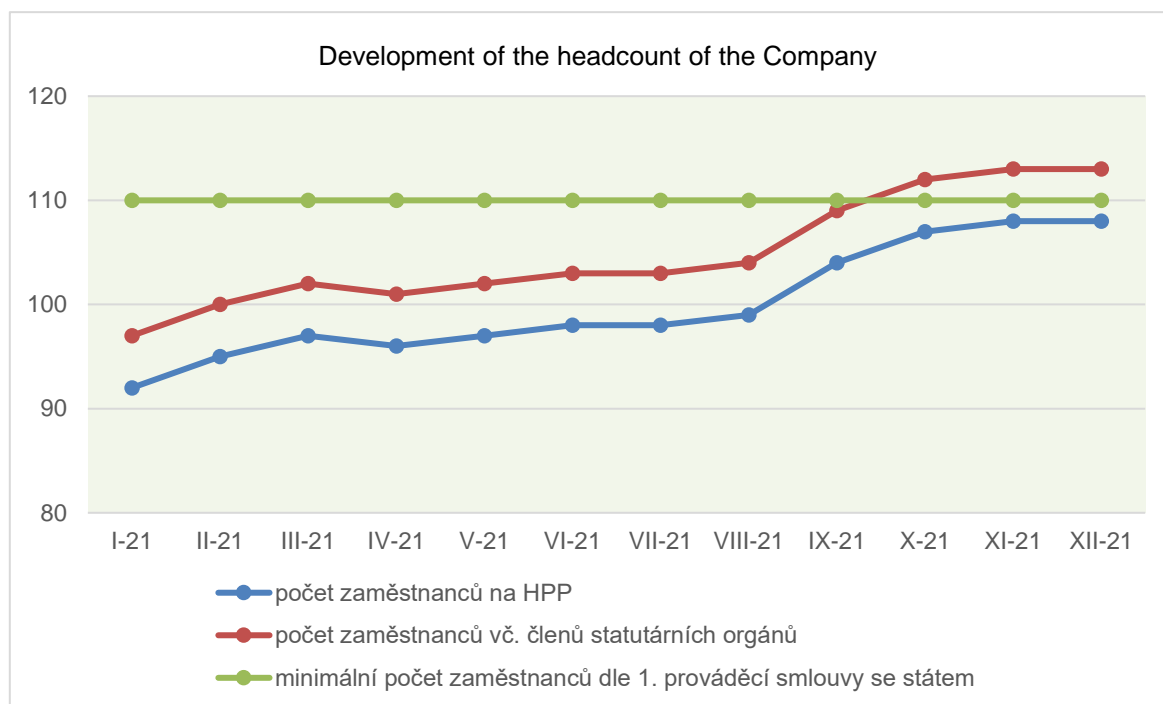
### Headcount Changes

As at December 31, 2021, Elektrárna Dukovany II, a. s. employed 108 people on a full-time basis (i.e. excluding members of statutory governance bodies), which was 24 more people year-on-year. As at the closing date of the Annual Report, the company employed 115 people on a full-time employment basis (i.e. excluding members of the statutory bodies).

In addition, the company had 9 work performance agreements concluded in 2021.

Members of the Company's statutory bodies (as at December 31, 2021, a total of five members) perform activities under service contracts.

Development of the headcount of the Company												
month 2021	01	02	03	04	05	06	07	08	09	10	11	12
Number of full-time employees	92	95	97	96	97	98	98	99	104	107	108	108
Number of employees including members of statutory bodies	97	100	102	101	102	103	103	104	109	112	113	113
Minimum number of employees under the first implementing agreement with the State	110	110	110	110	110	110	110	110	110	110	110	110



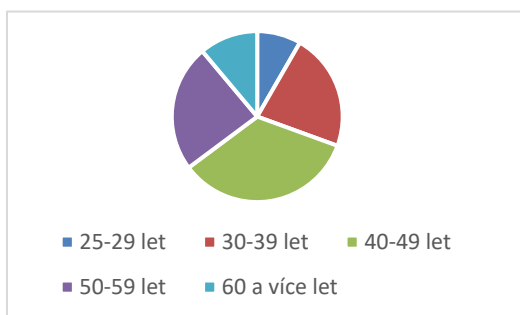
počet zaměstnanců na HPP	Number of full-time employees
počet zaměstnanců vč. členů statutárních orgánů	Number of employees including members of statutory bodies
minimální počet zaměstnanců dle 1. prováděcí smlouvy se státem	Minimum number of employees under the first implementing agreement with the State

The place of work of the Company's employees including statutory bodies was at the following addresses:

- Prague 4; 140 00; Duhová 1444/2 (34 full-time employees)
- Dukovany; 675 50; Dukovany NPP (19 full-time employees)
- Temelín; 373 05; Temelín NPP (60 full-time employees)

Structure of employees as at December 31, 2021 by age

Age category	Persons	%
25-29 years	9	9
30-39 years	24	22
40-49 years	37	34
50-59 years	26	24
60 years and over	12	11
<b>Total</b>	<b>108</b>	<b>100</b>



25-29 let	25-29 years
30-39 let	30-39 years
40-49 let	40-49 years
50-59 let	50-59 years
60 a více let	60 years and over

Structure of employees as at December 31, 2021 by level of education successfully completed

Level of education successfully completed	Persons	%
Upper secondary level	5	5
University	103	95
<b>Total</b>	<b>108</b>	<b>100</b>



Úplné střední	Upper secondary level
Vysokoškolské	University

The average age of full-time employees was 44.6 years.

## Strategic Recruitment

With regard to the Company's situation in 2021, the strategic recruitment instruments provided by the parent company within ČEZ Group were not used. In connection with the further future development of the Company and the NNS EDU project, it can be assumed that strategic recruitment will be one of the key conditions for the successful development of the project.

## Training Programme

Employees and members of statutory bodies participate in training and other educational activities provided by the parent company within ČEZ Group. For their ongoing development, the training programme focuses on:

- Training to meet basic qualification requirements in accordance with the requirements of the relevant legislation, e.g., fire protection training or occupational safety training.
- Training to acquire necessary knowledge and skills beyond the required qualifications, e.g., training for project management, conducting business negotiations, etc.
- Training for managers - managerial growth programmes, including, but not limited to, development of leadership, mentorship and coaching skills.
- Training for work with talent and successors.

## Welfare Policy

Employees of Elektrárna Dukovany II, a. s., enjoy all the benefits of the welfare policy implemented in ČEZ Group. This consists of a wide range of activities and benefits, both monetary and non-monetary, provided to employees, which are covered by the Collective Agreement of Elektrárna Dukovany II, a. s.



Employees earn wages in accordance with ČEZ Group's long-term financial performance and its position in the labour market. ČEZ Group companies provide employees with a defined range of benefits such as a shortened 37.5-hour working week, paid vacation extended by one week beyond the statutory right, eligibility to paid leave beyond the statutory scope, and working from home. ČEZ Group companies also provide their employees with an extra wide range of perquisites such as personal accounts intended primarily to cover costs of recreation and leisure-time activities, contributions to supplementary pension plans, life insurance, employee meal plans, sickness benefits, special bonuses for jubilees and on retirement, interest-free loans, and one-off social assistance in extraordinary cases. Since 2020, employees can take two sick days with salary compensation at 65% of their average pay.

## Relations with Trade Unions

The Independent Trade Union of the Temelín Nuclear Power Plant (NOO JETE) has been operating in Elektrárna Dukovany II a. s., since 1 June 2020. A collective agreement was concluded between this Trade Union and Elektrárna Dukovany II, a. s., on 9 June 2020, with effect from 1 June 2020, for the period 2020-2022. Since 2020, regular meetings of the employer with a representative of the Trade Union have taken place, during which information is provided to the Trade Union and organizational changes and other topics stipulated by the Labour Code and the collective agreement have been discussed. In 2021, collective bargaining was also held on an amendment to the valid collective agreement, which was completed by Amendment No. 2 on 20 December 2021.

## Changes in Ownership Interests

In 2021 there was no change in ownership interests - ČEZ, a. s., is a permanent 100% owner of Elektrárna Dukovany II, a. s.

There was no contribution associated with the stated capital increase during 2021.

The financing of the New Nuclear Source at the Dukovany Site project as well as the operation of Elektrárna Dukovany II, a. s., was provided by the parent company ČEZ, a. s., in 2021, in the form of equity surcharge of the Company outside the stated capital under the surcharge agreement.

## Legal and Other Proceedings

### Legal Proceedings

Elektrárna Dukovany II, a. s., does not register any legal case against the Company.

Elektrárna Dukovany II, a. s., was the initiator of one legal case. On 3 April 2018, the Company brought an administrative action with the Regional Court in Brno against the decision of the administrative body - the Appellate Financial Directorate in Brno, which dismissed the Company's appeal against the additional payment order of the Tax Office for the Vysočina Region for real estate acquisition tax in connection with the contribution of a part of a commercial plant. On 20 May 2020, the Regional Court in Brno decided to annul the decision of the Appellate Financial Directorate, agreed with the opinion of Elektrárna Dukovany II, a. s., and returned the case for a new decision. Subsequently, on 3 June 2020, the Appellate Financial Directorate in Brno filed the cassation appeal with the Supreme Administrative Court in Brno against the judgement of the Regional Court in Brno. Elektrárna Dukovany II, a. s., sent a statement to the cassation appeal, maintaining its legal opinions already stated in the administrative action. On 19 August 2020, the cassation appeal was dismissed by the judgement of the Supreme Administrative Court in Brno (9 Afs 138/2020–32), thus satisfying the appeal of Elektrárna Dukovany II, a. s., and the dispute was finally terminated. According to the judgement of the Supreme Administrative Court in Brno, the Appellate Financial Directorate in Brno issued a new decision on 17 March 2021, assessing the tax in the correct amount and returned the unduly originally assessed tax to Elektrárna Dukovany II, a. s. During April and May 2021, the financial administration decided to return the additional costs.

### Other Proceedings

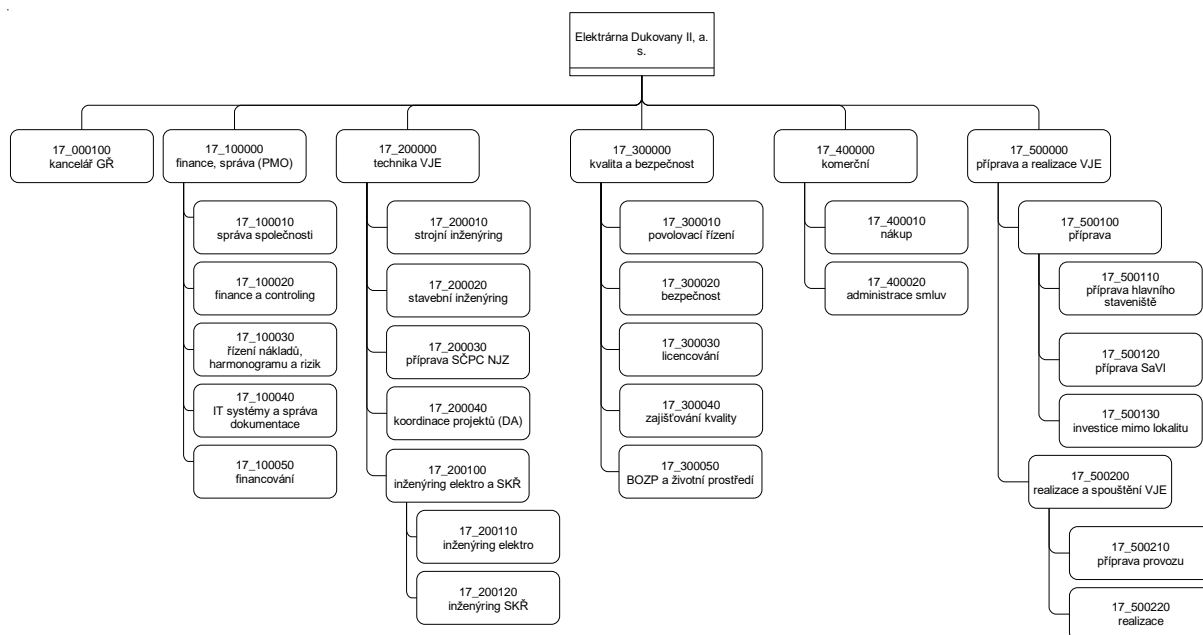
Elektrárna Dukovany II, a. s., is not a party to any arbitration or other similar proceedings.

## Basic Organizational Chart of the Company

### Organizational Chart from 1 June 2020 to 28 February 2021

As at 1 June 2020, a major organizational change was made in Elektrárna Dukovany II, a. s. Its goal was to set up the organizational structure and systemization of job positions after the transfer of rights and obligations arising from employment relationships of employees transferred from ČEZ, a. s., to Elektrárna Dukovany II, a. s., pursuant to Section 338 (2) of Act No. 262/2006 Coll., the Labour Code. The reason for the transfer of activities and employees was the current development in the field of resource, when it was necessary to ensure maximum focus on the New Nuclear Source at the Dukovany Site project and also fulfil the condition of a fully functional company for concluding the first implementing agreement.

A fundamental organizational change in Elektrárna Dukovany II, a. s., was implemented on the basis of a decision of the Board of Directors of the company and was directly related to the organizational change in ČEZ, a. s.



Elektrárna Dukovany II, a. s.	Elektrárna Dukovany II, a. s. (Dukovany Power Plant II)
kancelář GR	CEO Office
finance, správa (PMO)	Finance, administration (PMO)
správa společnosti	Company administration
finance a controlling	Finance and controlling
řízení nákladů, harmonogramu a rizik	Cost, schedule and risk management
IT systémy a správa dokumentace	IT systems and documentation management
financování	Financing
technika VJE	VJE engineering
strojní inženýring	Mechanical engineering
stavební inženýring	Construction engineering
příprava SČPC NJZ	Preparation of NNS fuel cycle middle section
koordinace projektů (DA)	Project coordination (DA)
inženýring elektro a SKŘ	Electrical and I&C engineering
inženýring elektro	Electrical engineering
inženýring SKŘ	I&C engineering
kvalita a bezpečnost	Quality and safety
povolenací řízení	Permitting procedure
bezpečnost	Safety
licencování	Licensing
zajišťování kvality	Quality assurance

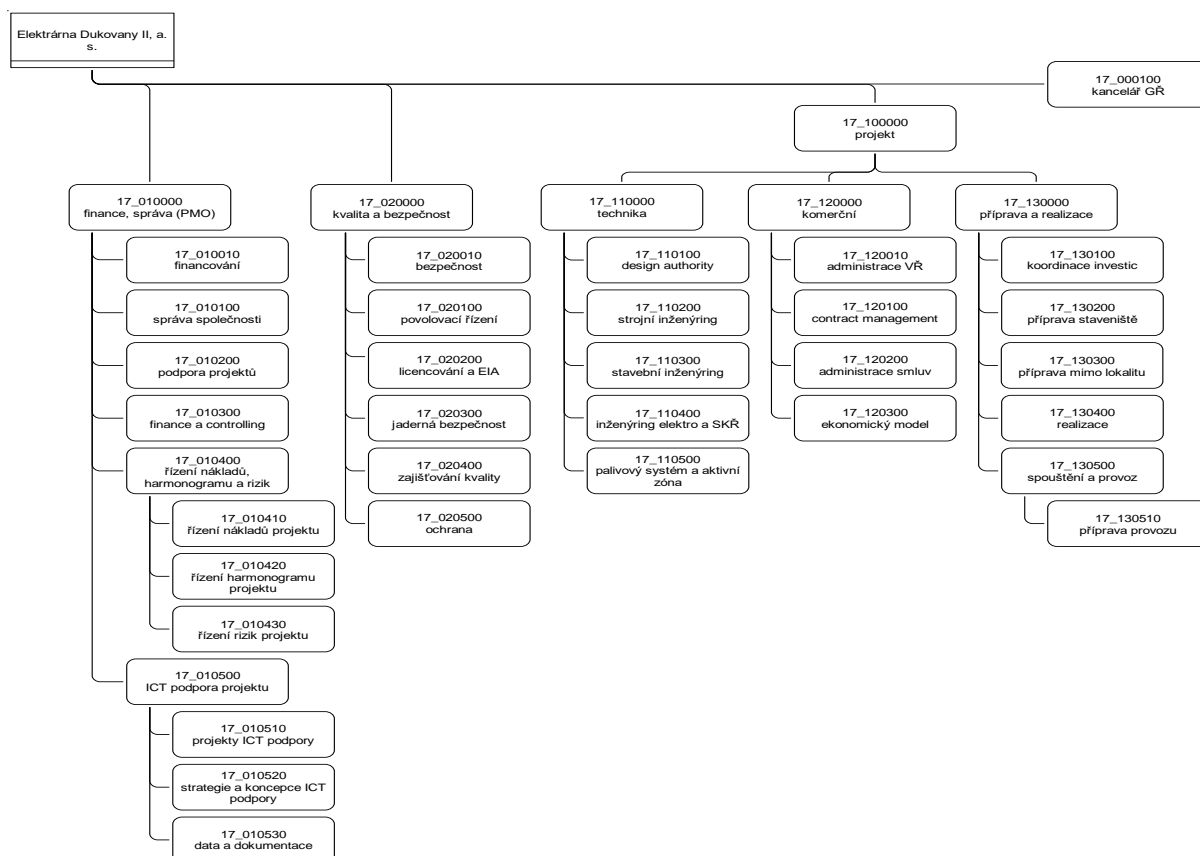
BOZP a životní prostředí	OHS and the environment
komerční	Commercial
nákup	Procurement
administrace smluv	Contract administration
příprava a realizace VJE	VJE preparation and implementation
příprava	Preparation
příprava hlavního staveniště	Main site preparation
příprava SaVI	SaVI preparation
investice mimo lokalitu	Off-site investments
realizace a spouštění VJE	VJE implementation and start-up
příprava provozu	Operation preparation
realizace	Implementation

### Organizational Chart from 1 March 2021 to the Closing Date of the Annual Report

As at 1 March 2021, another fundamental organizational change was made. Its aim was to optimize the organizational structure and systemization of job positions, which should contribute to the effective management of activities within the current and next phase of the New Nuclear Source at the Dukovany Site project in accordance with the framework and first implementing agreement.

As part of this systemization, the following arrangement of the sectional structure and level of management, established in ČEZ Group, was used.

Section code	Management level	Job name	Comment
1750	G	Chief Executive Officer	
17_x00000	G-1	Site Manager	
17_0x0000	G-2	Section Director	
17_000x00	G-3	Section Manager	
17_0000x0	G-4	Head of Section	
17_00000x	G-5	Team Leader	Not used in EDU II



Elektrárna Dukovany II, a.	Elektrárna Dukovany II, a. s.
kancelář GR	CEO Office
projekt	Project
finance, správa (PMO)	Finance, administration (PMO)
financování	Financing
správa společnosti	Company administration
podpora projektů	Project support
finance a controlling	Finance and controlling
řízení nákladů, harmonogramu a rizik	Cost, schedule and risk management
řízení nákladů projektu	Project cost management
řízení harmonogramu projektu	Project schedule management
řízení rizik projektu	Project risk management
ICT podpora projektu	Project ICT support
projekty ICT podpory	ICT support projects
strategie a koncepce ICT podpory	Strategy and concept of ICT support
data a dokumentace	Data and documentation
kvalita a bezpečnost	Quality and safety
bezpečnost	Safety
povolovací řízení	Permitting procedure
licencování a EIA	Licensing and EIA
jaderná bezpečnost	Nuclear safety/security
zajišťování kvality	Quality assurance
ochrana	Protection
technika	Engineering
design authority	Design authority
strojní inženýring	Mechanical engineering
stavební inženýring	Construction engineering
inženýring elektro a SKŘ	Electrical and I&C engineering
palivový systém a aktivní zóna	Fuel system and core
komerční	Commercial
administrace VR	VR administration

contract management	Contract management
administrace smluv	Contract administration
ekonomický model	Economic model
příprava a realizace	Preparation and implementation
koordinace investic	Investment coordination
příprava staveniště	Site preparation
příprava mimo lokalitu	Off-site preparation
realizace	Implementation
spouštění a provoz	Start-up and operation
příprava provozu	Operation preparation

## Contact Details

Contact details of the Company can be found on ČEZ Group's website.

## Abbreviations and Definitions

### Abbreviations

Abbreviation	Meaning	Comment
A SEK	Updated State Energy Policy	
CAPEX	Capital expenditures Capital expenditures	
ČSÚ	Czech Statistical Office	
DR	Supervisory Board (joint stock companies)	
EBITDA	Earnings before interests, taxes, depreciation and amortization Earnings before interests, taxes, depreciation and amortization	
EDU II	Elektrárna Dukovany II, a. s. (Dukovany Power Plant II)	Business name of the Company
ETE II	Elektrárna Temelín II, a. s. (Temelín Power Plant II)	Business name of the Company
EPC	Engineering, Procurement and Construction	Contract type
G20	international forum for the governments and central bank governors from 20 major economies international forum for the governments and central bank governors from 20 major economies	
HPP	Full-time employment	
IT	Information Technology	
KN	Real Estate Cadastre	
KPI	Key performance indicator Key performance indicator	
NAP JE	National Action Plan for the Development of the Nuclear Energy Sector in the Czech Republic	
NNS	New Nuclear Source	
NNS EDU	New Nuclear Source at the Dukovany Site	Project name
NNS ETE	New Nuclear Source at the Temelín Site	Project name
OECD	Organisation for Economic Co-operation and Development Organisation for Economic Co-operation and Development	
OR	Commercial Register	
PAS	Board of Directors of joint-stock company	
PPS	First Implementing Agreement on Cooperation in the Construction of a New Nuclear Source at the Dukovany Site in the Czech Republic	Signed between the State (Ministry of Industry and Trade of the Czech Republic), ČEZ and EDU II on 28 July 2020
PX	Prague Stock Exchange index	
GRS	Framework Agreement on Cooperation in the Construction of a New Nuclear Source in the Czech Republic	Signed between the State (Ministry of Industry and Trade of the Czech Republic), ČEZ and I on 28 July 2020
SEK	State Energy Policy	
SKČ	ČEZ Group	
SMR	Small Modular Reactor Small / modular reactor	
SPV	special purpose vehicle special purpose vehicle	
SVJE	Standing Committee for Nuclear Energy	
SVVNJZ	Standing Committee for the Construction of New Nuclear Sources	

VH	General Meeting
VPP	Part-time employment
VZ	Government Plenipotentiary
WIG-CEE	Warsaw Stock Exchange index
ZOK	Business Corporations Act
ZP	Labour Code (as amended)

## **Report on Relations between Interconnected Entities**



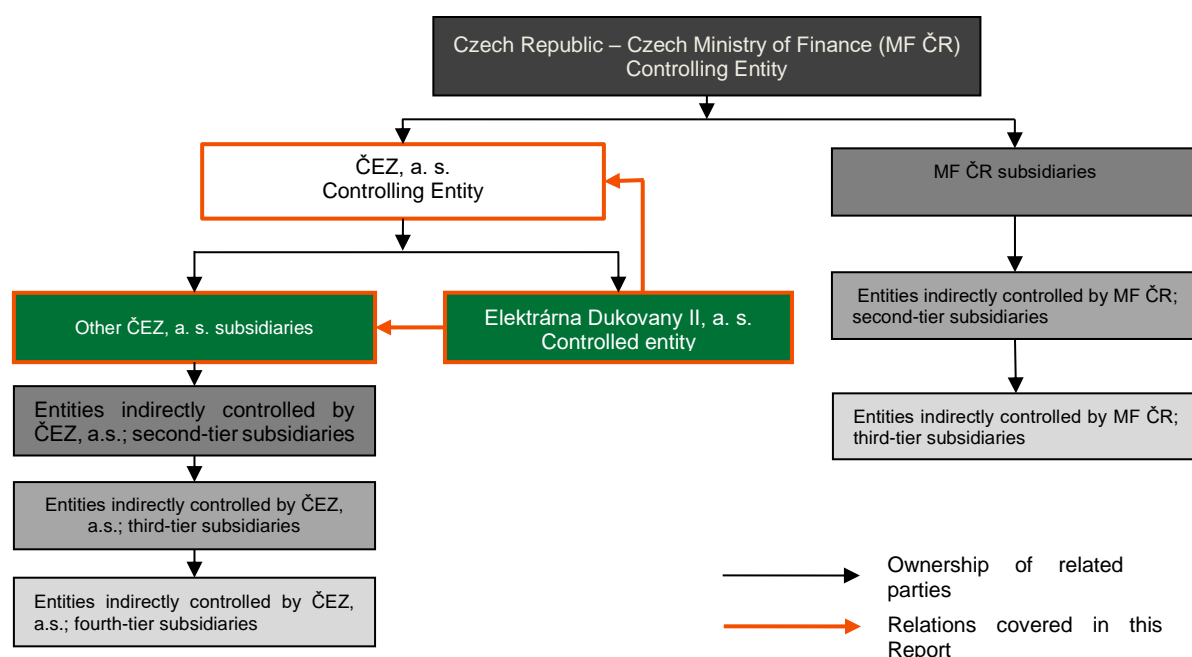


Elektrárna Dukovany II, a. s.

## **Report on relations between the controlling entity and the controlled entity and between the controlled entity and other entities controlled by the same controlling entity for the 2021 accounting period**

The Board of Directors of Elektrárna Dukovany II, a. s., Company ID No. (IČ) 046 69 207, with the registered office located at Duhová 1444/2, Prague 4, Postal Code 140 00, registered in the Commercial Register maintained by the Municipal Court in Prague, Section B, Entry No. 21250, prepared the following report on relations between the controlling entity and the controlled entity and between the controlled entity and other entities controlled by the same controlling entity (hereinafter the "Report on Relations") for the accounting period from 1 January 2021 to 31 December 2021 (hereinafter the "Relevant Period") pursuant to the provisions of Section 82 of Act No. 90/2012 Coll., on Business Corporations.

## 1. Structure of relationships between the Controlling Entity and the Controlled Entity and between the Controlled Entity and other entities controlled by the same Controlling Entity



### Controlled Entity & submitter of the Report on Relations:

#### Elektrárna Dukovany II, a. s.

Name:	Elektrárna Dukovany II, a. s.
Registered office:	Duhová 1444/2, 140 00 Prague 4,
ID No.:	046 69 207
Registered in the Commercial Register maintained by:	Municipal Court in Prague, Section B, entry No. 21250

### Controlling Entity:

#### ČEZ, a. s.

Name:	ČEZ, a. s.
Registered office:	Duhová 2/1444, 140 53 Prague 4
ID No.:	452 74 649
Registered in the Commercial Register maintained by:	Municipal Court in Prague, Section B, entry No. 1581

As at 31 December 2021, the Controlling Entity held stock corresponding to a 100% share in the basic capital of Elektrárna Dukovany II, a. s.

A diagram of the structure of relations among entities of the business group controlled by the Ministry of Finance of the Czech Republic in the period from 1 January 2021 to 31 December 2021, including a detailed identification of the entities and their relations, is attached as Annex No. 1 to the Report on Relations.

## **2. Controlled Entity's role within the Group**

Elektrárna Dukovany II, a. s., is a subsidiary of ČEZ, a. s.

Its object and purpose is to prepare the construction of a new nuclear power facility at the Dukovany site. In connection with the Controlled Entity's main object (scope of activities), the Controlled Entity acts as a buyer or seller in transactions and business relations with the Controlling Entity and with other entities controlled by the Controlling Entity.

## **3. Method and means of control**

ČEZ, a. s., controls the company Elektrárna Dukovany II, a. s. by being its sole shareholder holding 100% of the voting rights. With respect to its share in voting rights, ČEZ may appoint or remove members of the statutory body of the Controlled Entity.

Governance tools include, for example, approval of strategic programmes, business policies, business plans and annual budgets.

Since 2016, Elektrárna Dukovany II, a. s., as the Controlled Entity, has been part of the Group controlled by ČEZ, a. s. as the Controlling Entity pursuant to the Business Corporations Act, as amended.

## **4. Overview of actions taken pursuant to Section 82(2)(d) of Act No. 90/2012 Coll., on Business Corporations**

In the Relevant Period, Elektrárna Dukovany II, a. s. did not take any actions at the initiative or in the interest of the Controlling Entity or other entities controlled by the Controlling Entity concerning assets exceeding 10% of the Controlled Entity's equity ascertained according to the latest financial statements.

## **5. Overview of contracts and agreements between related parties**

The Board of Directors of Elektrárna Dukovany II, a. s. has reviewed the current status of contracts and agreements between the Controlled Entity and the Controlling Entity and other entities controlled by the Controlling Entity effective in 2021.

An overview of contracts and agreements between ČEZ, a. s. as the Controlling Entity and Elektrárna Dukovany II, a. s. as the Controlled Entity, effective in 2021, is attached as Annex No. 2 to the Report on Relations.

The overview includes, inter alia, contracts that are of particular importance for the fulfilment of the fundamental purpose of Elektrárna Dukovany II, a. s., which is to ensure the preparation and implementation of the New Nuclear Facility project at Dukovany. These are:

- a) two trilateral agreements concluded on 28 July 2020 between the State, represented by the Ministry of Industry and Trade, ČEZ, a. s. and Elektrárna Dukovany II, a. s.: the "Framework Agreement on Cooperation in the Construction of a New Nuclear Facility in the Czech Republic" and the "First Implementation Agreement on Cooperation in the Construction of a New Nuclear Facility at the Dukovany Site in the Czech Republic". These agreements enable the State to obtain the necessary control over the NNF EDU project in line with the fundamental security interests of the Czech Republic. After the entry into force of the Act on measures for the Czech Republic's transition to low-carbon energy and on amendments to Act No.165/2012 Coll., on subsidized energy sources, as amended, Elektrárna Dukovany II, a. s. will be able to obtain State support in the form of a power purchase agreement (within the meaning of the above Act). Furthermore, it is assumed that the Czech Republic will provide debt financing for the New Nuclear Facility project at Dukovany and, at the same time, will purchase the entire electricity output of the nuclear power plant (directly or through an SPV established for this purpose, 100% controlled by the State). The State is expected to provide debt capital for the implementation phase of the project; Elektrárna Dukovany II, a. s. will receive a repayable loan (borrowing) on the basis of a decision of the Ministry of Industry and Trade (a state loan/credit) in accordance

with the applicable legislation. State funding is likely to provide certain advantages against the use of other sources of financing.

- b) The “Supplementary Cash Contribution Agreement between ČEZ, a. s. and Elektrárna Dukovany II, a. s.”, which was concluded on 29 May 2020. Under the terms and conditions of the above agreement, ČEZ as the sole shareholder of Elektrárna Dukovany II, a. s. has undertaken to provide to EDU II a supplementary cash contribution to equity, but outside the basic capital, at an amount corresponding to the budget pursuant to the First Implementation Agreement. ČEZ, a. s. has thus provided funds for the financing of phase one of the New Nuclear Facility project at Dukovany and of the operation of Elektrárna Dukovany II, a. s. for the same period. Funds for financing phase two of the project are also expected to be provided by ČEZ, a. s.

An overview of contracts and agreements between Elektrárna Dukovany II, a. s. as the Controlled Entity and other entities controlled by the Controlling Entity, effective in 2021, is attached as Annex No. 3 to the Report on Relations.

The overviews do not contain further details on contractual relationships considering the need to ensure protection of business secret and satisfaction of the contractual obligation of confidentiality.

## **6. Assessment of any loss or detriment suffered by the Controlled Entity and its settlement pursuant to Sections 71 and 72 of Act No. 90/2012 Coll., on Business Corporations**

All the described contracts/transactions were concluded/conducted on an arm’s length basis, under standard contractual terms and conditions, and the contracted and provided supplies or counter-supplies corresponded to normal business conditions and Elektrárna Dukovany II, a. s. did not suffer any loss or damage as a result of those contracts or transactions that should be settled pursuant to Sections 71 and 72 of Act No. 90/2012 Coll., on Business Corporations.

## **7. Conclusion**

Based on the available information, the Board of Directors of Elektrárna Dukovany II, a. s. evaluated the advantages and disadvantages arising from the company's position in the ČEZ Group, i.e. from the relations between the Controlled Entity and the Controlling Entity and between the Controlled Entity and other entities controlled by the Controlling Entity, and has concluded that the advantages outweigh any disadvantages.

The Company benefits from e.g. the ČEZ Group's financial stability, reputation, economies of scale, unification of systems and centralization of support activities.

After careful consideration, the Board of Directors of Elektrárna Dukovany II, a. s. declares that it is not aware of any risks arising from membership in the ČEZ Group.

This Report on Relations was prepared with the duty of care as a good manager, to the best of our knowledge, using our best efforts and all available supporting materials and documents.

Related parties were identified on the basis of supporting materials provided by ČEZ, a. s.

This Report is subject to review by the Supervisory Board of Elektrárna Dukovany II, a. s., pursuant to Section 83(1) of Act No. 90/2012 Coll., on Business Corporations.

In Prague, on 25 March 2022

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Ing. Petr Závodský  
Chairman of the Board of Directors

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Ing. Pavel Kamenický  
Member of the Board of Directors

List of Annexes:

- Annex No. 1 A diagram of the structure of relations in the period from 1 January 2021 to 31 December 2021
- Annex No. 2 An overview of contracts and agreements between the Controlling Entity and the Controlled Entity (ČEZ, a. s. - Elektrárna Dukovany II, a. s.)
- Annex No. 3 An overview of contracts and agreements between the Controlled Entity and other entities controlled by the Controlling Entity (Elektrárna Dukovany II, a. s. – other entities controlled by ČEZ, a.s.)

Annex 1 Relation Structure Diagram for the Period of January 1, 2021, to December 31, 2021

Name/Share	ID No.	Country	Registered Office Address
Czech Republic—Ministry of Finance	0006947	Czechia	Praha 1, Letenská 525/15, Malá Strana, postcode 118 10
69.78% CEZ, a. s.	45274649	Czechia	Praha 4, Duhová 2/1444, postcode 140 53
100% CEZ Distribuce, a. s.	24729035	Czechia	Děčín, Teplická 874/8, Děčín IV-Podmokly, postcode 405 02
100% CEZ Energetické produkty, s.r.o.	28255933	Czechia	Hostovice, Komenského 534, postcode 253 01
100% In PROJEKT LOUNY ENGINEERING s.r.o.	44569688	Czechia	Louny, Na Valích 899, postcode 440 01
Member of CEZ Concern since November 1, 2021			
100% 1. Opravná společnost, s.r.o.	47306891	Czechia	Kadaň, Tušimice 13, postcode 432 01
100% CEZ ENERGOSEKVIS spol. s r.o.	60698101	Czechia	Třebíč, Bráfova tř. 1371/16, Horka-Domky, postcode 674 01
100% CEZ ESCO, a. s.	03592880	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00
100% CEZ Energetické služby, s.r.o.	27804721	Czechia	Ostrava, Výtavní 1144/103, Vítkovice, postcode 703 00
100% MA-EM Ostrava, s.r.o.	47972033	Czechia	Ostrava, Na Jizdárně 2767/21a, Moravská Ostrava, postcode 702 00
Member of CEZ Concern since November 1, 2021			
100% CEZ Energo, s.r.o.	29060109	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00
Member of CEZ Concern since November 1, 2021			
100% CEZ LDS s.r.o.	01873237	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00
100% Solární servis, s.r.o.	27282074	Czechia	Praha 4, U plynárny 1388/18, Michle, postcode 140 00
100% ENES, a. s.	27382052	Czechia	Praha 9, U Voborníků 852/10, Vysočany, postcode 190 00
Member of CEZ Concern since November 1, 2021			
100% AZ KLIMA, a. s.	24772631	Czechia	Brno, Tuřanka 1519/115a, Slatina, postcode 627 00
Member of CEZ Concern since November 1, 2021			
5% ŠKO-ENERGO FIN, s.r.o.	61675954	Czechia	Mladá Boleslav, Tr. Václava Klementa 869, Mladá Boleslav II, postcode 293 01
12% ŠKO-ENERGO, s.r.o.	61675938	Czechia	Mladá Boleslav 1, Tr. Václava Klementa 869, postcode 293 60
100% AirPlus, spol. s r.o.	25448931	Czechia	Modlany, Čev. 22, postcode 417 13
Member of CEZ Concern since November 1, 2021			
51% HORMEN CE a. s.	27154742	Czechia	Praha 4, Na dolních 168/6, Podolí, postcode 147 00
100% HORMEN SK s. r. o.	44021470	Slovakia	Bratislava, Hattalova 12, postcode 831 03
100% VESER, s. r. o. "v likvidácii"	36797332	Slovakia	Bratislava, Suché Myto 1, Staré Mesto, postcode 811 03
Name changed to VESER, s. r. o. (originally CEZ Slovensko, s.r.o) and entered into liquidation as at June 1, 2021			
100% Domat Control System s.r.o.	27189465	Czechia	Pardubice, U Panasonícu 376, Staré Čovice, postcode 530 06
100% Domat Control System s. r. o.	44570473	Slovakia	Bratislava, Ušerácká 11, postcode 851 01
100% KART, spol. s r.o.	45791023	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00
Member of CEZ Concern since November 1, 2021			
100% KART TzB, spol. s r.o.	43002781	Czechia	Praha 10, V korytech 3234/18a, Straňnice, postcode 100 00
Company dissolved by merger with KART, spol. s r.o., January 1, 2021			
50% ESCO Slovensko, a. s.	52963659	Slovakia	Bratislava, Mlynské nivy 4956/42, Ružinov, postcode 821 09
Name changed as at February 16, 2021 (originally CEZ ESCO Slovensko, a.s.) as a result of the increase in share capital subscribed by the company outside the business group controlled by the Ministry of Finance of the Czech Republic, the stake of CEZ ESCO, a.s., was reduced to 50% as at February 18, 2021 (originally CEZ ESCO, a.s., 100%)			
51% e-Doma a. s.	47256265	Slovakia	Bratislava, Plynárenská 7/C, postcode 821 09
100% ESCO Distribučné systémy a.s.	47474238	Slovakia	Trnava, Františkánska 4, postcode 917 01
Name changed as at February 10, 2021 (originally CEZ Distribučné systémy a.s.)			
100% AZ KLIMA SK, s.r.o.	35796944	Slovakia	Bratislava, Nová Ročňavská 3018/134/A, Nové Mesto, postcode 831 04
55% SPRÁVBYKOMFORT, a.s. Prešov	3178523	Slovakia	Prešov, Volgogradská 88, postcode 080 01
100% ESCO Servis, s. r. o.	31706053	Slovakia	Prešov, Volgogradská 88, postcode 080 01
Name changed as at February 10, 2021 (originally CEZ SERVIS, s.r.o.)			
100% CAPEXUS SK s. r. o.	35937190	Slovakia	Bratislava, Turčianska 2, postcode 821 09
Acquired as at December 13, 2021			
51% EHV, a. s.	07334214	Czechia	Havířov, Svornosti 86/2, Město, postcode 736 01
Sale of 49% stake as at July 29, 2021; name changed as at August 3, 2021 (originally CEZ Asset Holding, a.s.)			
100% EP Rožnov, a.s.	45193631	Czechia	Rožnov pod Radhoštěm, Boženy Němcové 1720, postcode 756 61
Acquired as at July 15, 2021			
100% EPIGON spol. s r.o.	18051081	Czechia	Rožnov pod Radhoštěm, Tvarůzkova 2740, postcode 756 61
Acquired as at July 15, 2021			
90% RÍPES SYSTÉMY, s.r.o.	25887815	Czechia	Rožnov pod Radhoštěm, Tvarůzkova 2740, postcode 756 61
Acquired as at July 15, 2021			
100% ELEKTROPROJEKT SLOVAKIA, s.r.o.	36230804	Slovakia	Piešťany, Vajanského 58, postcode 921 01
Acquired as at July 15, 2021			
100% Green energy capital, a.s.	14043505	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00
Established as at December 7, 2021			
100% CAPEXUS s.r.o.	24131326	Czechia	Praha 4, Nuselská 419/92, Michle, postcode 140 00
Acquired as at December 13, 2021			
52.46% UJV Řež, a. s.	46356088	Czechia	Husinec, Hlavní 130, Řež, postcode 250 68
100% ŠKODA PRAHA a.s.	00128201	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00
100% Výzkumný a zkušební ústav Plzeň s.r.o.	47718684	Czechia	Plzeň, Tylova 1581/46, Jižní Předměstí, postcode 301 00
100% Centrum výzkumu Řež s.r.o.	26722445	Czechia	Husinec, Hlavní 130, Řež, postcode 250 68
100% Ústav aplikovaná mechaniky Brno, s.r.o.	60716571	Czechia	Brno, Reslova 972/3, Veverí, postcode 602 00
Member of CEZ Concern since November 1, 2021			
100% CEZ Bohunice a. s.	28861736	Czechia	Praha 4, Duhová 2/1444, postcode 140 53
49% Jadrová energetická spoločnosť Slovenska, a. s.	45337241	Slovakia	Bratislava, Tomášikova 22, postcode 821 02
100% CEZ ICT Services, a. s.	26470411	Czechia	Praha 4, Duhová 1531/3, postcode 140 53
100% Telco Pro Services, a. s.	29148278	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00
100% Telco Infrastructure, s.r.o.	08425817	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00
Member of CEZ Concern since November 1, 2021			
100% CEZNET s.r.o.	26378191	Czechia	Tachov, Vilémovská 1602, postcode 347 01
Name changed as at May 14, 2021 (originally TelNET s.r.o.), as a result of the merger of the dissolving company KTN Servis s.r.o., as the original owner of a 22.18% stake in CEZNET s.r.o., with this company as the successor as at July 1, 2021; Telco Pro Services, a. s., is a 100% stakeholder as at July 1, 2021			
60% TelNET Boronko s.r.o.	04589513	Czechia	Tachov, Vilémovská 1602, postcode 347 01
Dissolved by merger with CEZNET s.r.o., as a successor company as at July 1, 2021, resulting in the dissolution of the existing 40% stake of Telco Pro Services, a. s., in TelNET Boronko s.r.o.			
77.82% ISP West s.r.o.	03310159	Czechia	Tachov, Vilémovská 1602, postcode 347 01
Dissolution by merger with CEZNET s.r.o., as a successor company as at July 1, 2021, resulting in the dissolution of the existing 22.18% stake of KTN Servis s.r.o., in ISP West s.r.o.			
100% KTN Servis s.r.o.	03194043	Czechia	Tachov, Vilémovská 1602, postcode 347 01
Dissolution by merger with CEZNET s.r.o. as at July 1, 2021			
100% FDNet CZ, s.r.o.	27310531	Czechia	Frydlant, Brezová 1306, postcode 464 01
100% Telnet Holding s.r.o.	03845443	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00
Acquired as at November 1, 2021			
100% CERBEROS s.r.o.	24237744	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00
Acquired as at November 1, 2021			
100% HELIOS MB s.r.o.	27371123	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00
Acquired as at November 1, 2021			
85% Mergulians, LLC	27547469	Czechia	Hradec Králové, Pražská třída 485/3, Kukuleň, postcode 500 04
Acquired as at November 1, 2021			
100% ADAPTIVITY s.r.o.	24156027	Czechia	Zlín, Tyršovo nábřeží 5183, postcode 760 01
Acquired as at December 31, 2021			
69% INTERNEXT 2000, s.r.o.	25352288	Czechia	Vsetín, Pačákého 166, postcode 755 01
Acquired as at December 31, 2021			
100% Opjick Břez s.r.o.	29960212	Czechia	Valešské Meziříčí, Žalovská 778, Krásno nad Bečvou, postcode 757 01
Acquired as at December 31, 2021			
100% CEZ Korporátní služby, s.r.o.	26206803	Czechia	Ostrava, 28. října 3123/152, Moravská Ostrava, postcode 702 00
Dissolution by merger with CEZ, a. s., as at January 1, 2021			
100% CEZ Obnovitelné zdroje, s.r.o.	25938924	Czechia	Hradec Králové, Křížkova 788/2, postcode 500 03
99% CEZ Recyklace, s.r.o.	03479919	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00
99.57% CEZ OZ uzavřený investiční fond a.o.	24135780	Czechia	Praha 4, Duhová 1444/2, postcode 140 53
Increase of the stake of CEZ, a. s., by the stake of CEZ Korporátní služby, s.r.o., as the dissolving company, into CEZ, a. s., as the successor company, as at January 1, 2021 (the original stake of CEZ, a. s., amounted to 99.56%)			
100% CEZ Prodai, a.s.	27232433	Czechia	Praha 4, Duhová 1425, postcode 140 53
100% TENAUR, s.r.o.	26349451	Czechia	Neuměř, č.p. 63, postcode 345 62
Member of CEZ Concern since November 1, 2021			
100% CEZ Toplárenská, a.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
100% Toplo Klášterec s.r.o.	22307600	Czechia	Kláštelec nad Ohří, Jana Amose Komenského 450, Miletice u Klášterce nad Ohří, postcode 431 51
100% Elektrárna Dětmorovice, a.s.	29452279	Czechia	Dětmorovice, č.p. 1202, postcode 735 71
100% Elektrárna Dukovany II, a. s.	04699207	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00
100% Elektrárna Málinsk III, a. s. v likvidaci	24263397	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00
Went into liquidation on July 1, 2021			
100% Elektrárna Temelín II, a. s.	04669134	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00
100% Energetický centrum s.r.o.	2605818	Czechia	Jindřichův Hradec, Otín 3, postcode 377 01
100% Energotrans, a.s.	47115726	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00
100% Areal Třeboradice, a.s.	29132282	Czechia	Praha 4, Duhová 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 founder's shares as defined in Sec. 158 et seq. of Act No. 240/2013 Sb., on investment companies and investment funds, as amended			
51.05% LOMY MOHINA spol. s r.o.	61465569	Czechia	Mořina, č.p. 73, postcode 267 17
93.25% OSC, a. s.	60714794	Czechia	Brno, Starčkova 557/18a, Ponava, postcode 602 00
Increase of stake by 26.58% as at June 30, 2021 (originally 66.67%)			
100% Severočeské doly a.s.	49901892	Czechia	Chomutov, Boženy Němcové 5359, postcode 430 01
100% PRODECO, a.s.	25020790	Czechia	Blina, Důlní čp. 429, Mostecké Předměstí, postcode 418 01
100% Revitrans, a.s.	25028197	Czechia	Blina, Důlní čp. 429, postcode 418 01
100% SD - Kolejová doprava, a.s.	25438107	Czechia	Kadaň, Tušimice 7, postcode 432 01

- Czech Republic—Ministry of Finance of the Czech Republic
- Subsidiaries of the Ministry of Finance of the Czech Republic (CEZ, a. s.)
- Subsidiaries of CEZ, a. s.
- Sub-subsidiaries of CEZ, a. s.
- Sub-sub-subsidiaries of CEZ, a. s.
- Sub-sub-sub-subsidiaries of CEZ, a. s.
- CEZ Concern member
- Dissolved—CEZ Concern member
- Dissolved

Annex 1 Relation Structure Diagram for the Period of January 1, 2021, to December 31, 2021

Name/Share	ID No.	Country	Registered Office Address
Czech Republic—Ministry of Finance			
69.78% CEZ, a. s.	00006947	Czechia	Praha 1, Letenská 525/15, Malá Strana, postcode 118 10
100% CEZ Bulgarian Investments B.V.	45274649	Czechia	Praha 4, Duhořská 1/1444, postcode 140 53
100% Free Energy Project Oresheha EAD	51661969	Netherlands	Amsterdam, Herikerbergweg 157, postcode 1101 CN
100% Bana Group EOOD	20262027	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784
100% CEZ Trade Bulgaria EAD	120545968	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784
100% CEZ Rozpredelenie Bulgaria AD	204516571	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784
100% CEZ Elektro Bulgaria EAD	13027958	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784
100% CEZ Trade Bulgaria EAD	20357599	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784
100% CEZ Bulgaria EAD	113570147	Bulgaria	Sofia, 2 Pozitiano Sq., Office 7, floor 7, postcode 1000
100% CEZ Elektro Bulgaria AD	175133827	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784
100% CEZ MH B.V.	24426342	Netherlands	Amsterdam, Herikerbergweg 157, postcode 1101 CN
50% Akcezy Yatirimlari Sanayi ve Ticaret A.Ş.	28317	Turkey	Zmit, Kocaeli, Yahyakaptan Mahallesi, Seval Sokak, No. 4/4, postcode 41050
100% Sakarya Elektrik Dagitim A.Ş.	10941-18573	Turkey	Adapazarı, Sakarya, Maltepe Mahallesi, Orhangazi Cad. No. 258, TEK Trafo Istasyonu PK. 160, postcode 54100
100% Sakarya Elektrik Perakende Satış A.Ş.	25281	Turkey	Zmit, Kocaeli, Yahyakaptan Mahallesi, Seval Sokak, No. 4/4, postcode 41050
37.36% Akenerji Elektrik Üretim A.Ş.	255055	Turkey	Istanbul, Miralay Şekif Bey Sokak, Akhan No. 15, Gumuşsuşu Beyoğlu, postcode 34437
100% Akenerji Doğalgaz İthalat İhracat ve Toptan Ticaret A.Ş.	726921	Turkey	Istanbul, Miralay Şekif Bey Sokak, Akhan No. 15, Kat: 1, Oda: 1, Gumuşsuşu Beyoğlu, postcode 34437
100% Akenerji Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş.	745367	Turkey	Istanbul, Miralay Şekif Bey Sokak, Akhan No. 15, Kat: 3, Oda: 3, Gumuşsuşu Beyoğlu, postcode 34437
99.99% Distributie Energie Oltenia S.A.	512971	Romania	Istanbul, Miralay Şekif Bey Sokak, Akhan No. 15, Kat: 3-4, Oda: 2, Gumuşsuşu Beyoğlu, postcode 34437
100% CEZ Romania S.A.	14491102	Romania	Craiova, jud. Dolj, 97, Calea Severinului, postcode 200731
100% TMK Hydroenergy Power S.R.L.	18969091	Romania	Bucureşti, 28 Ion Ionescu de la Brad, Sector 1, postcode 013813
100% Tomia Team S.A.	27189093	Romania	Bucureşti, 28 Ion Ionescu de la Brad, Sector 1, postcode 013813
100% MW Team Invest S.R.L.	18874690	Romania	Bucureşti, 28 Ion Ionescu de la Brad, Sector 1, postcode 013813
100% CEZ Trade Romania S.R.L.	18526986	Romania	Bucureşti, 28 Ion Ionescu de la Brad, Sector 1, postcode 013813
99.98% Ovidiu Development S.A.	21447890	Romania	Bucureşti, 28 Ion Ionescu de la Brad, Sector 1, postcode 013813
100% CEZ Vanzura S.A.	18874682	Romania	Bucureşti, 28 Ion Ionescu de la Brad, Sector 1, postcode 013813
100% CEZ Hungary Ltd.	21349608	Romania	Craiova, jud. Dolj, 97, Calea Severinului, postcode 200731
100% CEZ Srbija d.o.o.	13520970-4013-113-01	Hungary	Budapest, Rétkő utca 5, postcode 118
100% CEZ Ukraine LLC	20180650	Serbia	Beograd, Bulevar Zorana Đinđića 65, postcode 110 70
100% CEZ Deutschland GmbH	34728482	Ukraine	Kyiv, Yelyka Vasylkivska 5, postcode 01004
100% CEZ Produktų Energijos Polisa sp. u.o.	HRB 140377	Germany	Hamburg, Am Sandtorkai 74, postcode 20457
100% CEZ Towarny Dom Maklerski sp. z o.o.	0000321795	Poland	Chorzów, ul. Marii Skłodowskiej-Curie 30, postcode 41-503
100% CEZ Finance B.V.	0000228555	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697
100% Baltic Green Construction sp. z o.o.	24301380	Netherlands	Amsterdam, Herikerbergweg 157, postcode 1101 CN
100% Baltic Green II sp. z o.o.	0000568025	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697
100% Baltic Green III sp. z o.o.	0000441363	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697
100% A.E. Wind S.A.	000040952	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697
100% Baltic Green VI sp. z o.o.	0000516616	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697
100% Baltic Green IX sp. z o.o.	0000610092	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697
100% Eco-Wind Construction S.A. w upadłości	0000300426	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697
99.53% CEZ Polska sp. z o.o.	0000226144	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697
100% CEZ Skawina S.A.	0000203650	Poland	Skawina, ul. Piłsudskiego 10, postcode 32-050
100% CEZ Chorzów S.A.	000054490	Poland	Chorzów, ul. Marii Skłodowskiej-Curie 30, postcode 41-503
100% CEZ Chorzów II sp. z o.o.	0000627827	Poland	Chorzów, ul. Marii Skłodowskiej-Curie 30, postcode 41-503
100% Elevation Group B.V.	65782267	Netherlands	Amsterdam, Herikerbergweg 157, postcode 1101 CN
77.68% OEM Energy sp. z o.o.	0000678975	Poland	Chorzów, ul. Skłodowa 17, postcode 41-500
99.85% ESCO City I sp. z o.o. w likwidacji	0000698269	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697
99.85% ESCO City II sp. z o.o. w likwidacji	0000698507	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697
99.85% ESCO City III sp. z o.o. w likwidacji	0000698805	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697
99.85% ESCO City IV sp. z o.o. w likwidacji	0000743864	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697
99.83% ESCO City V sp. z o.o. w likwidacji	0000742613	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697
99.83% ESCO City VI sp. z o.o. w likwidacji	0000742714	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697
100% E-City sp. z o.o.	0000616808	Poland	Poznań, Piłkowska 212, postcode 61-693
100% Baltic Green VIII sp. z o.o. w likwidacji	0000516701	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697
100% Euroklimat sp. z o.o.	0000788905	Poland	Suchy Las, Obornicka 68, postcode 62-002
100% Metrolog sp. z o.o.	0000071593	Poland	Czarnków, ul. Kościuszki 97, postcode 64-700
100% ETS Engineering Kft	01-09-469090	Hungary	Budapest, Rétkő utca 5, 3. em. 4, postcode 118
92% Elevation Datacloud Holding GmbH	HRB 153961	Germany	Jena, Göschwitzer Straße 56, postcode 07745
100% Elevation GmbH	HRB 45601	Germany	Jena, Göschwitzer Straße 56, postcode 07745
100% D-I-E Elektro AG	HRB 504087	Germany	Jena, Göschwitzer Straße 56, postcode 07745
100% EAB Elektroanlagenbau GmbH Rhein/Main	HRB 41069	Germany	Dietzenbach, Dieselstraße 8, postcode 63128
100% EAB Automation Solutions GmbH	HRB 23022	Germany	Pirmasens, Delaware Avenue 23-25, postcode 66953
100% ETS Efficient Technical Solutions GmbH	HRB 4844	Germany	Essen, Holstei 7-9, postcode 45141
100% ETS Efficient Technical Solutions Shanghai Co. Ltd.	HRB 509730	Germany	Schnaittenbach, Am Scherhubel 14, postcode 92253
100% Elektro-Technik-Pfisterer GmbH	9131015791438905Y	China	Shanghai, Wuxing Road No. 385, Building 4, Pudong District
100% Rudolf Fritz GmbH	HRB 2454	Germany	Plattling, Dorfstraße 58, postcode 94447
100% Englin GmbH	HRB 508518	Germany	Russelsheim am Main, Hans-Sachs-Straße 19, postcode 65428
100% Hermos AG	HRB 9335	Germany	Magdeburg, Joseph-von-Fraunhofer Straße 2, postcode 39108
100% Hermos Gesellschaft für Steuer-, Meß- und Regeltechnik mbH	HRB 3996	Germany	Mistelgau, Gartenstraße 19, postcode 95400
100% Hermos Systems GmbH	HRB 100983	Germany	Suhl, Pfützscherstraße 14, postcode 98527
41.44% HERMOS International GmbH	HRB 16037	Germany	Dietzenbach, Dieselstraße 8, postcode 63128
100% HERMOS SDL BHD	HRB 4187	Germany	Mistelgau, Gartenstraße 19, postcode 95490
100% Hermos Schaltanlagen GmbH	717709-H	Malaysia	Selangor Darul Ehsan, Petaling Jaya, 8, Avenue, Jalan Sep. Jernih 8/1, Seksyen 8, postcode 46050
100% HERMOS SDL BHD	0000243856	Poland	Lesnica, ul. Powstańców Śląskich, lok. 1, postcode 47150
100% Kofler Energies Ingenieurgesellschaft mbH	HRB 2326	Germany	Mistelgau, Gartenstr. 19, postcode 95490
100% Kofler Energies Energieeffizienz GmbH	HRB 200647 B	Germany	Berlin, Geneststraße 5, postcode 10829
100% NEX Facility Management GmbH	HRB 155983 B	Germany	Berlin, Geneststraße 5, postcode 10829
100% Hybridkraftwerk Culemyerstraße Projekt GmbH	HRB 148611 B	Germany	Berlin, Geneststraße 5, postcode 10829
100% WPG Projekt GmbH	HRB 159001 B	Germany	Berlin, Geneststraße 5, postcode 10829
100% Kofler Energies Systems GmbH	HRB 183196 B	Germany	Berlin, Geneststraße 5, postcode 10829
100% SYNECOTEC Deutschland GmbH	HRB 135379 B	Germany	Berlin, Geneststraße 5, postcode 10829
100% GWE Wärme- und Energietechnik GmbH & Co. KG	HRB 739111	Germany	Heidelberg, Sickingenstraße 39, postcode 69126
100% GWE Wärme- und Energietechnik GmbH & Co. KG	HRB 6488	Germany	Gütersloh, Am Anger 35, postcode 33332
100% GWE Wärme- und Energietechnik GmbH	HRB 12561	Germany	Gütersloh, Am Anger 35, postcode 33332
100% GWE Verwaltungen GmbH	HRB 8588	Germany	Gütersloh, Am Anger 35, postcode 33332
100% MWVS GmbH	HRB 110337 B	Germany	Berlin, An der Industriehöh 12-16, postcode 13088
100% Pell und Partner Ingenieure GmbH	HRB 208712 B	Germany	Berlin, Landsberger Allee 117 A, postcode 10407
100% IBP Verwaltungen GmbH	HRB 225124	Germany	München, Landsberger Straße 396, postcode 81241
100% IBP Ingenieure GmbH & Co. KG	HRA 105340	Germany	München, Landsberger Straße 396, postcode 81241
100% BELECTRIC GmbH	HRB 5161	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Belectric SP Solarprojekte 100 GmbH & Co. KG	HRA 10310	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Belectric SP Solarprojekte 100 Verwaltungen-GmbH	HRB 8580	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Belectric SP Solarprojekte 101 GmbH & Co. KG	HRA 10311	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Belectric SP Solarprojekte 101 Verwaltungen-GmbH	HRB 8581	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Belectric SP Solarprojekte 102 GmbH & Co. KG	HRA 10312	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Belectric SP Solarprojekte 102 Verwaltungen-GmbH	HRB 8584	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Belectric SP Solarprojekte 103 GmbH & Co. KG	HRA 10313	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Belectric SP Solarprojekte 103 Verwaltungen-GmbH	HRB 8585	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Belectric SP Solarprojekte 104 GmbH & Co. KG	HRA 10314	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Belectric SP Solarprojekte 104 Verwaltungen-GmbH	HRB 8582	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Belectric SP Solarprojekte 17 GmbH & Co. KG	HRA 10183	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Belectric SP Solarprojekte 18 GmbH & Co. KG	HRA 10184	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Belectric SP Solarprojekte 19 GmbH & Co. KG	HRA 10187	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Belectric SP Solarprojekte 20 GmbH & Co. KG	HRA 10188	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Climagy PV-Sonnenanlage GmbH & Co. KG	HRA 9274	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Climagy PV-Sonnenanlage Verwaltungen-GmbH	HRB 6255	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Climagy Stromertrag GmbH Co. & KG	HRA 9465	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Climagy Stromertrag Verwaltungen-GmbH	HRB 6655	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% Photovoltaikwerk Groß Döln Infrastruktur GmbH & Co. KG	HRA 2504 NP	Germany	Templin-Groß Döln, Zum Flugplatz 9, postcode 17268
100% Photovoltaikwerk Groß Döln Infrastruktur Verwaltungen-GmbH	HRB 9623 NP	Germany	Templin-Groß Döln, Zum Flugplatz 9, postcode 17268
100% SP Solarprojekte 17 Verwaltungen-GmbH	HRB 8306	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% SP Solarprojekte 18 Verwaltungen-GmbH	HRB 8313	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% SP Solarprojekte 19 Verwaltungen-GmbH	HRB 8312	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
100% SP Solarprojekte 20 Verwaltungen-GmbH	HRB 8311	Germany	Kolitzheim, Wadenbrunner Straße 10, postcode 97509
49% Sunpow I Sp. z o.o.	388490	Poland	Warszawa, ul. Jana Pawła II 23, postcode 00-854
100% Elevation Holding Italia Srl	IT02936810213	Italy	Bolzano, Via Galileo Galilei 10, postcode 39100
100% Inewa consulting Srl	IT74956021	Italy	Bolzano, Via Galileo Galilei 10, postcode 39100
100% Inewa Srl	0293642025	Italy	Bolzano, Via Galileo Galilei 10, postcode 39100
100% SYNECO PROJECT S.r.l.	2296040229	Italy	Bolzano, Via Galileo Galilei 10, postcode 39100
70% Budrio GFE 312 Società Agricola S.r.l.	219414208	Italy	Monghidoro (BO), Via Provinciale 31, postcode 40063
100% AxE AGRICOLTURA PER L'ENERGIA SOCIETA' AGRICOLA A R.L.	BO-47041	Italy	Bologna, Via delle Lame 118, postcode 40122
100% SOCIETA' AGRICOLA DEF S.r.l.	0252370218	Italy	Casaleone (VR), Via San Michele 3, postcode 37052
100% Belectric Italia S.r.l.	02406930590	Italy	Latina, Via Priverno 18, postcode 04100
99.98% CEZ ESCO Romania S.A.	39717494	Romania	Bucureşti, 28 Ion Ionescu de la Brad, Sector 1, postcode 013813
99.99% High-Tech Clima S.A.	16645925	Romania	Poepsti-Leordeni, Jud. Ilfov, 11 Sos. Bercei, postcode 077160
100% High-Tech Clima d.o.o.	21320315	Serbia	Novi Sad, Bulevar Oslobođenja 78, postcode 21000
100% Elevation Österreich Holding GmbH	FN 529923 Z	Austria	Absam, Salzbergstraße 13a, postcode 6067
100% Moser & Partner Ingenieurbüro GmbH	FN 252904 V	Austria	Absam, Salzbergstraße 13, postcode 6067
100% Syneco tec GmbH	FN 199510 V	Austria	Absam, Salzbergstraße 13a, postcode 6067
100% M&P Real GmbH	FN 37786 k	Austria	Absam, Salzbergstraße 13, postcode 6067
66% ZOHND Groep B.V.	862388430	Netherlands	Barneveld, Zwolleweg 9, postcode 3771 NR
100% Enagy SRIA B.V.	86239512	Netherlands	Barneveld, Zwolleweg 9, postcode 3771 NR
100% Zonnepanelen op het Dak B.V.	85147896	Netherlands	Barneveld, Zwolleweg 9, postcode 3771 NR
100% Zonnepanelen op het Dak Installaties B.V.	853131971	Netherlands	Barneveld, Zwolleweg 9, postcode 3771 NR
100% Belectric Israel Ltd.	514481241	Israel	Be'er Sheva, Ha-Kotser St 20, postcode 2280
100% Belectric France S.A.R.L.	514456078	France	Vendres, ZAE Via Europe Est Rue de Stockholm, postcode 34350
100% CEZ RES International B.V.	77019717	Netherlands	Amsterdam, Herikerbergweg 157, postcode 1101 CN
100% CEZ Erneuerbare Energien Verwaltungen GmbH	HRB 144626	Germany	Hamburg, Am Sandtorkai 74, postcode 20457
100% CEZ Erneuerbare Energien Beteiligungs II GmbH	HRB 157136	Germany	Hamburg, Am Sandtorkai 74, postcode 20457
100% CEZ France SAS	830572699	France	Toulouse 8 Esplanade Compans Caffarelli, Immeuble Astria, postcode 31000
100% Ferme Eolienne de la Piballe SAS	813057817	France	Toulouse Cedex 5, 2 Rue du Libre Echange CS 95893, postcode 31506
100% Ferme Eolienne de Neuville-aux-Bois SAS	797909546	France	Toulouse Cedex 5, 2 Rue du Libre Echange CS 95893, postcode 31506
100% Ferme Eolienne de Saint-Laurent-de-Céris SAS	807395454	France	Toulouse Cedex 5, 2 Rue du Libre Echange CS 95893, postcode 31506
100% Ferme Eolienne de Thorigny SAS	813057981	France	Toulouse Cedex 5, 2 Rue du Libre Echange CS 95893, postcode 31506
100% Ferme Eolienne des Brulais SAS	81797331	France	Toulouse Cedex 5, 2 Rue du Libre Echange CS 95893, postcode 31506
100% Ferme Eolienne de Grand-Clos SAS	807395912	France	Toulouse Cedex 5, 2 Rue du Libre Echange CS 95893, postcode 31506
100% Ferme Eolienne de Germaincé SAS	819634361	France	Toulouse Cedex 5, 2 Rue du Libre Echange CS 95893, postcode 31506
100% Ferme Eolienne de Selgny SAS	819459017	France	Toulouse Cedex 5, 2 Rue du Libre Echange CS 95893, postcode 31506
100% Ferme Eolienne d'Andalaroué SAS	820979540	France	Toulouse Cedex 5, 2 Rue du Libre Echange CS 95893, postcode 31506
100% Ferme éolienne de Faullade et Souffrignac SAS	819576075	France	Toulouse Cedex 5, 2 Rue du Libre Echange CS 95893, postcode 31506
100% Ferme éolienne du Blossimont SAS	813057445	France	Toulouse Cedex 5, 2 Rue du Libre Echange CS 95893, postcode 31506
100% Ferme éolienne de Sauvion SAS	819889992	France	Toulouse Cedex 5, 2 Rue du Libre Echange CS 95893, postcode 31506
100% Ferme éolienne de Genuoullés SAS	814322012	France	Toulouse Cedex 5, 2 Rue du Libre Echange CS 95893, postcode 31506
100% Ferme éolienne d'Allas-Nieul SAS	804574564	France	Toulouse Cedex 5, 2 Rue du Libre Echange CS 95893, postcode 31506
100% Ferme éolienne de la Petite Valade SAS	805017115	France	Toulouse Cedex 5, 2 Rue du Libre Echange CS 95893, postcode 31506
100% Ferme éolienne des Besseas SAS	538265000	France	Toulouse Cedex 5, 2 Rue du Libre Echange CS 95893, postcode 31506
100% Ferme éolienne de Juvencourt-Faye SAS	797909637	France	Toulouse Cedex 5

Annex no. 2 An overview of contracts and agreements between the Controlling Entity and the Controlled Entity  
(ČEZ, a. s. - Elektrárna Dukovany II, a. s.)

Name of entity (contractual party)	Contract Registration number	Contract name	Date of conclusion of the contract	EDUII Relationship
ČEZ, a. s.	N/A	Mutual credit framework agreement following the agreement to provide multi-level Flexi on-line cash pooling of real mutual cash pooling in CZK for an economically connected group	2016-02-02	cashpooling
ČEZ, a. s.	N/A	Mutual credit framework agreement following the agreement to provide multi-level Flexi on-line cash pooling of real mutual cash pooling in EUR for an economically connected group	2016-09-21	cashpooling
ČEZ, a. s.	4102282408 170001_2016	Sublease agreement (Garage parking (Engel))	2016-10-01	customer
ČEZ, a. s.	4400049813 170000_2016	Sublease agreement and contract on business lease of movable property (offices and furniture in the Duhová 1 premises)	2016-10-01	customer
ČEZ, a. s.	32016069	Contract for the provision of bus transport	2016-10-24	customer
ČEZ, a. s.	5600008301	Framework contract on the assignment of receivables	2017-06-01	customer/ supplier
ČEZ, a. s.	N/A	Surcharge agreement dated 4 June 2018	2018-06-04	financial
ČEZ, a. s.	4101990303	Lease agreement	2019-04-10	customer
ČEZ, a. s.	N/A	Contract on joint action of contracting authorities in the award of a tender dated 30 September 2019 - auditor's services	2019-09-30	member of the association
ČEZ, a. s.	RS_NJZCON_001	Contract on joint action of contracting authorities in the award of a tender dated 4 March 2020 - consultancy services for NJZ	2020-03-04	member of the association
ČEZ, a. s.	N/A	Contract on the transfer of part of the employer's activities	2020-05-29	no financial liability
ČEZ, a. s.	N/A	Surcharge agreement	2020-05-29	financial
ČEZ, a. s.	4102318388 170012_2020	Partial agreement on business lease of movable property (lease of EDUII in the ETE and EDU locality)	2020-06-01	customer
ČEZ, a. s.	170001_2020 / 000244_2020	Contract on a Future Contract on the Establishment of an Engineering Network Serviceability	2020-06-09	future serviceability
ČEZ, a. s.	N/A	Framework contract on the assignment of receivables dated 11 June 2020	2020-06-11	customer/ supplier
ČEZ, a. s.	170002_2020 / 000336_2020	Contract on co-use of purpose-built communication	2020-07-17	customer/ supplier
ČEZ, a. s.	170003_2020 / 000337_2020	Contract on a future contract for the joint use of the train	2020-07-17	customer/ supplier
ČEZ, a. s.	170004_2020 / 000338_2020	Agreement on access to and use of geodetic points	2020-07-17	customer
ČEZ, a. s.	170005_2020 / 000339_2020	Access agreement to land	2020-07-17	customer
ČEZ, a. s.	170006_2020 / 000340_2020	Contract on the future contract on the establishment of the serviceability of the engineering network	2020-07-17	future serviceability
ČEZ, a. s.	170007_2020 / 000341_2020	Contract on the future contract on the establishment of the serviceability of the engineering network	2020-07-17	future serviceability
ČEZ, a. s.	170008_2020 / 000342_2020	Contract on the future contract on the establishment of the serviceability of the engineering network	2020-07-17	future serviceability
ČEZ, a. s.	170009_2020 / 000343_2020	Contract on the future contract on the establishment of the serviceability of the engineering network	2020-07-17	future serviceability
ČEZ, a. s.	170010_2020 / 000344_2020	Contract on the future contract on the establishment of the serviceability of the engineering network	2020-07-17	future serviceability
ČEZ, a. s.	170011_2020 / 000345_2020	Contract on the Future Contract and the Establishment of the Right to Build	2020-07-17	future customer
ČEZ, a. s.	170013_2020 / 000535_2020	Contract on future lease agreement	2020-07-17	future customer
ČEZ, a. s.	170014_2020 / 000536_2020	Contract on a future purchase contract for the sale of an area	2020-07-17	future customer
ČEZ, a. s.	170015_2020 / 000537_2020	Contract on future lease agreement	2020-07-17	future customer
ČEZ, a. s.	4102160780	Future Contract (Mutual Data Exchange)	2020-07-17	future customer/ supplier
ČEZ, a. s.	4102160840	Contract on a future contract (supply of media and services)	2020-07-17	future customer
ČEZ, a. s.	4102193915	Contract on the preparation and implementation of a conditional technical measure	2020-07-17	future customer
ČEZ, a. s.	4102154197	Contract on future contract (drainage of rainwater)	2020-07-17	future customer
ČEZ, a. s.	4102160679	Contract on the future contract (implementation of conditional technical measures)	2020-07-17	future customer
ČEZ, a. s.	4102160761	Cooperation agreement	2020-07-17	no financial liability
ČEZ, a. s.	4102193759	Contract on a future contract for the supply of raw water for the needs of construction site equipment and for the construction of NJZ EDU and the preparation and implementation of the conditional technical measure	2020-07-17	future customer
ČEZ, a. s.	4102193128	Contract on a future contract for the supply of raw water for the needs of the operation of NJZ EDU and the preparation and implementation of a conditional technical measure	2020-07-17	future customer
ČEZ, a. s.	N/A	Framework Agreement on Cooperation in the Construction of a New Nuclear Power Plant in the Czech Republic	2020-07-28	tripartite agreement between the Czech Republic, represented by the Ministry of Industry and Trade, ČEZ, a. s. and EDU II
ČEZ, a. s.	N/A	First implementing agreement on cooperation in the construction of a new nuclear power plant at the Dukovany site in the Czech Republic	2020-07-28	tripartite agreement between the Czech Republic, represented by the Ministry of Industry and Trade, ČEZ, a. s. and EDU II
ČEZ, a. s.	4102232972	Cooperation agreement for supplier evaluation and qualification	2020-09-29	no financial liability
ČEZ, a. s.	4400049473	Service Agreement	2020-12-17	customer
ČEZ, a. s.	4102311287	Lease agreement - lease of SPVŘ premises in Prague, Duhová 2	2021-02-11	customer
ČEZ, a. s.	4102348575	Lease agreement - lease of SPVŘ premises in the ETE locality	2021-04-12	customer
ČEZ, a. s.	5600012964	Lease Agreement (Revenue)	2021-07-23	supplier
ČEZ, a. s.	4102387422	Purchase of assets from ČEZ	2021-10-06	customer
ČEZ, a. s.	4102358566	Lease agreement - lease of SPVŘ premises in the EDU locality	2021-10-27	customer
ČEZ, a. s.	4102464537	Contract for the supply of thermal energy - for EDUII in the EDU locality (SPVŘ)	2021-10-27	customer
ČEZ, a. s.	4102464594	Contract for the supply of thermal energy - for EDUII in the ETE locality (SPVŘ)	2021-10-27	customer
ČEZ, a. s.	4101486029	Supply of electricity, heat, water/sewerage	2016-08-24 (effective 2016-10-01)	customer
ČEZ, a. s.	4101706830	Supply of electricity, gas, heat, water/sewerage	2016-01-25 (effective 2018-01-01)	customer
ČEZ, a. s.	4101742756	Establishment and lease of a secure area	2016-01-25 (effective 2017-12-01)	customer
ČEZ, a. s.	4101598808	Supply of electricity, gas, heat, water/sewerage	2017-05-25 (effective 2017-01-01)	customer
ČEZ, a. s.	4400035963	Service Agreement	2016-10-27 (effective 2016-10-01)	customer
ČEZ, a. s.	4101488233	Lease of non-residential premises	2016-09-30 (effective 2016-10-01)	customer



**Annex No. 3 An overview of contracts and agreements between the Controlled Entity and other entities controlled by the Controlling Entity  
(Elektrárna Dukovany II, a. s. – other entities controlled by ČEZ, a.s.)**

Company name (Contracting Party)	Contract registration number	Contract name	Date of conclusion of the contract	EDUII Relationship
<b>ČEZ ICT Services, a. s.</b>				
ČEZ ICT Services, a. s.	4400050713	Framework Contract for the Provision of ICT Services - EDU II	2021-05-31 (effective 2021-01-01)	customer relationship
ČEZ ICT Services, a. s.	4102325484/ 4400050712	Partial contract on the provision of ICT services for EDUII	2021-05-31 (effective 2021-01-01)	customer relationship
ČEZ ICT Services, a. s.	P3A18000014137	Personal Data Processing Agreement	2018-04-25	customer relationship
ČEZ ICT Services, a. s.	170006_2017/ 4101599318	Establishment of an easement of the engineering network "Dispatching cables EDU-RSLV – Route 1" on EDUII land - revenue contract	2017-05-29	supplier relationship
ČEZ ICT Services, a. s.	170007_2017/ 4101599689	Establishment of an easement of the engineering network "DPS06.02 Dispatching cables EDU-RSLV - Route 2" on EDUII land - revenue contract	2017-05-29	supplier relationship
ČEZ ICT Services, a. s.	170008_2017/ 4101599707	Establishment of an easement of the engineering network "DPS06.02 Dispatching cables EDU-RSLV - Route 1" on EDUII land - revenue contract	2017-05-29	supplier relationship
<b>Elektrárna Temelín II, a. s.</b>				
Elektrárna Temelín II, a. s.	4400038981	Framework contract on the provision of services for Elektrárna Dukovany II, a. s.	2017-10-13 (effective 2017-06-01)	customer relationship
Elektrárna Temelín II, a. s.		Contract on joint action of contracting authorities in the award of a public contract dated 4 March 2020 - consultancy services for NJZ	2020-03-04	member of the association of contracting authorities
<b>ÚJV Rez, a. s.</b>				
ÚJV Rez, a. s.	4400035836	Providing technical support for EDU II	2016-09-30	customer relationship
<b>ŠKODA PRAHA a.s.</b>				
ŠKODA PRAHA a.s.	4101774368	Framework contract on the provision of services between Elektrárna Dukovany II. and Škoda Praha a.s. - expense contract	2018-04-11	customer relationship
<b>Čez Group (SKČ)</b>				
SKČ		Mutual credit framework agreement following the agreement on the provision of multi-level Flexi on-line cash pooling of real mutual cash pooling in CZK for an economically connected group dated 2 February 2016	2016-02-02	
SKČ		Mutual credit framework agreement following the agreement on the provision of multi-level Flexi online cash pooling of real mutual cash pooling in EUR for an economically connected group dated 21 September 2016	2016-09-21	
SKČ		Framework contract on the assignment of receivables dated 11 June 2020	2020-06-11	
SKČ		Contract on joint action of contracting authorities in the award of a tender dated 30 September 2019 - auditor's services	2019-09-30	member of the association of contracting authorities

## **Consolidated Financial Statements of the Group as at 31 December 2021**

See Annual Report of ČEZ Group for 2021.

## **Financial Statements of the Company as at 31 December 2021**



**BALANCE SHEET**  
as at 31 December 2021  
(in CZK thousands)

Elektrárna Dukovany II, a.s.  
Duhová 1444/2  
140 00 Praha 4  
Company ID: 046 69 207

Item	ASSETS	Current year			Prior year
		Gross	Allowances	Net	Net
	<b>TOTAL ASSETS</b>	<b>1,827,756</b>	<b>(13,331)</b>	<b>1,814,425</b>	<b>1,453,467</b>
A.	Stock subscription receivable				
B.	<b>Fixed assets</b>	<b>1,709,663</b>	<b>(13,321)</b>	<b>1,696,342</b>	<b>1,404,990</b>
B. I.	Intangible fixed assets				
B. I. 1.	Development				
B. I. 2.	Valuable rights				
B. I. 2. 1.	Software				
B. I. 2. 2.	Other valuable rights				
B. I. 3.	Goodwill				
B. I. 4.	Other intangible fixed assets				
B. I. 5.	Advances granted for intangible fixed assets and intangible fixed assets in progress				
B. I. 5. 1.	Advances granted for intangible fixed assets				
B. I. 5. 2.	Intangible fixed assets in progress				
B. II.	<b>Tangible fixed assets</b>	<b>1,709,663</b>	<b>(13,321)</b>	<b>1,696,342</b>	<b>1,404,990</b>
B. II. 1.	Land and structures	<b>364,491</b>	<b>(8,122)</b>	<b>356,369</b>	<b>347,114</b>
B. II. 1. 1.	Land	336,901		336,901	326,220
B. II. 1. 2.	Structures	27,590	(8,122)	19,468	20,894
B. II. 2.	Movable assets and sets of movable assets	66	(66)		
B. II. 3.	Gain or loss on revaluation of acquired property	14,667	(5,133)	9,534	10,512
B. II. 4.	Other tangible fixed assets				
B. II. 4. 1.	Perennial crops				
B. II. 4. 2.	Livestock				
B. II. 4. 3.	Miscellaneous tangible fixed assets				
B. II. 5.	Advances granted for tangible fixed assets and tangible fixed assets in progress	<b>1,330,439</b>		<b>1,330,439</b>	<b>1,047,364</b>
B. II. 5. 1.	Advances granted for tangible fixed assets	50,000		50,000	66,141
B. II. 5. 2.	Tangible fixed assets in progress	1,280,439		1,280,439	981,223
B. III.	<b>Long-term investments</b>				
B. III. 1.	Interests – controlled or controlling entity				
B. III. 2.	Loans and borrowings – controlled or controlling entity				
B. III. 3.	Interests – significant influence				
B. III. 4.	Loans and borrowings - significant influence				
B. III. 5.	Other long-term securities and interests				
B. III. 6.	Loans and borrowings - other				
B. III. 7.	Other long-term investments				
B. III. 7. 1.	Miscellaneous long-term investments				
B. III. 7. 2.	Advances granted for long-term investments				



**BALANCE SHEET**  
as at 31 December 2021  
(in CZK thousands)

**Elektrárna Dukovany II, a.s.**  
Duhová 1444/2  
140 00 Praha 4  
Company ID: 046 69 207

Item	ASSETS	Current year			Prior year
		Gross	Allowances	Net	Net
C.	Current assets	<b>116,919</b>	<b>(10)</b>	<b>116,909</b>	<b>47,757</b>
C. I.	Inventories				
C. I. 1.	Materials				
C. I. 2.	Work in progress and semi-finished production				
C. I. 3.	Finished products and goods				
C. I. 3. 1.	Finished products				
C. I. 3. 2.	Goods				
C. I. 4.	Livestock				
C. I. 5.	Advances granted for inventories				
C. II.	Receivables	<b>116,919</b>	<b>(10)</b>	<b>116,909</b>	<b>47,757</b>
C. II. 1.	Long-term receivables	<b>153</b>		<b>153</b>	
C. II. 1. 1.	Trade receivables				
C. II. 1. 2.	Receivables – controlled or controlling entity				
C. II. 1. 3.	Receivables – significant influence				
C. II. 1. 4.	Deferred tax asset				
C. II. 1. 5.	Other receivables	<b>153</b>		<b>153</b>	
C. II. 1. 5. 1.	Receivables from partners				
C. II. 1. 5. 2.	Long-term advances granted				
C. II. 1. 5. 3.	Unbilled revenue				
C. II. 1. 5. 4.	Miscellaneous receivables	153		153	
C. II. 2.	Short-term receivables	<b>116,766</b>	<b>(10)</b>	<b>116,756</b>	<b>47,757</b>
C. II. 2. 1.	Trade receivables	9,902	(10)	9,892	1
C. II. 2. 2.	Receivables – controlled or controlling entity	104,787		104,787	38,088
C. II. 2. 3.	Receivables – significant influence				
C. II. 2. 4.	Other receivables	<b>2,077</b>		<b>2,077</b>	<b>9,668</b>
C. II. 2. 4. 1.	Receivables from partners				
C. II. 2. 4. 2.	Social security and health insurance				
C. II. 2. 4. 3.	Due from government - tax receivables	1,987		1,987	9,622
C. II. 2. 4. 4.	Short-term advances granted				
C. II. 2. 4. 5.	Unbilled revenue				
C. II. 2. 4. 6.	Miscellaneous receivables	90		90	46
C. III.	Short-term financial assets				
C. III. 1.	Interests – controlled or controlling entity				
C. III. 2.	Other short-term financial assets				
C. IV.	Cash				
C. IV. 1.	Cash in hand				



**BALANCE SHEET**  
as at 31 December 2021  
(in CZK thousands)

**Elektrárna Dukovany II, a.s.**

Duhová 1444/2

140 00 Praha 4

Company ID: 046 69 207

Item	ASSETS	Current year			Prior year
		Gross	Allowances	Net	Net
C. IV. 2.	Cash at bank				
D.	Prepaid expenses and accrued income	<b>1,174</b>		<b>1,174</b>	<b>720</b>
D. 1.	Prepaid expenses	948		948	719
D. 2.	Prepaid expenses (specific-purpose expenses)				
D. 3.	Accrued income	226		226	1

Item	EQUITY AND LIABILITIES	Current year	Prior year
	TOTAL EQUITY AND LIABILITIES	<b>1,814,425</b>	<b>1,453,467</b>
A.	EQUITY	<b>1,686,243</b>	<b>1,353,538</b>
A. I.	Basic capital	<b>969,000</b>	<b>969,000</b>
A. I. 1.	Registered capital	969,000	969,000
A. I. 2.	Own ownership interests (-)		
A. I. 3.	Changes in basic capital		
A. II.	Share premium and revaluation reserve	<b>823,027</b>	<b>455,027</b>
A. II. 1.	Share premium	94,027	94,027
A. II. 2.	Capital funds	<b>729,000</b>	<b>361,000</b>
A. II. 2. 1.	Other capital funds	729,000	361,000
A. II. 2. 2.	Gain or loss on revaluation of assets and liabilities (+/-)		
A. II. 2. 3.	Gain or loss on revaluation upon corporate transformation (+/-)		
A. II. 2. 4.	Differences arising on corporate transformation (+/-)		
A. II. 2. 5.	Differences arising between balance sheet date and transformation date (+/-)		
A. III.	Reserves from profit		
A. III. 1.	Other reserves		
A. III. 2.	Statutory and other reserves		
A. IV.	Profit (loss) brought forward (+/-)	<b>(70,489)</b>	<b>(38,310)</b>
A. IV. 1.	Retained earnings (+/-)	(56,385)	(24,206)
A. IV. 2.	Other profit (loss) brought forward (+/-)	(14,104)	(14,104)
A. V.	Profit (loss) for the year (+/-)	<b>(35,295)</b>	<b>(32,179)</b>
A. VI.	Approved decision on advances for profit distribution (-)		
B. + C.	PROVISIONS AND LIABILITIES	<b>128,182</b>	<b>99,929</b>
B.	Provisions	<b>28,369</b>	<b>19,439</b>
B. 1.	Provision for pensions and similar obligations		
B. 2.	Provision for corporate income tax		
B. 3.	Provisions recognized under special legislation		
B. 4.	Other provisions	28,369	19,439

Item	EQUITY AND LIABILITIES	Current year	Prior year
C.	Liabilities	<b>99,813</b>	<b>80,490</b>
C. I.	Long-term liabilities	<b>30,686</b>	<b>16,937</b>
C. I. 1.	Bonds payable		
C. I. 1. 1.	Convertible bonds		
C. I. 1. 2.	Other bonds		
C. I. 2.	Amounts owed to credit institutions		
C. I. 3.	Long-term advances received		
C. I. 4.	Trade payables	712	634
C. I. 5.	Long-term notes payable		
C. I. 6.	Liabilities – controlled or controlling entity		
C. I. 7.	Liabilities – significant influence		
C. I. 8.	Deferred tax liability	5,525	8,631
C. I. 9.	Other liabilities	<b>24,449</b>	<b>7,672</b>
C. I. 9. 1.	Liabilities to partners		
C. I. 9. 2.	Unbilled deliveries	24,449	7,672
C. I. 9. 3.	Miscellaneous liabilities		
C. II.	Current liabilities	<b>69,127</b>	<b>63,553</b>
C. II. 1.	Bonds payable		
C. II. 1. 1.	Convertible bonds		
C. II. 1. 2.	Other bonds		
C. II. 2.	Amounts owed to credit institutions		
C. II. 3.	Short-term advances received		
C. II. 4.	Trade payables	14,319	29,182
C. II. 5.	Short-term notes payable		
C. II. 6.	Liabilities – controlled or controlling entity		
C. II. 7.	Liabilities – significant influence		
C. II. 8.	Other liabilities	<b>54,808</b>	<b>34,371</b>
C. II. 8. 1.	Liabilities to partners		
C. II. 8. 2.	Short-term borrowings		
C. II. 8. 3.	Liabilities to employees	7,658	5,662
C. II. 8. 4.	Liabilities arising from social security and health insurance	3,773	3,032
C. II. 8. 5.	Due to government – taxes and subsidies	1,130	1,235
C. II. 8. 6.	Unbilled deliveries	41,666	24,050
C. II. 8. 7.	Miscellaneous liabilities	581	392
D.	Accruals and deferred income		
D. 1.	Accruals		
D. 2.	Deferred income		





## INCOME STATEMENT

as at 31 December 2021

(in CZK thousands)

**Elektrárna Dukovany II, a.s.**

Duhová 1444/2

140 00 Praha 4

Company ID: 046 69 207

Item	Text	Balance	
		Current year	Prior year
I.	Revenue from sale of finished products and services	556	593
II.	Revenue from sale of goods		
A.	Production-related consumption	<b>39,941</b>	<b>18,680</b>
A. 1.	Cost of goods sold		
A. 2.	Consumption of material and energy	1,844	917
A. 3.	Services	38,097	17,763
B.	Change in inventory produced internally (+/-)		
C.	Own work capitalized (-)	(205,579)	(90,147)
D.	Personnel expenses	<b>195,043</b>	<b>87,375</b>
D. 1.	Wages and salaries	142,745	64,208
D. 2.	Social security and health insurance costs and other costs	<b>52,298</b>	<b>23,167</b>
D. 2. 1.	Social security and health insurance costs	46,269	20,712
D. 2. 2.	Other costs	6,029	2,455
E.	Value adjustments in respect of operating activities	<b>1,528</b>	<b>1,568</b>
E. 1.	Value adjustments in respect of intangible and tangible fixed assets	<b>1,518</b>	<b>1,568</b>
E. 1. 1.	Value adjustments in respect of intangible and tangible fixed assets - permanent	1,518	1,568
E. 1. 2.	Value adjustments in respect of intangible and tangible fixed assets - temporary		
E. 2.	Value adjustments in respect of inventory		
E. 3.	Value adjustments in respect of receivables	10	
III.	Other operating income	<b>3,881</b>	<b>7</b>
III. 1.	Income from sale of fixed assets		
III. 2.	Income from sale of materials		
III. 3.	Miscellaneous operating income	3,881	7
F.	Other operating expenses	<b>12,808</b>	<b>19,856</b>
F. 1.	Net book value of fixed assets sold		
F. 2.	Net book value of materials sold		
F. 3.	Taxes and charges relating to operations	1,062	813
F. 4.	Provisions relating to operations and prepaid expenses (specific-purpose expenses)	8,930	19,005
F. 5.	Miscellaneous operating expenses	2,816	38
*	<b>Profit or loss on operating activities (+/-)</b>	<b>(39,304)</b>	<b>(36,732)</b>



## INCOME STATEMENT

as at 31 December 2021

(in CZK thousands)

Elektrárna Dukovany II, a.s.

Duhová 1444/2

140 00 Praha 4

Company ID: 046 69 207

Item	Text	Balance	
		Current year	Prior year
IV.	Income from long-term investments - interests		
IV. 1.	Income from interests in subsidiaries or parents		
IV. 2.	Other income from interests		
G.	Cost of interests sold		
V.	Income from other long-term investments		
V. 1.	Income from other long-term investments - subsidiaries or parents		
V. 2.	Other income from other long-term investments		
H.	Expenses relating to other long-term investments		
VI.	Interest receivable and similar income	642	43
VI. 1.	Interest receivable and similar income - subsidiaries or parents	642	43
VI. 2.	Other interest receivable and similar income		
I.	Value adjustments and provisions relating to financial activities		
J.	Interest payable and similar expenses	1	181
J. 1.	Interest payable and similar expenses - subsidiaries or parents	1	181
J. 2.	Other interest payable and similar expenses		
VII.	Other finance income	320	401
K.	Other finance cost	58	53
*	<b>Profit or loss on financial activities (+/-)</b>	<b>903</b>	<b>210</b>
**	<b>Profit or loss before taxation (+/-)</b>	<b>(38,401)</b>	<b>(36,522)</b>
L.	Income tax	(3,106)	(4,343)
L. 1.	Income tax due		
L. 2.	Income tax deferred (+/-)	(3,106)	(4,343)
**	<b>Profit or loss after taxation (+/-)</b>	<b>(35,295)</b>	<b>(32,179)</b>
M.	Transfer of share of profit or loss to partners (+/-)		
***	<b>Profit or loss for the year (+/-)</b>	<b>(35,295)</b>	<b>(32,179)</b>
*	<b>Net turnover = I.+ II.+ III.+ IV.+ V.+ VI.+VII.</b>	<b>5,399</b>	<b>1,044</b>



## Cash flow statement for the period 1 January 2021 to 31 December 2021

(in CZK thousands)

Elektrárna Dukovany II, a.s.

Duhová 1444/2

140 00 Praha 4

Company ID: 046 69 207

Item	Text	Balance	
		Current year	Prior year
<b>P.</b>	<b>Cash and cash equivalents at beginning of year</b>		
	<b><u>Cash flows from operating activities</u></b>		
Z.	Profit or loss before taxation	(38,401)	(36,522)
A.1.	Adjustments to reconcile profit or loss to net cash provided	9,484	20,618
A.1.1.	Depreciation and amortization of fixed assets and write-downs	1,518	1,568
A.1.2.	Change in allowances, provisions and accruals	8,711	19,090
A.1.2.1.	Change in allowances	10	
A.1.2.2.	Change in provisions	8,930	19,005
A.1.2.3.	Changes in accruals	(229)	85
A.1.3.	(Gain)/Loss on disposal of fixed assets, own ownership		
A.1.4.	Interest payable and interest receivable	(641)	138
A.1.5.	Other non-cash movements	(104)	(178)
A.1.6.	Dividend income		
A.2.	Change in non-cash components of working capital	16,154	38,887
A.2.1.	Change in receivables from operating activities	(2,463)	9,564
A.2.2.	Change in current liabilities from operating activities	18,617	29,323
A.2.3.	Change in inventory		
A.3.	Interest paid, net of capitalized interest	(1)	(181)
A.4.	Interest received	417	57
A.5.	Income tax paid, incl. additional tax assessments for prior periods		
A.6.	Dividends received		
<b>A.</b>	<b>Net cash provided by (used in) operating activities</b>	<b>(12,347)</b>	<b>22,859</b>
	<b><u>Cash flows from investing activities</u></b>		
B.1.	Purchase of fixed assets	(305,809)	(319,693)
B.2.	Proceeds from sale of fixed assets		
<b>B.</b>	<b>Net cash provided by (used in) investing activities</b>	<b>(305,809)</b>	<b>(319,693)</b>
	<b><u>Cash flows from financing activities</u></b>		
C.1.	Change in long-term liabilities and short-term loans	16,855	8,209
C.2.	Change in receivables/liabilities related to cash pooling	(66,699)	(27,375)
C.3.	Effect of changes in equity on cash	368,000	316,000
<b>C.</b>	<b>Net cash provided by (used in) financing activities</b>	<b>318,156</b>	<b>296,834</b>
<b>F.</b>	<b>Net increase/decrease in cash and cash equivalents</b>		
<b>R.</b>	<b>Cash and cash equivalents at end of year</b>		



## Statement of Changes in Equity

as at 31 December 2021

(in CZK thousands)

Elektrárna Dukovany II, a.s.

Duhová 1444/2

140 00 Praha 4

Company ID: 046 69 207

	Registered capital	Other capital funds	Revaluation reserve	Reserves from profit	Cumulative profit or loss	Total
<b>As at 1 January 2020</b>	<b>969,000</b>	<b>139,027</b>			<b>(38,310)</b>	<b>1,069,717</b>
Increase/decrease in equity		316,000				316,000
Profit or loss for the year 2020					(32,179)	(32,179)
<b>As at 31 December 2020</b>	<b>969,000</b>	<b>455,027</b>			<b>(70,489)</b>	<b>1,353,538</b>
Increase/decrease in equity		368,000				368,000
Profit or loss for the year 2021					(35,295)	(35,295)
<b>As at 31 December 2021</b>	<b>969,000</b>	<b>823,027</b>			<b>(105,784)</b>	<b>1,686,243</b>

# **Elektrárna Dukovany II, a. s.**

## **Financial Statements for the year ended 31 December 2021**

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

## 1. DESCRIPTION OF THE COMPANY

Elektrárna Dukovany II, a. s. ("the Company") is a joint stock company incorporated on 23 December 2015. The Company's registered office is located at Duhová 1444/2, Prague 4, post code 140 00, the Czech Republic, and the business registration number (IČ) is 046 69 207.

The parent company and sole shareholder is ČEZ, a. s., with the registered office located at Duhová 2/1444, Prague 4, post code 140 53, business registration number 452 74 649.

The Company was established as a special purpose vehicle (SPV) for the purpose of ensuring comprehensive preparation of the construction of a new nuclear power facility at the Dukovany site.

The Company is included in the consolidated group of the parent company. The accompanying financial statements have been prepared as separate financial statements. Consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) have been prepared by the parent company ČEZ, a. s.

The Company has no foreign branch.

Members of statutory bodies as at 31 December 2021 were as follows:

Board of Directors	
Chair:	Ing. Petr Závodský
Vice-chair:	Ing. Zbyněk Mrázek
Member:	Ing. Jiří Beneš
Member:	Ing. Jiří Füzér
Member:	Mgr. Jan Fajt

Supervisory Board	
Chair:	Ing. Tomáš Pleskač, MBA
Vice-chair:	PhDr. Tomáš Ehler, MBA
Member:	Ing. Bohdan Zronek
Member:	JUDr. Michaela Chaloupková, MBA
Member:	Mgr. Michaela Soudná, MBA

The following changes were made to the Company's entry in the public register in 2021.

The position of Mgr. Michaela Soudná as vice-chairwoman of the Company's Supervisory Board terminated, and Ing. Bohdan Zronek was appointed vice-chairman of the Company's Supervisory Board, as of 14 October 2020.

The change was entered in the public register on 11 February 2021.

The position of Ing. Jaroslav Míl as member and chairman of the Company's Supervisory Board terminated as of 22 April 2021.

Ing. Tomáš Pleskač, MBA, became member of the Supervisory Board as of 23 April 2021 and chairman of the Supervisory Board as of 30 April 2021.

PhDr. Tomáš Ehler, MBA, became vice-chairman of the Supervisory Board as of 30 April 2021.

The position of Ing. Bohdan Zronek as vice-chairman of the Company's Supervisory Board terminated as of 30 April 2021.

The changes were entered in the public register on 10 June 2021.

On the basis of the Agreement on Contribution of a Part of the Enterprise of 21 September 2016 between the Company and ČEZ, a. s., part of the parent company's enterprise comprising the "NNF EDU" organizational unit was contributed to the basic capital of Elektrárna Dukovany II, a. s. with effect from 1 October 2016.

As at the date of the contribution, the total value of the in-kind contribution as per an expert's valuation was CZK 736,027 thousand. The difference between the expert's opinion and the book value of the contribution totaling CZK 721,360 thousand gave rise to a gain/(loss) on revaluation of acquired property of CZK 14,667 thousand.

## **2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS**

The accompanying financial statements were prepared in accordance with the Czech Act on Accounting and the related guidelines as applicable for 2021 and 2020.

The financial statements have been prepared assuming that the Company will continue as a going concern.

### **Explanation Added for Translation into English**

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

## **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING METHODS AND DEPARTURES THEREFROM**

The accounting policies applied by the Company in preparing the 2021 and 2020 financial statements are as follows:

### **a) Intangible Fixed Assets**

Intangible fixed assets are recorded at their acquisition cost and related expenses.

Intangible fixed assets acquired until 31 December 2020 with a cost exceeding CZK 60 thousand are amortized over their respective estimated economic useful lives (3-9 years). Intangible assets acquired until 31 December 2020 with a cost of less than CZK 60 thousand are carried only in a subsidiary ledger and are expensed when put in use.

Intangible fixed assets acquired or technically improved as from 1 January 2021 with a cost exceeding CZK 80 thousand are amortized over their respective estimated economic useful lives (3-9 years). Intangible assets acquired as from 1 January 2021 with a cost of less than CZK 80 thousand are carried only in a subsidiary ledger and are expensed when put in use.

### **b) Tangible Fixed Assets**

Tangible fixed assets are recorded at their acquisition cost, which consists of purchase price, freight, customs duties and other related costs.

Internally-developed tangible fixed assets are recorded at their accumulated cost, which consists of direct material and labor costs and production overheads. These assets include, in particular, studies, expert assistance, capitalization of project team costs and advance payments.

Tangible fixed assets acquired until 31 December 2020 with a cost exceeding CZK 40 thousand are depreciated over their respective estimated economic useful lives. Tangible assets with a cost from CZK 5 thousand to CZK 40 thousand are carried only in a subsidiary ledger and are expensed when put in use.

Tangible fixed assets acquired as from 1 January 2021 with a cost exceeding CZK 80 thousand are depreciated over their respective estimated economic useful lives. Tangible assets with a cost from CZK 5 thousand to CZK 80 thousand are carried only in a subsidiary ledger and are expensed when put in use.

Government subsidies contributed towards the acquisition of tangible fixed assets are deducted from the cost of the related asset.

Any gain or loss on the revaluation of acquired property represents the difference between the valuation of an enterprise, or a part thereof, acquired by purchase or contribution, or between the valuation of assets and liabilities made in connection with company transformations (except the cases where the transformation brings a change in the legal form), and the aggregate of individually revalued asset components in accounting of the selling, contributing or dissolving accounting entity, net of assumed liabilities.

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

	Years
Buildings and structures	50
Machinery and equipment	8
Furniture and fixtures	8
Gain or loss on revaluation of acquired property	15

### c) Cash

Cash includes liquid valuables, cash in hand and cash held in bank accounts and restricted bank accounts.

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

### d) Receivables

Receivables are initially measured at their nominal amount. Both long- and short-term receivables are carried at their realizable value after allowance for doubtful accounts. Additions to the allowance account are charged to income and are based on the ageing structure and recoverability assessment of individual receivables.

### e) Equity

The basic capital of the Company is stated at the amount recorded in the public register maintained in the Municipal Court. Any increase or decrease in the basic capital made pursuant to the decision of the General Meeting which was not entered in the register as at the balance sheet date is recorded through changes in basic capital. Contributions in excess of basic capital are recorded as share premium (agio).

### f) Provisions and Liabilities

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

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



#### **g) Foreign Currency Transactions**

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

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

#### **h) Use of Estimates**

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

#### **i) Recognition of Revenues and Expenses**

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

Revenues are recognized when it is probable that the future economic benefits of the transaction will flow to the entity and the amount of revenues can be measured reliably. Revenue is recognized net of value added tax, less any discounts.

Provisions and allowances for all risks, losses and impairments known as at the financial statements date are charged to income.

#### **j) Income Tax**

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

The outstanding corporate income tax liability less advance payments made is recognized in provisions. If the income tax advance payments exceed the estimated tax due as at the reporting date, the difference is recognized as a current tax asset.

Deferred tax is recognized on all temporary differences between the carrying amount of an asset or liability in the balance sheet and the amount used for income tax purposes. A deferred tax asset is recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

#### **k) Subsequent Events**

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

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

**4. FIXED ASSETS****a) Intangible Fixed Assets (in CZK thousands)**

Intangible fixed assets comprised incorporation expenses (startup costs), i.e., the costs incurred in the formation of the Company up to its incorporation, which were disposed from intangible assets in 2021.

**b) Tangible Fixed Assets (in CZK thousands)****COST**

	At beginning of year	Additions	Transfers	At end of year
Land	326,220	-	10,681	336,901
Structures	28,476	-	(886)	27,590
Movable assets	66	-	-	66
Tangible fixed assets in progress	981,223	292,870	6,346	1,280,439
Advances granted for tangible fixed assets	66,141	-	(16,141)	50,000
Gain or loss on revaluation of acquired property	14,667	-	-	14,667
2021 Total	1,416,793	292,870	-	1,709,663
2020 Total	1,084,725	332,068	-	1,416,793

**ALLOWANCES AND ACCUMULATED DEPRECIATION**

	At beginning of year	Depreciation during year	At end of year	Net book value
Land	-	-	-	336,901
Structures	(7,582)	(540)	(8,122)	19,468
Movable assets	(66)	-	(66)	-
Tangible fixed assets in progress	-	-	-	1,280,439
Advances granted for tangible fixed assets	-	-	-	50,000
Gain or loss on revaluation of acquired property	(4,155)	(978)	(5,133)	9,534
2021 Total	(11,803)	(1,518)	(13,321)	1,696,342
2020 Total	(10,257)	(1,546)	(11,803)	1,404,990

Depreciation in respect of the adjustment to acquired property of CZK 978 thousand and CZK 977 thousand was charged against income in 2021 and 2020, respectively.

The total value of tangible assets which are not reflected in the accompanying balance sheet was CZK 195 thousand and CZK 195 thousand at acquisition cost as at 31 December 2021 and 2020, respectively.

Tangible fixed assets in progress reflect the value of preparation of the New Nuclear Facility project at the Dukovany site ("NNF EDU") from inception to the cut-off date of 31 December 2021. They consist of the value of the uncompleted part of the NNF EDU investment project as contributed to the company EDU II by the parent company ČEZ, a. s. as part of the contribution of an independent part of the parent company's enterprise on 1 October 2016 (after an expert's valuation) and the new investments made by EDU II in the period from 1 October 2016 to 31 December 2021 in accordance with the approved business plan.

The development of the NNF EDU project is part of the implementation of the "National Action Plan for the Development of Nuclear Energy" adopted by the Government of the Czech Republic in 2015. The Action Plan also included the development of ČEZ Group's nuclear power plants and envisaged continuation of the preparation of the New Nuclear Facility projects at the Temelín and Dukovany sites; the plan envisaged 2 units at each site or, specifically, the construction of 1 unit with possible extension to 2 units.

In order to implement the plan, special-purpose vehicles (SPVs), i.e. project-oriented companies, were established for the construction of nuclear units at the Dukovany and Temelín sites; subsequently, the New Nuclear Facility (NNF) projects at the above sites were spun off and transferred from ČEZ, a. s. to the SPVs. The special-purpose companies Elektrárna Temelín II, a. s. and Elektrárna Dukovany II, a. s. were established at the end of 2015 and the relevant assets were allocated and transferred to these companies based on the decision of the General Meeting of ČEZ, a. s. on 1 October 2016.

In previous years, there was a major change in the adoption of key decisions relating to the NNF EDU project as envisaged by the National Action Plan for the Development of Nuclear Energy. Based on the conclusions of the meetings of the Standing Committee on New Nuclear Build in the Czech Republic and the Czech Government resolutions (particularly Government Decrees No. 485 of 8 July 2019, No. 65 of 20 January 2020 and No. 478 of 27 April 2020), the following steps were taken:

- i. Elektrárna Dukovany II, a. s. was confirmed to be the project investor;
- ii. it was decided that maximum staff capacity and financial resources would be directed at the preparatory phase of the implementation of the New Nuclear Facility project at the Dukovany site as a priority up to the capacity of 1,200 MW with possible extension to 2,400 MW;
- iii. negotiations were initiated between the State and the European Commission with a view to informing the European Commission about the preparation of the new nuclear facility at the Dukovany site and about further steps according to the Government Resolution and continuing the negotiations with the European Commission concerning compliance of the public aid proposal with the rules of the internal market of the European Union;
- iv. the State introduced a mechanism to support the construction of low-carbon power sources in the Czech Republic (a draft bill on measures for the transition to low-carbon energy has been submitted to the Czech Chamber of Deputies for discussion);
- v. a framework agreement and the first implementing agreement on cooperation in the construction of a new nuclear facility at the Dukovany site in the Czech Republic between the State, ČEZ, a. s. and Elektrárna Dukovany II, a. s. were prepared, discussed and signed (see below);
- vi. an analysis was carried out and a proposal was submitted concerning the financing of new nuclear power facilities in the Czech Republic.

Furthermore, after negotiations of the State and the ČEZ Group with potential suppliers and following extensive analyses to compare alternative scenarios, the supply model was clarified.

By Resolution No.755 of 20 July 2020, the Czech Government approved the financing model for new nuclear facilities in the form of a repayable borrowing pursuant to Act No. 218/2000 Coll., on budget rules and on amendments to certain related acts (Budget Rules), and requested that the European Commission be informed of the financing model for the NNF EDU project and that the proposed mechanism be incorporated in the draft bill on measures for the Czech Republic's transition to low-carbon energy and on amendments to Act No.165/2012 Coll., on subsidized energy sources, as amended.

On 28 July 2020, two important agreements were concluded between the State, represented by the Ministry of Industry and Trade, and the companies ČEZ, a. s. and Elektrárna Dukovany II, a. s. (EDU II): the "Framework Agreement on Cooperation in the Construction of a New Nuclear Facility in the Czech Republic" and the "First Implementing Agreement on Cooperation in the Construction of a New Nuclear Facility at the Dukovany Site in the Czech Republic". These agreements enable the State to obtain the necessary control over the NNF EDU project in line with the fundamental security interests of the Czech Republic. The First Implementing Agreement includes, among the activities to be carried out in phase one of the cooperation, the "Preparation of a Financing Proposal for the Dukovany Project"

and Annex D "Budget", which contains the budget for the preparation of the NNF EDU project and the operation of EDU II in phase one of the Dukovany Project (totaling CZK 3,401,591 thousand). ČEZ, a. s. already provided funds for financing the activities on the NNF EDU project in the period before 2020. The costs of these activities are reflected in the total purchase price pursuant to Article 11.1 of the First Implementing Agreement, in addition to Budget costs.

The material nature of tangible fixed assets in progress is evident from the breakdown of the project into individual key projects and specific projects.

The key project "Preparation and Coordination of the Construction of the Power Plant" (KP01) involved the preparation of documents supporting the definition of the scope of supply of the power plant and nuclear fuel and the tender documentation for the tender for the future supplier of the power plant and nuclear fuel. Subsequently, with the participation of the State, a security clearance phase took place for potential bidders for the power plant and nuclear fuel supplier.

The key project "The Site and Related Infrastructure" (KP02) involved activities and documentation for the preparation of the construction site (construction areas and site equipment areas), for securing the full extent of associated investments and induced (second-party) investments bound to the construction site, site equipment and connection of the power plant to the infrastructure (e.g. raw water, drinking water, waste water, earthing networks, connection to the grid, etc.). Securing the necessary rights and titles to the land for the construction site, site equipment and corridors was also part of the project.

The aim of activities carried out and documentation prepared under the key project "External Infrastructure" (KP03) was to secure investments relating to the external infrastructure. Furthermore, the project involved options analyses and measures for transporting oversized and heavy components, obtaining the necessary land rights and titles for the external infrastructure, the fulfilment of contractual obligations under the contracts with ČEPS, a.s. concerning the connection of NNF EDU to the transmission system and the contracts with E.ON concerning the connection to the distribution grid.

The key project "Power Plant Permit" (KP05) comprised the carrying out of activities and preparation of documents and the obtaining of permits from public authorities mainly in the areas subject to legislation governing land use planning and zoning proceedings and building proceedings, peaceful use of nuclear energy and environmental impact assessment (EIA). In accordance with the project schedule, the project's compliance with the relevant stages of the land use planning and zoning documentation was ensured and the EIA opinion was obtained as part of the environmental and public health impact assessment process by the key date. In addition, a final permit was issued by SÚJB regarding nuclear facility siting (pursuant to the Atomic Energy Act), and an application for authorization of the future generating plant was filed and the authorization issued by the Ministry of Industry and Trade then followed (pursuant to the Energy Act). The preparation of supporting documentation for planning and zoning proceedings was finished and in June 2021 an application for land-use permit issuance was filed (pursuant to the Building Act).

In addition, project management supporting activities were carried out within the framework of specific projects.

In view of up to date activities, the management believes that the implementation of the project will be successful and that return on FA in progress will be reached. Accordingly, the Company did not include in the statements adjustments to FA in progress that may be required should certain risks or uncertainties materialize and lead to a decision not to proceed with the construction project.

## **5. RECEIVABLES**

As at 31 December 2021 and 2020, the Company had no receivables overdue.

Receivables from related parties (see Note 12).

## **6. SHORT-TERM FINANCIAL ASSETS AND CASH**

The Company participates in the cash-pooling system managed for the ČEZ Group companies by Komerční banka, a.s. bank (KB).

Funds denominated in CZK transferred to the parent company ČEZ, a. s. under the cash-pooling arrangement bear interest at the PRIBOR O/N rate - 0.5% p. a., at least 0.03% p. a. (receivables). Funds denominated in CZK provided by the parent company under the cash-pooling arrangement bear interest at the PRIBOR O/N rate + 0.30% p.a., at least 0.30% p.a. (liabilities).

Funds denominated in EUR transferred to the parent company ČEZ, a. s. under the cash-pooling arrangement bear interest at the interest rate according to the relevant KB Notification on foreign currency interest rates; the current rate is 0.00% p.a. (receivables). Funds denominated in EUR provided by the parent company under the cash-pooling arrangement bore interest at the EUR LIBOR O/N rate + 0.35% p.a., at least 0.35% p.a. (liabilities). The EUR LIBOR O/N rate changed to the EUR €STR O/N rate on 31 October 2021.

The balance of cash transferred under cash-pooling amounted to CZK 104,787 thousand and CZK 38,088 thousand as at 31 December 2021 and 31 December 2020, respectively. The balance is reported in 'Receivables - controlled or controlling entity' under short-term receivables in the balance sheet.

The financing of phase one of the NNF EDU project and of the operation of EDU II is ensured by the parent company ČEZ, a. s. on the basis of the "Supplementary Cash Contribution Agreement between ČEZ, a. s. and Elektrárna Dukovany II, a. s." concluded on 29 May 2020. ČEZ as the sole shareholder of EDU II has undertaken, under the terms and conditions of the above agreement, to provide a supplementary cash contribution of CZK 3,401,591 thousand to the Company's equity, but outside the basic capital. The purpose is to strengthen the Company's equity. In the agreement, the Company confirmed its intention to accept the supplementary cash contribution. The supplementary cash contribution is paid in instalments, via a bank transfer to Elektrárna Dukovany II's bank account, always on the basis of the Company's written request for the supplementary contribution or part thereof. Each payment covers the immediate financial needs of the New Nuclear Facility project at the Dukovany site and of the Company for the nearest future and corresponds to the amount specified in the request; the sum of all payments must not exceed the total amount of the supplementary cash contribution.

At the time of preparation of the financial statements, a discussion concerning the proposed financing model for the next phases of the New Nuclear Facility project at Dukovany is underway, involving representatives of the State, ČEZ, a. s., and Elektrárna Dukovany II, a. s. and consultants and advisors of the individual participants. In this context, the following ongoing activities that are part of or relate to the financing of the project need to be mentioned:

- i. A bill on measures for the Czech Republic's transition to low-carbon energy and on amendments to Act No.165/2012 Coll., on subsidized energy sources, as amended, went through the whole legislative process and was promulgated in Collection of Laws, Chapter 162, under number 367/2021 Coll.
- ii. The State is expected to support the New Nuclear Facility project at the Dukovany site by concluding a long-term power purchase contract (within the meaning of the draft bill on measures for the Czech Republic's transition to low-carbon energy and on amendments to Act No.165/2012 Coll., on subsidized energy sources, as amended). The State will purchase all electricity output of the nuclear power plant through an entity established for this purpose, 100% controlled by the State. In addition, both the State and the parent company ČEZ, a. s. are expected to have a call and put option on Elektrárna Dukovany II, a. s. under specific conditions. The basic rules of such contractual relationships were agreed and, based on these rules, negotiations on the concrete wording of contracts are currently underway.
- iii. The parent company ČEZ, a. s. will provide equity financing to Elektrárna Dukovany II, a. s. for phase 1 of the New Nuclear Facility project at Dukovany (i.e. until the end of the tender for the principal supplier, i.e. readiness of the respective contract for signing).
- iv. Building on the above, it is assumed that the Czech Republic will provide debt financing for the New Nuclear Facility project at Dukovany from phase 2. The State would provide debt capital to Elektrárna Dukovany II, a. s. in the form of a repayable loan (borrowing) based on a decision of the Ministry of Industry and Trade (state loan/credit) in accordance with the applicable legal regulations. State funding is likely to provide certain advantages against the use of other sources of financing. Within the negotiations it was preliminary determined to what extent and under what conditions the parent company ČEZ, a. s. should provide certain funds to finance the construction phase of the New Nuclear Facility project at Dukovany to the Company, in addition to the repayable State loan.

- v. In connection with the foregoing steps, the State is negotiating with the European Commission regarding compliance of the proposed state aid with EU rules. The EC notified draft was updated in December 2021.

## 7. EQUITY

The basic capital of the Company consists of 969 ordinary registered certificated shares with a nominal value of CZK 1,000 thousand.

In 2021 and 2020, ČEZ, a. s., as the sole shareholder, provided a cash contribution to equity, outside the basic capital, in the amount of CZK 368,000 thousand and CZK 316,000 thousand, respectively, based on the Supplementary Cash Contribution Agreement.

The loss for 2021 in the amount of CZK 35,295 thousand is expected to be transferred to non-compensated losses of previous years in 2022.

The decision of the sole shareholder, ČEZ, a. s., of 15 June 2021 approved the transfer of the loss for 2020 amounting to CZK 32,179 thousand to non-compensated losses of previous years.

The decision of the sole shareholder, ČEZ, a. s., of 12 June 2020 approved the transfer of the loss for 2019 amounting to CZK 10,127 thousand to non-compensated losses of previous years.

In 2016, the Company's basic capital was increased by CZK 919,000 thousand, i.e. from the original CZK 50,000 thousand to a total of CZK 969,000 thousand; the increase consisted of a non-cash contribution of CZK 642,000 thousand and a cash contribution of CZK 277,000 thousand. The share premium of CZK 94,027 thousand arose from the contribution of a part of the business enterprise.

## 8. PROVISIONS

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

Provisions	Balance as at 31/ 12/ 2019	Additions	Deductions	Balance as at 31/ 12/ 2020	Additions	Deductions	Balance as at 31/ 12/ 2021
Employee benefits	434	19,005	-	19,439	9,098	168	28,369

The provision for employee benefits is created for special bonuses paid out to employees upon their retirement and upon reaching the age of 50 pursuant to the Collective Bargaining Agreement.

## 9. CURRENT LIABILITIES

As at 31 December 2021 and 2020, the Company had no current payables overdue.

As at 31 December 2021 and 2020, the Company had liabilities of CZK 3,773 thousand and CZK 3,032 thousand, respectively, owing to social security and health insurance premiums.

Unbilled deliveries as at 31 December 2021 and 2020 represented, in particular, unbilled services relating to the reporting period, recorded observing the matching and accrual principles.

Payables to related parties (see Note 12).

## 10. INCOME TAXES

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

	2021	2020
Loss before taxes	(38,401)	(36,522)
Difference between book and tax depreciation	540	570
Depreciation of the gain on revaluation	978	977
Creation of provisions	8,930	19,005
Other	5,799	3,189
Tax loss (-) / Taxable income (+)	(22,154)	(12,781)
Tax loss carryforward	-	-
Current tax expense	-	-

The Company will file the income tax return on 1 July 2022.

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

Deferred tax items	2021		2020	
	Deferred tax asset	Deferred tax liability	Deferred tax asset	Deferred tax liability
Difference between net book value of fixed assets for accounting and tax purposes	-	12,941	-	13,230
Tax losses deductible in the future	-	-	-	-
Provisions	5,390	-	3,693	-
Other	2,026	-	906	-
Total	7,416	12,941	4,599	13,230
Net	-	5,525	-	8,631

Changes in deferred taxes in 2021 and 2020:

	2021	2020
Deferred tax as at 1 January	8,631	12,974
Changes in deferred taxes charged to income	(3,106)	(4,343)
Deferred tax as at 31 December	5,525	8,631

In line with the principle of prudence, the deferred tax calculation does not include the tax loss on the grounds that future taxable income is uncertain.

**11. PERSONNEL AND RELATED EXPENSES**

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

	2021		2020	
	Total personnel	Members of management, supervisory and administrative bodies	Total personnel	Members of management, supervisory and administrative bodies
Average number of employees*	100.02	10	44.81	7.67
Wages and salaries	142,745**	21,308	64,208 **	12,183
Social security and health insurance	46,269**	5,594	20,712 **	3,645
Social cost	6,029**	174	2,455 **	78
<b>Total personnel expenses</b>	<b>195 043**</b>	<b>27,076</b>	<b>87,375 **</b>	<b>15,906</b>

\* The average registered number of employees converted to FTE, i.e. the hours worked by several part-time employees converted into the hours worked by full-time employees.

\*\* Includes data for all persons who performed activities for the Company - employees on the basis of employment contracts, members of management, supervisory and administrative bodies on the basis of management agreements and other persons on the basis of agreements to complete a job.  
By reason of their responsibilities, the members supervisory bodies received total bonuses and other remuneration of CZK 671 thousand and CZK 532 thousand in 2021 and 2020, respectively.

**12. RELATED PARTY INFORMATION**

Benefits granted to the members of statutory, supervisory and management bodies consisted of the use of company cars for private purposes, life insurance and other remuneration, including remuneration of members of the Company's bodies.

The members of management, supervisory and administrative bodies were granted no advances, earnest money, loans, borrowings, guarantees, advances or other benefits in 2021 and 2020 and they do not hold any shares of the Company.

In the following overview, related parties mean the ČEZ Group companies.

The Company purchases products and receives services from related parties in the ordinary course of business.

Overview of purchases and acquisitions of assets (in CZK thousands):

Related party	2021	2020
ČEZ, a. s.	40,745	105,898
ÚJV Řež, a. s.	13,315	65,850
ČEZ ICT Services, a. s.	11,231	3,763
Elektrárna Temelín II, a. s.	2,225	4,260
ČEZ Korporátní služby, s.r.o.	-	5,861
ŠKODA PRAHA a. s.	-	4,812
ČEZ ESCO, a. s.	-	82
<b>Total</b>	<b>67,516</b>	<b>190,526</b>



Overview of sales (in CZK thousands):

Related party	2021	2020
Elektrárna Temelín II, a. s.	-	84
Total	-	84

Short-term payables to related parties as at 31 December were as follows (in CZK thousands):

Related party	2021	2020
ČEZ, a. s.	10,785	14,977
ÚJV Řež, a. s.	2,418	10,552
Elektrárna Temelín II, a. s.	307	417
ČEZ ICT Services, a. s.	-	1,052
ČEZ Korporátní služby, s.r.o.	-	685
ŠKODA PRAHA a. s.	-	334
Total	13,510	28,017

The reported balance of payables to related parties includes unbilled deliveries.

Short-term receivables from related parties as at 31 December were as follows (in CZK thousands):

Related party	2021	2020
ČEZ, a. s.	114,684	38,088
ČEZ ICT Services, a. s.	1,133	-
Total	115,817	38,088

The reported balance of receivables from related parties includes unbilled revenues.

Receivables - controlling and managing person in the amount of CZK 104,787 thousand and CZK 38,088 thousand in 2021 and 2020, respectively, comprise the balance of cash in the "cash pooling" system. The balance reflects the value of receivables from ČEZ, a. s. (see Note 6).

**13. SUBSEQUENT EVENTS**

Based on the decision of the sole shareholder of 20 December 2021, Mr. Ing. Jiří Beneš was removed from the position of member of the Board of Directors with effect from 31 December 2021 and Mr. Ing. Pavel Kamenický became new member of the Board of Directors with effect from 1 January 2022.

The change in the member composition of the Company's Board of Directors was entered in the public register on 11 February 2022.

Based on the evaluation of security clearance of three applicants for the construction of a new nuclear facility on 17 March 2022, the Ministry of Industry and Trade gave consent to the opening of the tender and Elektrárna Dukovany II, a. s. opened the tender on 17 March 2022.

Prepared on:	Signature of entity's statutory body:	Person responsible for accounting (name, signature):
23 May 2022	Ing. Petr Závodský Chairman of the Board of Directors	Ing. Pavel Kamenický Member of the Board of Directors

## Company Identification

### Elektrárna Dukovany II, a. s. (Dukovany Power Plant II)

Registered Office: Duhová 1444/2, Michle, 140 00 Prague 4, Czech Republic  
Registration in the Commercial Register: File No. B 21250 kept by the Municipal Court in Prague  
Year of foundation: 2015  
Legal form: joint-stock company  
ID number: 046 69 207  
VAT No.: CZ04669207  
Bank details: Komerční banka, a. s., Na Příkopě 33, 114 07 Prague 1,  
Account No. 107-6912070287/0100  
Phone: +420 211 043 374  
Website: <https://www.cez.cz/cs/o-cez/skupina-cez/vyznamne-spolecnosti-skupiny-cez/elektrarna-dukovany-ii>  
E-mail: [njzedu@cez.cz](mailto:njzedu@cez.cz)  
Data box ID: zcnewnf

Closing date of the content of the Annual Report for 2021: 23 May 2022