



**ELEKTRÁRNA
DUKOVANY II**



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

Member of CEZ Group

ANNUAL REPORT FOR 2022

Presentation of CEZ Group

CEZ Group is a stable energy group that is one of the largest economic entities in the Czech Republic as well as in the Central Europe and contributes significantly to the development of the energy sector of the region. In the wake of the energy crisis in 2022, CEZ Group has proven to be a safe and reliable source of electricity for its customers, and it has ensured maximum energy supplies for the Czech Republic and neighbouring countries.

In its activities, CEZ Group highlights the implementation of global climate goals, decarbonization, and the impacts of business activities on the environment in general. It focuses on the development of nuclear and renewable energy sources and on innovation in energy to provide reliable and sustainable services to customers.

The focus of value is created from emission-free production, distribution and sale of electricity and heat. Other important activities are commodity trading, distribution and sale of natural gas, mining, and especially the provision of complex energy and modern technological services.

CEZ Group employs nearly 29,000 employees and supplies energy and modern energy solutions to millions of customers in the Czech Republic, Germany, Poland and Slovakia. Outside Central Europe, it operates mainly in France, Italy, the Netherlands and Austria.

The share in EBITDA of CEZ Group's main activities in 2022 (%)



Vision and Corporate Responsibility

The long-term vision of CEZ Group is to bring innovative energy solutions and contribute to higher quality of life. The "VISION 2030 - Clean Energy of Tomorrow" strategy is focused on the dynamic transformation of the production portfolio to a low-emission one and on achieving full climate neutrality by 2040. It includes a commitment to end the production of heat from coal and to limit the production of electricity from coal by 2030 fundamentally.

The basic premise of the emission-free vision and the priority of energy self-sufficiency is the development of nuclear energy and the construction of 6,000 MW of new renewable energy sources by 2030. The goal is to select a contractor to build at least one new large nuclear unit in the Czech Republic in coordination with the Czech state by the end of 2024. At the same time, preparations for the construction of small modular nuclear reactors were accelerated, the first such reactor should be located at the Temelín site.

In the field of distribution and sale, a permanent objective consists of providing the most advantageous energy solutions and the best customer experience on the market. CEZ Group therefore invests significantly in the modernization and digitization of distribution networks, wants to be the most reliable supplier of energy and modern complex energy services, and intends to be a leader in the energy transformation and decarbonisation of industry in the Czech Republic and Central Europe.

The business activities of CEZ Group are governed by strict ethical standards that include responsible behaviour toward employees, society, and the environment. It is committed to the principles of sustainable development, with an emphasis on ESG (Environmental, Social and Governance) as an integral part of the management of the entire company. CEZ Group supports energy efficiency, promotes

new technologies, and creates an environment for professional growth of employees and equal opportunities, and focuses on investments in modern technologies, science, and research. The corporate culture is oriented towards safety and internal efficiency in order to increase the value of CEZ Group and to create an environment for professional growth of employees and equal opportunities. One of the priorities is close cooperation with communities and the most customer-friendly approach. The comprehensive goal is to be among the top 20% in the ESG rating by 2023.

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. Market capitalization of ČEZ as of 31 December 2022 was CZK 413 billion, and during its existence, ČEZ paid almost CZK 369 billion in dividends to its shareholders.

CEZ Group has long been one of the largest taxpayers in the Czech Republic and one of the main pillars of the Czech economy. In the 30 years since the establishment of the joint-stock company, ČEZ has paid more than CZK 800 billion to the Czech state in dividends, taxes, donations, and payments for emission allowances.

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Statutory Declaration by Persons Responsible for the Annual Report

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 2022, 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, 24 May 2023

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 2022 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/2023/05/22-eduuii-annual-report_final_cz-signed.pdf.

Independent Auditor's Report

In connection with the audit of the Financial Statements of the company Elektrárna Dukovany II, a. s., 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 Dukovany II, a. s.:

Opinion

We have audited the accompanying financial statements of Elektrárna Dukovany 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 2022, 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 2022, 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

24 May 2023

Prague, Czech Republic

Introduction by the Chairman of the Board of Directors

Dear Shareholders,
Dear Business Partners,

In 2022, the preparation continued of the project “New Nuclear Source at the Dukovany Site” following up the adoption of key decisions by the State in 2020 and 2021. In 2020, the “Framework Agreement on Cooperation in the Construction of a New Nuclear Source in the Czech Republic” and the “First Implementing Agreement on Cooperation in the Construction of a New Nuclear Source at the Dukovany Site in the Czech Republic” was concluded between the State, represented by the Ministry of Industry and Trade, the company ČEZ, a. s., and the company Elektrárna Dukovany II a. s. These agreements enable the State to gain the necessary control over the project with regard to the basic security interests of the Czech Republic and commit the State to provide the necessary support at the same time.

The zoning procedure is still ongoing for the location of the New Nuclear Source at the Dukovany site, which was started in 2021 on the basis of an application for the issuance of a zoning decision that included the documentation for the zoning procedure with incorporated requirements of the relevant authorities and infrastructure owners.

The company Elektrárna Dukovany II, a. s. made considerable efforts also in the beginning of 2022 to prepare a tender for the contractor of one unit of the New Nuclear Source at the Dukovany site and of fuel assemblies, including preparation of tender documents, as required by the First Implementing Agreement, and thus continued the previous year’s activities.

The Ministry of Industry and Trade approved the start of the tender procedure for the supplier of one unit of the New Nuclear Source at the Dukovany site and of fuel assemblies based on the evaluation of the safety assessment of all three tenderers for the construction of one unit of the New Nuclear Source at the Dukovany site – the American-Canadian company Westinghouse, the French EdF and the South Korean KHNP. The company Elektrárna Dukovany II, a. s., started the tender process for the supplier of the New Nuclear Source at the Dukovany site and approached all three stated tenderers regarding the submission of bids on 17 March 2022.

Site visits took place within June 2022, during which the representatives of the tenderers got to know the construction site and obtained other necessary information for the preparation of the bid. All three tenderers submitted initial offers on 30 November 2022. In the first phase, their review and analysis took place and this phase was completed in February 2023. Then, negotiations were held with tenderers regarding the clarification of the information from the bids received in order to subsequently update them. The evaluation of the bids itself will continue after the submission of updated bids with a deadline of 15 September 2023.

During 2022, 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., the company Elektrárna Dukovany II, a. s., and consultants and advisers of individual participants. A necessary prerequisite for the implementation of the chosen financing model is the adoption of the Act on Measures for the Czech Republic's Transition to Low-Carbon Energy in 2021. The state submitted drafts of the Electricity Purchase Agreement and the Investor Agreement in 2022 and the form of the agreements is currently being discussed. Furthermore, the State negotiated with the European Commission on the compatibility of State aid with EU rules.

In addition to the previously mentioned activities, key activities of the company Elektrárna Dukovany II, a. s., in 2022 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

Selected Indicators

Selected Indicators of the Company Elektrárna Dukovany II, a. s.

	Unit	2020	2021	2022
After-tax profit	th. CZK	(32,179)	(35,295)	(46,488)
Total assets	th. CZK	1,453,467	1,814,425	2,221,517
Equity	th. CZK	1,353,538	1,686,243	2,021,755
Investments in fixed assets (CAPEX)	th. CZK	332,068	292,870	380,173
Headcount as of 31 December	number	84	108	132

Ownership Structure

The registered capital of the company Elektrárna Dukovany II, a. s. did not change compared to December 2021 and amounted to a total of CZK 969,000,000 as of 31 December 2022. 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 the company Elektrárna Dukovany II, a. s., is ČEZ, a. s., Duhová 2/1444, 140 53 Prague, 4, Company ID: 452,74,649.

Selected Events

Selected Events of 2022

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 contractor of one unit of the New Nuclear Source at the Dukovany site and of fuel assemblies,
- Pavel Kamenický was elected a member of the Board of Directors as of 1 January 2022.

February

- the evaluation of the fulfilment of specific duties (KPI) of the members 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

- the Ministry of Industry and Trade approved the start of the tender procedure for the supplier of one unit of the New Nuclear Source at the Dukovany site and of fuel assemblies based on the evaluation of the safety assessment of all three tenderers for the construction of one unit of the New Nuclear Source at the Dukovany site - the American-Canadian company Westinghouse, the French EdF and the South Korean KHNP - on 17 March 2022 and on the same day the company Elektrárna Dukovany II, a. s. initiated the tender procedure,
- the decision of the Board of Directors on the Annual Tasks for 2022 was approved,
- the Czech Republic, represented by the Ministry of Industry and Trade, has formally started the process of notification of public support for the New Nuclear Power Source at the Dukovany site by the European Commission.

May

- the regular audited annual financial statements for 2021 including the financial statements and the 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 2021 were discussed and approved by the Board of Directors,
- the Annual Report for the year 2021, which also includes the auditor's report, the report on the company's business activities and the state of its assets for the year 2021 was discussed and approved by the Board of Directors.

June

- site visits took place within the month, during which the representatives of the tenderers got to know the construction site and obtained other necessary information for the preparation of the bid
- the proposal of the Company's Board of Directors for the issuance of the Decision on Compensation of Loss for 2021 was discussed and approved by the sole shareholder,
- the Report on the Activities of the Supervisory Board for 2021 was approved,
- the Report on Management System Review for 2021 was approved by the Board of Directors.

August

- the European Commission published an initial decision regarding the notification of public support for the New Nuclear Source at the Dukovany site on 5 August,
- the state submitted drafts of the Electricity Purchase Agreement and the Investor Agreement and the Decision on Repayable Financial Assistance.

November

- on 30 November, initial bids were submitted by three tenderers for the construction of the New Nuclear Source at the Dukovany site - the American-Canadian company Westinghouse, the French EdF and the South Korean KHNP,
- the Board of Directors approved the annual plan (budget) for 2023 and the business plan for the 2023 – 2027 period.

December

- the Board of Directors adopted the content of the updated Group management policies with effect from 1 February, 2023,
- Amendment No. 1 to the First Implementing Agreement on Cooperation in the Construction of a New Nuclear Source at the Dukovany Site in the Czech Republic was concluded on 20 December 2022.

Selected Events of 2023 up to the Closing Date of the Annual Report

February

- the evaluation of specific duties (KPI) of members of the Board of Directors for 2022 and the definition of specific duties (KPI) of members of the Board of Directors for 2023 was approved.
- the decision of the Board of Directors on the Annual Tasks for 2023 was approved,
- the sole shareholder approved the business plan for the period 2023 – 2027,
- clarification negotiations with tenderers for the construction of the New Nuclear Source at the Dukovany site have begun.

March

- negotiations with tenderers regarding the clarification of the information from the bids received in order to subsequently update them.
- Petr Závodský was elected member of the Board of Directors by the sole shareholder (for the next term of office),
- Petr Závodský was re-elected chairman of the Board of Directors,
- Bohdan Zronek was elected member of by the Board of Directors (for the next term of office) and Michaela Soudná was elected member of the Supervisory Board (for the next term of office with effect from 2 October 2023) by the sole shareholder,
- the Board of Directors discussed and approved the 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 2022.

Strategic Plans

The company Elektrárna Dukovany II, a. s., as a special purpose subsidiary of the parent company ČEZ, a. s., ensures the development of the project New Nuclear Source at the Dukovany Site according to the specification approved in the business plan of the project, whose current revision covers the period until the end of 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 – “Frame 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 2027, is part of CEZ Group’s business plan for the period, and is approved by the General Meeting.

Company Governance Bodies

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

The company 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), as amended (hereinafter "Act on Commercial Corporations").

Company Profile

The establishment and operation of the company 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 CEZ Group's nuclear power plants. This plan assumes the continuation of the preparation of the project for new nuclear units at the Dukovany Site, in the variant of one unit with the possibility of extension to two units.

The company Elektrárna Dukovany II, a. s. is a special purpose vehicle, into which the parent company incorporated the project New Nuclear Source at the Dukovany site in 2016. The parent company is also providing financing for the project in its first phase to the company Elektrárna Dukovany II, a.s. and the parent company also provided it with significant personnel reinforcements 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 at the Dukovany Site.

The Company selected a dual system of internal structure. The Company had the following governance bodies in 2022:

- 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,
- 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,
- 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 2022, 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 seven 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 2022, six regular meetings of the Supervisory Board (43rd to 48th meetings) and no meeting/decision per rollam took place. In 2023, one regular meeting of the Supervisory Board (49th meetings) was held to the closing date of this Annual Report.

Members of the Supervisory Board until 30 June 2022

Chairman:	Ing. Tomáš Pleskač, MBA, Date of birth 8 November 1966	Date of appointment: 30 April 2021 Date of membership: 23 April 2021
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

Members of the Supervisory Board from 1 July 2022

Chairman:	Ing. Tomáš Pleskač, MBA, Date of birth 8 November 1966	Date of appointment: 30 April 2021 Date of membership: 23 April 2021
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 and the next term of office from 2 March 2023
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
Member:	Ing. Jaroslav Hrubý, Date of birth 9 August 1968	Date of membership: 1 July 2022
Member:	Ing. Petr Třešňák, Date of birth 4 January 1983	Date of membership: 1 July 2022

Supervisory Board Committees

There were no Supervisory Board committees operating in 2022.

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 following of its 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 tenancy 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 from it, 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 contractors,
- 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 2022, 12 meetings of the Board of Directors took place and one meeting/decision per rollam. In 2023, four meetings of the Board of Directors took place before the closing date of the Annual Report.

Board members 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 Next term of office: Date of appointment: 17 March 2023 Date of membership: 17 March 2023
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

Working Commissions, Teams, and Committees of the Board of Directors or its Members

In 2022, 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 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

The company Elektrárna Dukovany II, a. s., did not set up any other bodies in 2022.

Compliance with the company's management and governance code

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 CEZ Group, the company Elektrárna Dukovany II, a. s., adopts CEZ 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 ČEZ 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 the company 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 CEZ Group, the company Elektrárna Dukovany II, a. s., respects and accepts the principles of corporate compliance applied within CEZ Group.

Report on Business Activity

The company Elektrárna Dukovany II, a. s., is a part of CEZ Group's consolidation unit.

Financial Results of the Company

Overview of Revenues and Expenses for 2022

Items in th. CZK	
Sales of services revenues	612
Power consumption	53,128
Capitalization (-)	(269,229)
Salaries and wages	251,722
Adjustments of values in the operating area	1,530
Other operating revenues	66
Other operating expenses	21,648
Operating income (+/-)	(58,121)
Interest income	8,081
Interest expenses	0
Other financial income	0
Other financial expenses	438
Financial income	7,643
Income before income tax (+/-)	(50,478)
Income tax on ordinary activities	(3,990)
Income from ordinary activities	(46,488)

Cash flow

Cash flow	th. CZK
Cash and cash equivalents at the beginning of the accounting period	0
Net cash flow from operating activities	26,227
Net cash flow attributable to investing activities	(355,335)
Net cash flows attributable to financing activities	329,108
Cash and cash equivalents at the end of the period	0

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

Structure of Assets and Liabilities

Assets

As at 31 December 2022, the value of assets totalled 2,221,517 th. CZK, of which long-term assets 2,074,986 th. CZK, current assets 144,877 th. CZK, and prepaid expenses and accrued income 1,654 th. CZK.

Fixed assets in the amount of 2,074,986 th. CZK were made up of the net book value of land and buildings in the amount of 355,817 th. CZK the net book value of the gain on revaluation of acquired property in the amount of 8,556 th. CZK and the value of fixed assets in progress and advances granted on tangible fixed assets in the amount of 1,710,613 th. CZK.

Current assets amounted 144,877 th. CZK. Short-term receivables consist mainly of a receivable from the controlling entity within the so-called cash pooling in the amount 132,518 th. CZK.

Liabilities

The value of equity and liabilities amounted to 2,221,517 th. CZK, while the value of the share capital entered in the public register was 969,000 th. CZK.

Short-term liabilities in the amount of 154,960 th. CZK are mainly represented by trade payables in the amount of 27,716 th. CZK and by other liabilities of 127,244 th. CZK (these are mainly unbilled deliveries created for uninvoiced deliveries for services materially and temporally related to the year 2022).

Investments

The main investment project is the continuation of the development of the project New Nuclear Source at the Dukovany Site. 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 the company Elektrárna Dukovany II, a. s., as of 1 October 2016, where the development of this investment project is in progress.

The company Elektrárna Dukovany II, a. s., spent funds in 2022 for investments in fixed assets in the amount 380,173 th. CZK.

Risk Management

The company Elektrárna Dukovany II, a. s., uses CEZ Group's integrated risk management system. Under a concluded contract, individual activities are provided by ČEZ, a. s. in accordance with CEZ 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, the company 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 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 CEZ 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 CEZ 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 CEZ Group and initiates improvement of the activities and reduction of business risks.

Since July 2020, the Internal Audit Section of ČEZ 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 of cost monitoring for 2021, including recommendations, were discussed and implemented in 2022.

Safety and Quality Management

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

Within the management system of the company Elektrárna Dukovany II, a. s., the requirements of CEZ 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. The company Elektrárna Dukovany II, a. s., fulfils CEZ 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, the company Elektrárna Dukovany II, a. s., has issued and implements the safety policy, which develops the Group's safety and environmental protection policy of CEZ 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 EDUII.

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

The business activities of the company 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 the company 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 CEZ 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 CO₂ 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 CO₂ 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. The

company 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 the company 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, as amended, and the Business Corporations Act.

Together with this general legislative framework, legal regulations for the field of nuclear energy are crucial for the company Elektrárna Dukovany II, a. s., the basis of which is the Atomic Act and Act No. 264/2016 Coll., amending some laws in connection with the adoption of the Atomic Act (both Acts entered into force on 1 January 2017) and their implementing regulations.

For the company 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. Act No. 183/2006 Coll., on Town and Country and Building Code (Building Act), as amended, is still valid and effective. The new Building Act, which was promulgated on 29 July 2021 in the Collection of Laws under No. 283/2021 Coll., has not yet entered into force in most of its provisions, similar to Act No. 284/2021 Coll., which amends some laws in connection with the adoption of the Building Act. Most of the provisions of both regulations will enter into force as of 1 July 2023, however, draft Acts have already 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 Acts 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, as amended. 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 2022, including announcement of new proposals by the European Commission, whose activities are significant for CEZ Group's business activities.

For the needs of the company 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).

Research and Development

CEZ 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 CEZ Group. Areas and topics with significant application potential are emphasized. Research and development support in CEZ Group is also focused on nuclear energy, in particular long-term research in the areas of nuclear power plant system safety and resilience.

The company 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, consists in the so-called SMR (small and modular reactors) units in addition to the conventional large units covering the needs of the base load. 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. CEZ Group has concluded memoranda with companies NuScale, GE Hitachi, Rolls Royce, EdF, KHNP, Holtec, and Westinghouse, 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. CEZ 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. In cooperation with ÚJV

Řež Group, the sister company Elektrárna Temelín II, a. s. prepared a qualification study "Analysis of the possibility of building small modular reactors (SMRs) at the Temelín site" and subsequently a feasibility study for the location of SMRs at the Temelín site. However, SMR units are not currently planned for construction at the Dukovany Site.

Donorship

Social responsibility is an integral part of all CEZ 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.

The company 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 CEZ 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

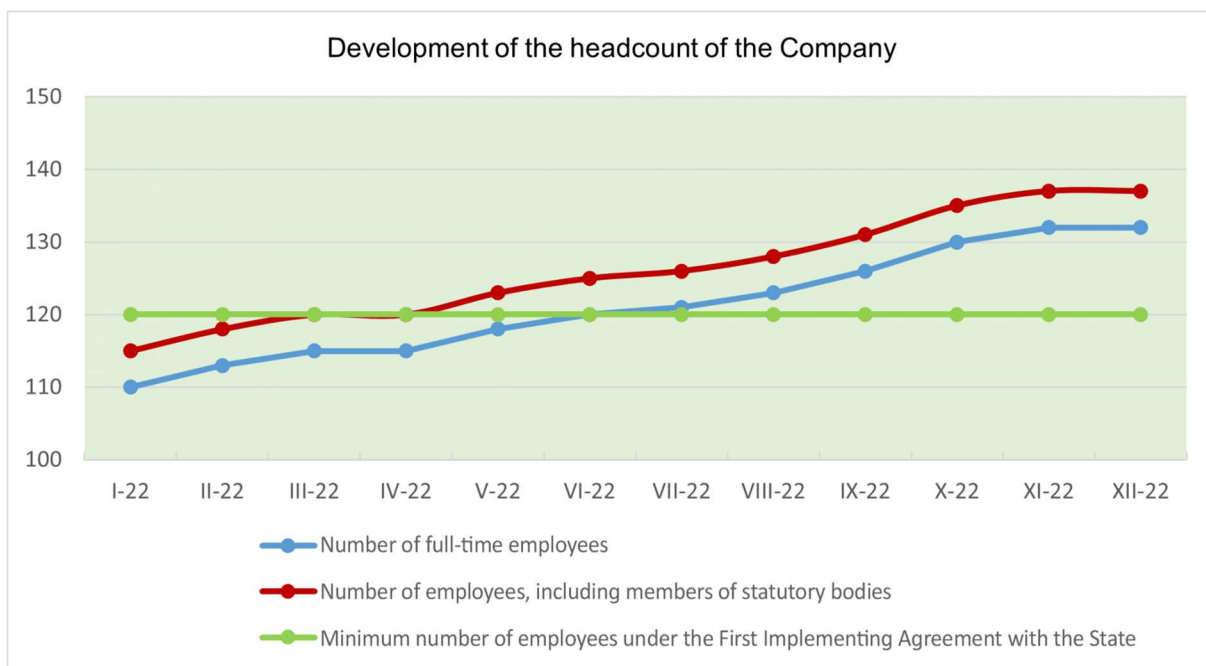
Headcount Changes

As of 31 December 2022, Elektrárna Dukovany II, a. s. employed 132 people on a full-time basis (i.e. excluding members of statutory governance bodies), which was 24 more people year-on-year. As of the closing date of the Annual Report, the company employed 139 people on a full-time employment basis (i.e. excluding members of the statutory bodies).

In addition, the company had 20 work performance agreements and agreements on working activities in 2022.

Members of the Company statutory bodies (as of 31 December 2022, a total of five members) perform activities under service contracts.

Development of the headcount of the Company												
month 2022	01	02	03	04	05	06	07	08	09	10	11	12
Number of full-time employees	110	113	115	115	119	120	122	123	126	130	132	132
number of employees including members of statutory bodies	115	118	120	120	124	125	127	128	131	135	137	137
minimum number of employees under the First Implementing Agreement	120	120	120	120	120	120	120	120	120	120	120	120

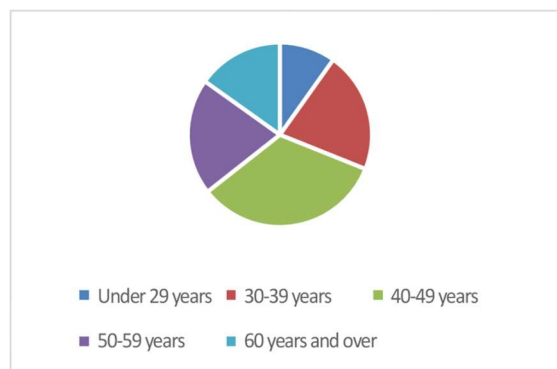


The place of work of the Company's employees including statutory bodies was at the following addresses:

- Prague 4; 140 00; Duhová 1444/2 (43 full-time employees)
- Dukovany; 675 50; Dukovany NPP (27 full-time employees)
- Temelín; 373 05; Temelín NPP (67 full-time employees)

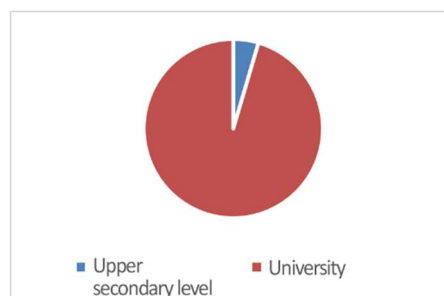
Structure of employees as of 31 December 2022 according to age

Age category	Persons	%
Under 29 years	13	10
30-39 years	28	21
40-49 years	44	33
50-59 years	27	21
60 years and over	20	15
Total	132	100



Structure of employees as of 31 December 2022 according to the highest level of education successfully completed

Level of education successfully completed	Persons	%
Upper secondary level	6	5
University	126	95
Total	132	100



The average age of full-time employees was 45.8 years.

Strategic Recruitment

With regard to the Company's situation in 2022, strategic recruitment tools provided by the parent company within CEZ Group began to be used.

Training Programme

Employees and members of statutory bodies participate in training and other educational activities provided by the parent company within CEZ 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 the company Elektrárna Dukovany II, a. s. enjoy all the benefits of the welfare policy implemented in CEZ 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 the company Elektrárna Dukovany II, a. s.

Employees earn wages in accordance with CEZ Group's long-term financial performance and its position in the labour market. In the company Elektrárna Dukovany II, a. s. working hours are set at 37.5 hours per week, one additional week of paid vacation is provided beyond the statutory minimum, employees are provided with paid leave beyond the statutory scope, and they can use work from home. The company Elektrárna Dukovany II, a. s. also provides its employees an extra wide range of benefits such as personal accounts intended primarily to cover costs of recreation and leisure-time activities, contributions to supplementary pension plans, private life insurance, allowances for meals, special bonuses for jubilees and on retirement, interest-free loans, and one-time social assistance in exceptional cases. 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) is operating in the company Elektrárna Dukovany II, a. s. A collective agreement has been concluded between this Trade Union and the company Elektrárna Dukovany II, a. s. for the period of 2020-2027. Since 2022, 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 2022, collective bargaining took place on amendments to the current collective agreement - the amendment No. 3 dated 18 August 2022 and the amendment No. 4 dated 1 December 2022 were concluded.

Changes in Ownership Interests

No change in ownership interests occurred in 2022 – ČEZ, a. s., is a permanent 100 % owner of the company Elektrárna Dukovany II, a. s.

There was no contribution associated with the stated capital increase during 2022.

In 2000, the financing of the project New Nuclear Source at the Dukovany Site, as well as the operation of Elektrárna Dukovany II, a. s., was provided by the parent company ČEZ, a. s. in the form of equity surcharge of the Company outside the stated capital under the surcharge agreement.

Litigation and Other Proceedings

Litigation

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

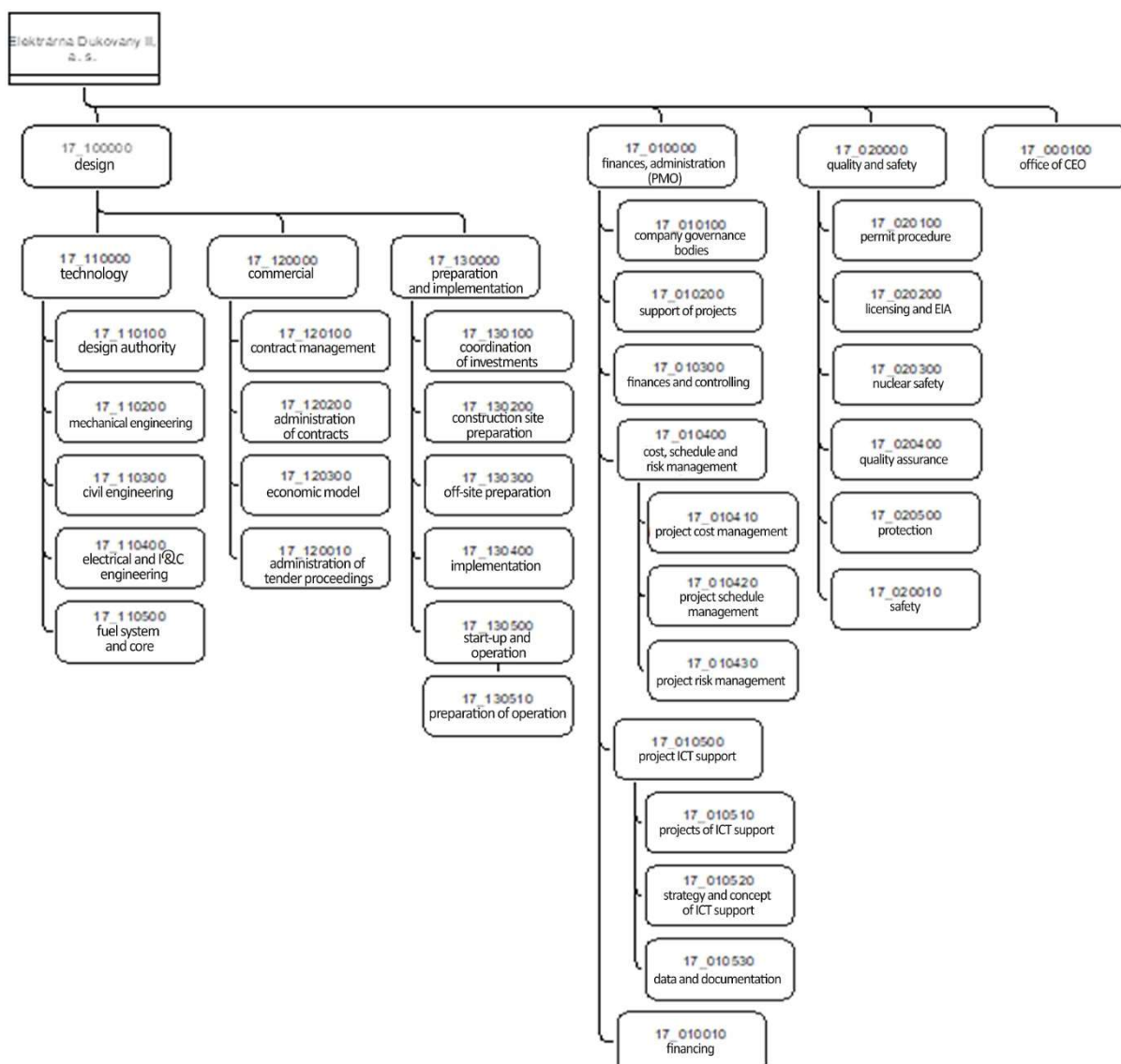
Other Proceedings

The company 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 January 2022 to 30 June 2022

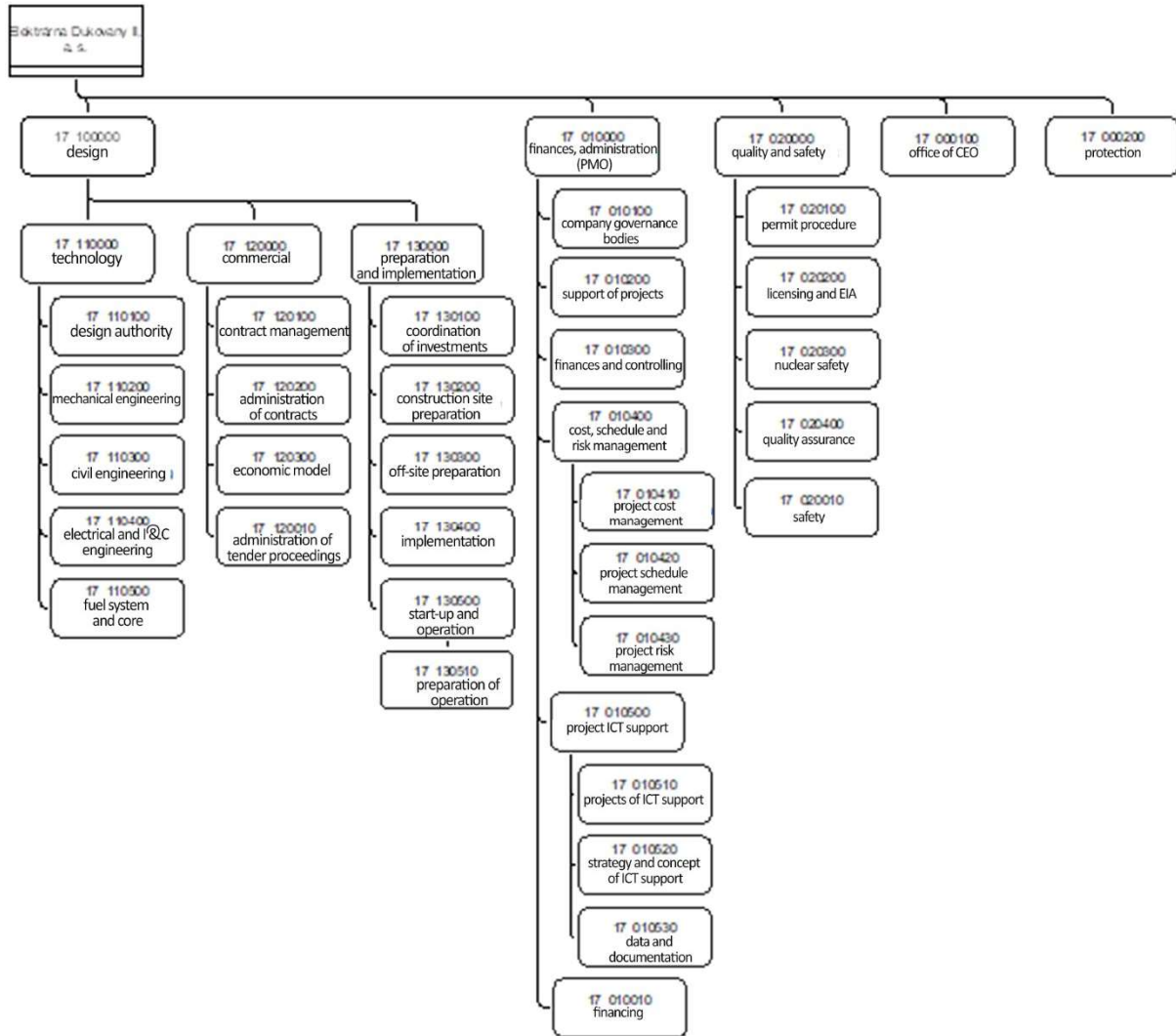
A major organizational change was made in the company Elektrárna Dukovany II, a. s. as of 1 January 2022. The goal of the organizational change was to optimize the systematization of jobs in relation to the activities carried out in the affected sections with the aim of achieving higher efficiency in the performance of the tasks of the given sections and due to generational change.



Organizational Chart from 1 July 2022 to 30 August 2022

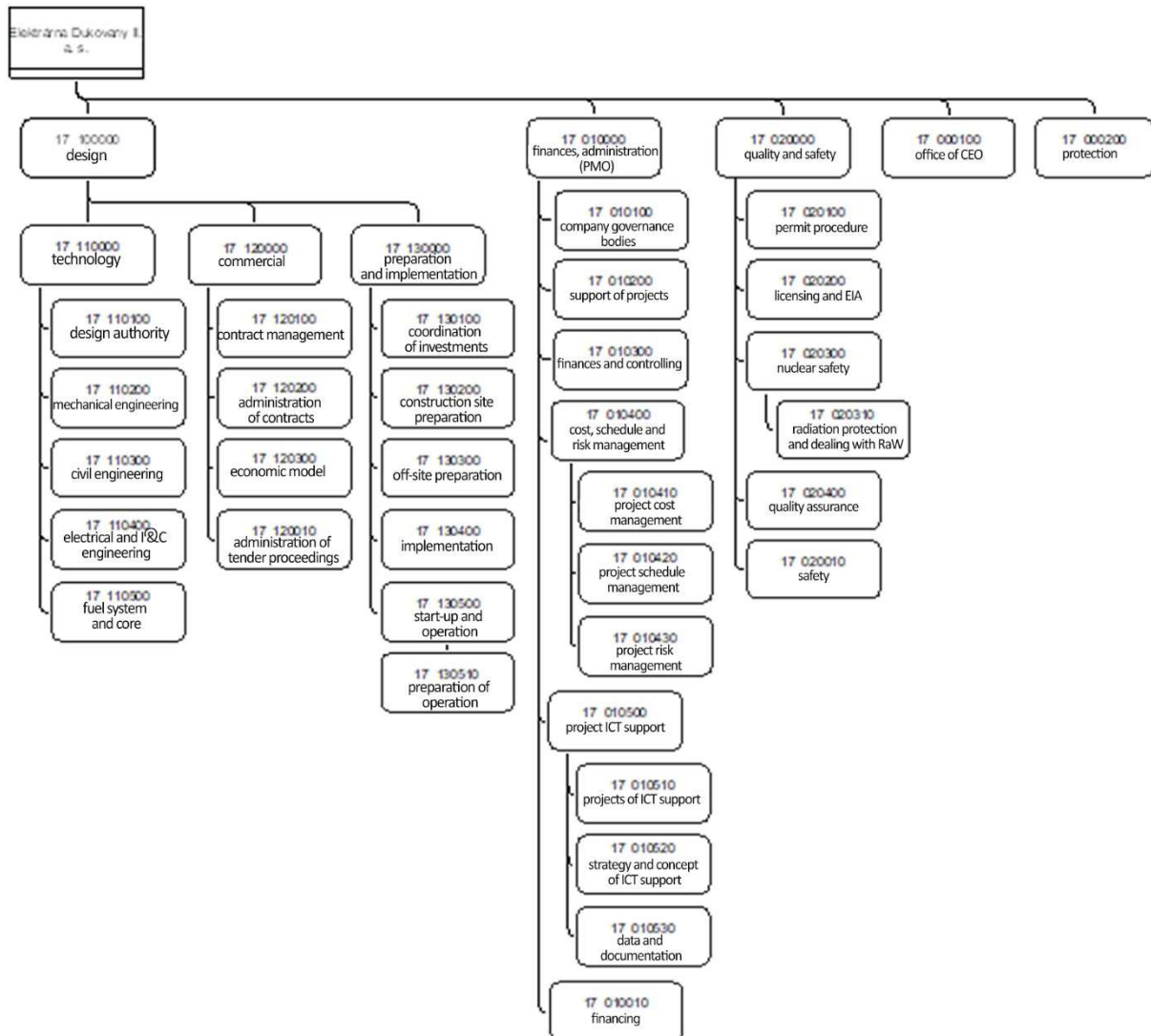
Another fundamental organizational change was made as of 1 July 2022.

Its goal was to ensure the highest priorities and control by the top management of the company Elektrárna Dukovany II, a. s. for the area of the protection management due to the importance of the project of New Nuclear Source at the Dukovany site and the security interests of the state. A change in the organizational integration of the protection section from the responsibility of the director of the quality and safety section to the responsibility of the CEO was carried out.



Organizational chart from 1 September 2022 to 31 December 2022

Another fundamental organizational change was made as of 1 September 2022. The goal was to set up an organizational structure and to systematize work positions for strengthening competencies in the field of radioactive waste management and decommissioning and to ensure sufficient capacity for the preparation of license documentation for a permit to construct a nuclear facility.



Contact Details

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

Abbreviations and Definitions

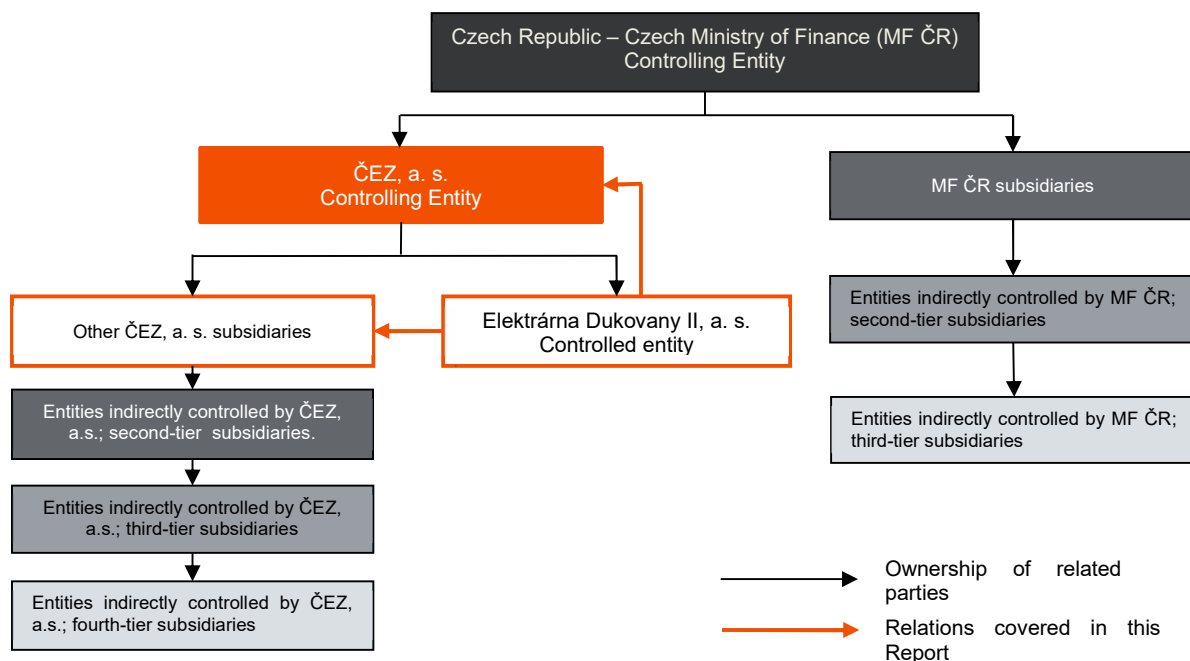
Abbreviation	Meaning	Comment
A SEK	Updated State Energy Policy	
CAPEX	Capital Expenditures	
EBITDA	Earnings before interests, taxes, depreciation and amortization	
EDU II	Elektrárna Dukovany II, a. s. (Dukovany Power Plant II)	Business name of the Company
EPC	Engineering, Procurement and Construction	Contract type
G20	International forum for the governments and central bank governors from 20 major economies	
HPP	Full-time employment	
KPI	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
OECD	Organisation for Economic Co-operation and Development	
PX	Prague Stock Exchange index	
GRS	Frame agreement	
SEK	State Energy Policy	
SKČ	CEZ Group	
SMR	Small Modular Reactor	
SPV	Special Purpose Vehicle	
SPVŘ	System of Tender Proceedings Support	
TP	Tender Procedure for the “Dukovany Nuclear Power Plant Completion” Project	
SVJE	Standing Committee for Nuclear Energy	
SVVNJZ	Standing Committee for the Construction of New Nuclear Sources	
WIG-CEE	Warsaw Stock Exchange index	

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

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 2022 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 2022 to 31 December 2022 (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 2022, 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 2022 to 31 December 2022, 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 2022.

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 2022, 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", as amended by Amendment 1 of 19 December 2022. 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.

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 2022, 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 31 March 2023

Ing. Petr Závodský
Chairman of the Board of Directors

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 2022 to 31 December 2022
- 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, 2022, to December 31, 2022

Name/Share	ID Number	Country	Registered Office Address
Czech Republic—Ministry of Finance	00006947	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	Hostivice, Komenského 534, postcode 253 01
100% in PROJEKT LOUNY ENGINEERING s.r.o.	44569688	Czechia	Louny, Na Valich 899, postcode 440 01
100% 1. Oprávněná společnost, s.r.o.	47306891	Czechia	Kadaň, Tušimice 13, postcode 432 01
100% CEZ ENERGOSEKVIS spol. s r.o.	60698101	Czechia	Třebíč, Bráňova 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, Výstavní 1144/103, Vítkovice, postcode 703 00
100% HAEM OSTRAVA, s.r.o.	47972033	Czechia	Ostrava, Na Jizdárně 2767/21a, Moravská Ostrava, postcode 702 00
100% CEZ Energo, s.r.o.	29060109	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00
100% CEZ LMS 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% ENESA a. s.	27382052	Czechia	Praha 9, U Voborníků 852/10, Vysočany, postcode 190 00
100% AZ KLIMA a. s.	24772631	Czechia	Brno, Tuřanka 1519/115a, Slatina, postcode 627 00
5% SKO-ENERGO FIN, s.r.o. v likvidaci	61675954	Czechia	Mladá Boleslav, tř. Václava Klementa 869, Mladá Boleslav II, postcode 293 01
Went into liquidation as at January 1, 2022, dissolved as at December 28, 2022			
12% SKO-ENERGO, s.r.o.	61675938	Czechia	Mladá Boleslav 1, tř. Václava Klementa 869, postcode 293 60
100% AirPlus, spol. s r.o.	25441931	Czechia	Modlany, č.ev. 22, postcode 417 13
100% HORMEN CE a.s.	27154742	Czechia	Praha 5, Moulkova 3286/1b, Smíchov, postcode 150 00
Increase of stake by 49% as at June 1, 2022 (originally 51%), change of registered office as at December 15, 2022 (originally 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 Mýto 1, Staré Mesto, postcode 811 03
Dissolved as at January 19, 2022			
100% Domat Control System s.r.o.	27189465	Czechia	Pardubice, U Panasonicu 376, Staré Ččovice, postcode 530 06
100% Domat Control System s. r. o.	44570473	Slovakia	Bratislava, Pri Smaltovni 4, Petržalka, postcode 851 01
Change of registered office as at December 16, 2022 (originally Bratislava, Údernická 11, postcode 851 01)			
100% KART, spol. s r.o.	45791023	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00
50% ESCO Slovensko, a. s.	52963659	Slovakia	Bratislava, Tomášikova 28C, Ružinov, postcode 821 01
Change of registered office as at September 15, 2022 (originally Bratislava, Mlynské nivy 4956/42, Ružinov, postcode 821 09)			
51% e-Dome a. s.	47256265	Slovakia	Bratislava, Plynárska 7/C, postcode 821 09
100% ESCO Distribučné systémy a.s.	47474238	Slovakia	Trnava, Františkánska 4, postcode 917 01
100% AZ KLIMA SK, s.r.o.	35796944	Slovakia	Bratislava, Tomášikova 28C, Ružinov, postcode 821 01
Change of registered office as at November 22, 2022 (originally Bratislava, Nová Rožňavská 3018/134/A, Nové Mesto, postcode 831 04)			
55% SPRÁVBYTKOMFORT, a.s. Prešov	31718523	Slovakia	Prešov, Volgogradská 88, postcode 080 01
100% ESCO Servis, s. r. o.	31706053	Slovakia	Prešov, Volgogradská 88, postcode 080 01
100% CAPEXUS SK s. r. o.	35937190	Slovakia	Bratislava, Karadžičova 14, Ružinov, postcode 821 08
Change of registered office as at December 2, 2022 (originally Bratislava Turčianska 2, postcode 821 09)			
100% ELIMER, a.s.	36306941	Slovakia	Nové Mesto nad Váhom, Srnianska 19, postcode 915 01
Acquired as at February 24, 2022			
50.23% BIOPEL, a. s.	46823492	Slovakia	Kysucký Lieskovec, Kysucký Lieskovec 847, postcode 023 34
Acquired as at December 14, 2022			
51% ENVEZ, a. s.	07334214	Czechia	Havířov, Svornosti 86/2, Město, postcode 736 01
100% EP Rožnov, a.s.	45193631	Czechia	Rožnov pod Radhoštěm, Boženy Němcové 1720, postcode 756 61
100% EPIGON spol. s.r.o.	18051081	Czechia	Rožnov pod Radhoštěm, Tvarůžkova 2740, postcode 756 61
90% PIPE SYSTEMS s.r.o.	25887815	Czechia	Rožnov pod Radhoštěm, Tvarůžkova 2740, postcode 756 61
100% ELEKTROPROJEKTA SLOVAKIA, s.r.o.	36230804	Slovakia	Piešťany, Vajanského 58, postcode 921 01
100% Green energy capital, a.s.	14043505	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00
100% CAPEXUS s.r.o.	24131326	Czechia	Praha 5, Moulkova 3286/1b, Smíchov, postcode 150 00
Change of registered office as at September 30, 2022 (originally Praha 4, Nuselská 419/92, Michle, postcode 140 00)			
52.46% UJV Řež, a. s.	46356088	Czechia	Husinec, Hlavní 130, Řež, postcode 250 68
100% SKODA 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 aplikované mechaniky Brno, s.r.o.	60715971	Czechia	Brno, Resalova 372/3, Veveří, postcode 602 00
100% CEZ Bohemia s. s.	28881736	Czechia	Praha 4, Duhová 2/1444, postcode 140 53
49% Jadrná energetická spoločnosť Slovensko, 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
100% CEZNET s.r.o.	26378191	Czechia	Tachov, Vilémovská 1602, postcode 347 01
100% FDLnet.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
Dissolution of company by merger with Telco Pro Services, a. s., July 1, 2022			
100% HELIOS MB s.r.o.	27371123	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00
Dissolution of company by merger with Telco Infrastructure, s.r.o., July 1, 2022			
100% CERBEROS s.r.o.	24237744	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00
As a result of the merger of the dissolving company TelNet Holding, s.r.o., as the original owner of 100% stake of CERBEROS s.r.o., with Telco Pro Services, a. s., as the successor company as at July 1, 2022.			
85% Magnalink, a.s.	27547469	Czechia	Hradec Králové, Pražská třída 485/3, Kukleny, postcode 500 04
As result of the merger of the dissolving company TelNet Holding, s.r.o., as the original owner of 85% stake of Magnalink, a. s., with Telco Pro Services, a. s., as the successor company as at July 1, 2022.			
100% ADAPTIVITY s.r.o.	24156027	Czechia	Zlín, Tyršovo nábřeží 5183, postcode 760 01
69% INTERNEXT 2000, s.r.o.	25352288	Czechia	Vsetín, Palackého 166, postcode 755 01
100% Optické sítě s.r.o.	29460212	Czechia	Valešská Meziříčí, Zešovská 778, Krásno nad Bečvou, postcode 767 01
100% KABELOVÁ TELEVIZE CZ s.r.o.	48150029	Czechia	Praha 10, Ruská 8, postcode 101 00
Acquired as at May 31, 2022			
100% CEZ Obnovitelné zdroje, s.r.o.	25938924	Czechia	Hradec Králové, Křížkova 788/2, postcode 500 03
100% PV Design and Build s.r.o.	13955454	Czechia	Praha 9, Ocelářská 1354/35, Libeň, postcode 190 00
Acquired as at June 1, 2022			
99.57% CEZ OZ uzavřený investiční fond a.s.	24135780	Czechia	Praha 4, Duhová 1444/2, postcode 140 53
100% CEZ Prodej, a.s.	27232433	Czechia	Praha 4, Duhová 1425, postcode 140 53
100% TENAUR, s.r.o.	26349451	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00
Change of registered office as at May 18, 2022 (originally Neuměř, č.p. 63, postcode 345 62)			
100% CEZ Teplárenská, a.s.	27309941	Czechia	Piešťany, Bezručova 2212/30, postcode 251 01
100% Teplá Klátava s.r.o.	22801600	Czechia	Klásterce nad Ohří, Jana Arnošta Komenského 450, Mifetice u Klásterce nad Ohří, postcode 431 51
100% Energetické centrum s.r.o.	26051818	Czechia	Jindřichův Hradec, Otín 3, postcode 377 01
Change of company owner as at May 16, 2022 (originally CEZ, a. s.)			
100% MARTIA a.s.	25006754	Czechia	Ústí nad Labem, Mezní 2854/4, Severní Terasa, postcode 400 11
Change of company owner as at May 20, 2022 (originally CEZ Teplárenská, a.s.)			
100% Elektrárna Dětmorovice, a.s.	29452279	Czechia	Dětmorovice, č.p. 1202, postcode 735 71
100% Elektrárna Dukovany II, a. s.	04669207	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00
100% Elektrárna Mělník III, a. s. v likvidaci	24263397	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00
Dissolved as at February 2, 2022			
100% Elektrárna Temelín II, a. s.	04669134	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00
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 MORINA spol. s.r.o.	61465569	Czechia	Mořina, č.p. 73, postcode 267 17
100% OČC, a.s.	6074794	Czechia	Brno, Staňkova 557/19a, Ponava, postcode 602 00
Increase of stake by 0.78% to 94.03% as at February 2, 2022 (originally 93.25%), increase of stake by 5.97% to 100% as at June 12, 2022 (originally 94.03%)			
100% Severočeská dŕly a.s.	49901982	Czechia	Chomutov, Boženy Němcové 5359, postcode 430 01
100% PRODECO, a.s.	25020790	Czechia	Bílina, Dŕlní 437, Mostecké Předměstí, postcode 418 01
100% Revitrans, a.s.	25028197	Czechia	Bílina, Dŕlní č.p. 429, postcode 418 01
100% SD – Kolejová doprava, a.s.	25438107	Czechia	Kadaň, Tušimice 7, postcode 432 01
40% South Bohemian Nuclear Park, s.r.o.	17641349	Czechia	České Budějovice, Lipová 1789/9, České Budějovice 2, postcode 370 05
Established as at October 18, 2022			
34% CEZ Recyklace, s.r.o.	03479919	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00
Increase of stake of the original owner, i.e., CEZ Obnovitelné zdroje, s.r.o., by 1% to 100% on October 19, 2022 (originally 99%), change of the company owner on November 7, 2022 (newly CEZ, a. s., originally CEZ Obnovitelné zdroje, s.r.o.), transfer of two 33% stakes from CEZ, a. s., to two companies outside the business group controlled by the Czech Republic—Ministry of Finance on December 16, 2022			
100% SKODA JS a.s.	25235753	Czechia	Plzeň, Ŕlík 266/15, Bolevec, postcode 316 00
Acquired as at November 24, 2022			
100% Middle Estates, s.r.o.	27135471	Czechia	Praha 6, Pod Beránkou 2469/1, Dejvice, postcode 160 00
Acquired as at November 24, 2022			

- 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 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.	CONTRACT_2021_2202	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	02.02.2016	cashpooling
ČEZ, a. s.	CONTRACT_2021_2247	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	21.09.2016	cashpooling
ČEZ, a. s.	4102282408 170001_2016	Sublease agreement (Garage parking (Engel))	01.10.2016	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)	01.10.2016	customer
ČEZ, a. s.	32016069	Contract for the provision of bus transport	24.10.2016	customer
ČEZ, a. s.	N/A	Surcharge agreement dated 4 June 2018	04.06.2018	financial
ČEZ, a. s.	4101990303	Lease agreement	10.04.2019	customer
ČEZ, a. s.	N/A	Surcharge agreement	29.05.2020	financial
ČEZ, a. s.	4102318388 170012_2020	Partial agreement on business lease of movable property (lease of EDUII in the ETE and EDU locality)	01.06.2020	customer
ČEZ, a. s.	170001_2020 / 000244_2020	Contract on a Future Contract on the Establishment of an Engineering Network Serviceability	09.06.2020	future serviceability
ČEZ, a. s.	N/A	Framework contract on the assignment of receivables dated 11 June 2020	11.06.2020	customer / supplier
ČEZ, a. s.	170002_2020 / 000336_2020	Contract on co-use of purpose-built communication	17.07.2020	customer / supplier
ČEZ, a. s.	170003_2020 / 000337_2020	Contract on a future contract for the joint use of the train	17.07.2020	customer / supplier
ČEZ, a. s.	170004_2020 / 000338_2020	Agreement on access to and use of geodetic points	17.07.2020	customer
ČEZ, a. s.	170005_2020 / 000339_2020	Access agreement to land	17.07.2020	customer

Name of entity (contractual party)	Contract registration number	Contract name	Date of conclusion of the contract	EDUII relationship
ČEZ, a. s.	170006_2020 / 000340_2020	Contract on the future contract on the establishment of the serviceability of the engineering network	17.07.2020	future serviceability
ČEZ, a. s.	170007_2020 / 000341_2020	Contract on the future contract on the establishment of the serviceability of the engineering network	17.07.2020	future serviceability
ČEZ, a. s.	170008_2020 / 000342_2020	Contract on the future contract on the establishment of the serviceability of the engineering network	17.07.2020	future serviceability
ČEZ, a. s.	170009_2020 / 000343_2020	Contract on the future contract on the establishment of the serviceability of the engineering network	17.07.2020	future serviceability
ČEZ, a. s.	170010_2020 / 000344_2020	Contract on the future contract on the establishment of the serviceability of the engineering network	17.07.2020	future serviceability
ČEZ, a. s.	170011_2020 / 000345_2020	Contract on the Future Contract and the Establishment of the Right to Build	17.07.2020	future customer
ČEZ, a. s.	170013_2020 / 000535_2020	Contract on future lease agreement	17.07.2020	future customer
ČEZ, a. s.	170014_2020 / 000536_2020	Contract on a future purchase contract for the sale of an area	17.07.2020	future customer
ČEZ, a. s.	170015_2020 / 000537_2020	Contract on future lease agreement	17.07.2020	future customer
ČEZ, a. s.	4102160780	Future Contract (Mutual Data Exchange)	17.07.2020	future customer / supplier
ČEZ, a. s.	4102160840	Contract on a future contract (supply of media and services)	17.07.2020	future customer
ČEZ, a. s.	4102193915	Contract on the preparation and implementation of a conditional technical measure	17.07.2020	future customer
ČEZ, a. s.	4102154197	Contract on future contract (drainage of rainwater)	17.07.2020	future customer
ČEZ, a. s.	4102160679	Contract on the future contract (implementation of conditional technical measures)	17.07.2020	future customer
ČEZ, a. s.	4102160761	Cooperation agreement	17.07.2020	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	17.07.2020	future customer

Name of entity (contractual party)	Contract registration number	Contract name	Date of conclusion of the contract	EDUII relationship
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	17.07.2020	future customer
ČEZ, a. s.	CONTRACT_2021_421	Framework Agreement on Cooperation in the Construction of a New Nuclear Power Plant in the Czech Republic	28.07.2020	tripartite agreement between the Czech Republic, represented by the Ministry of Industry and Trade, ČEZ, a. s. and EDUII
ČEZ, a. s.	CONTRACT_2021_491	First implementing agreement on cooperation in the construction of a new nuclear power plant at the Dukovany site in the Czech Republic	28.07.2020	tripartite agreement between the Czech Republic, represented by the Ministry of Industry and Trade, ČEZ, a. s. and EDUII
ČEZ, a. s.	4102232972	Cooperation agreement for supplier evaluation and qualification	29.09.2020	no financial liability
ČEZ, a. s.	4400049473	Service Agreement	17.12.2020	customer
ČEZ, a. s.	4102311287	Lease agreement - lease of SPVŘ premises in Prague, Duhová 2	11.02.2021	customer
ČEZ, a. s.	4102348575	Lease agreement - lease of SPVŘ premises in the ETE locality	12.04.2021	customer
ČEZ, a. s.	5600012964	Lease Agreement (Revenue)	23.07.2021	supplier
ČEZ, a. s.	4102387422	Purchase of assets from ČEZ	06.10.2021	customer
ČEZ, a. s.	4102358566	Lease agreement - lease of SPVŘ premises in the EDUII locality	27.10.2021	customer
ČEZ, a. s.	4102464537	Contract for the supply of thermal energy - for EDUII in the EDUII locality (SPVŘ)	27.10.2021	customer
ČEZ, a. s.	4102464594	Contract for the supply of thermal energy - for EDUII in the ETE locality (SPVŘ)	27.10.2021	customer
ČEZ, a. s.	4101486029	Supply of electricity, heat, water/sewerage	24.8.2016 (effective 1.10.2016)	customer
ČEZ, a. s.	4101706830	Supply of electricity, gas, heat, water/sewerage	25.1.2018 (effective 1.1.2018)	customer

Name of entity (contractual party)	Contract registration number	Contract name	Date of conclusion of the contract	EDUII relationship
ČEZ, a. s.	4101742756	Establishment and lease of a secure area	25.1.2018 (effective 1.12.2017)	customer
ČEZ, a. s.	4101598808	Supply of electricity, gas, heat, water/sewerage	25.5.2017 (effective 1.1.2017)	customer
ČEZ, a. s.	4400035963	Service Agreement	27.10.2016 (effective 1.10.2016)	customer
ČEZ, a. s.	4101488233	Lease of non-residential premises	30.9.2016 (effective 1.10.2016)	customer
ČEZ, a. s.	4102335170	Securing obligation of ČEZ and setting conditions for purchase of OZI lot no. 109/13 in the cadastral area of Skryje nad Jihlavou	25.05.2022	future customer
ČEZ, a. s.	4102375625	Contract on future purchase contract	25.05.2022	future customer
ČEZ, a. s.	5600013531	Contract on the establishment of the serviceability of the engineering network	26.07.2022	supplier
ČEZ, a. s.	4400055974/ 4400055975	Sublease agreement and contract on business lease of movable property	04.11.2022	customer
ČEZ, a. s.	4102476254	Provision of technical library services	13.12.2021	customer
ČEZ, a. s.	4400053908	Provision of technical library services	14.03.2022 (effective 1.4.2022)	customer
ČEZ, a. s.	000861_2021	Contract for the provision of bus transport	01.06.2020	customer
ČEZ, a. s.	CONTRACT_2021_1479	Agreement on information protection	26.05.2021	no financial liability
ČEZ, a. s.	CONTRACT_2021_1481	Agreement on information protection	26.05.2021	no financial liability
ČEZ, a. s.	CONTRACT_2021_1482	Agreement on information protection	26.05.2021	no financial liability
ČEZ, a. s.	CONTRACT_2023_515	Agreement on transfer of proportionate part of annual leave		no financial liability

Name of entity (contractual party)	Contract registration number	Contract name	Date of conclusion of the contract	EDUII relationship
ČEZ, a. s.	CONTRACT_2023_516	Agreement on transfer of proportionate part of annual leave		no financial liability
ČEZ, a. s.	CONTRACT_2023_527	Agreement on transfer of proportionate part of annual leave		no financial liability
ČEZ, a. s.	4102504646	Agreement on provision of training services	13.01.2022	customer
ČEZ, a. s.	4102573141	Agreement on provision of training services	10.05.2022	customer
ČEZ, a. s.	4102626726	Agreement on provision of training services	17.08.2022	customer
ČEZ, a. s.	4102504648	Agreement on provision of training services	13.01.2022	customer
ČEZ, a. s.	4102626719	Agreement on provision of training services	17.08.2022	customer
ČEZ, a. s.	4102626876	Agreement on provision of training services	17.08.2022	customer
ČEZ, a. s.	4102630970	Agreement on provision of training services	25.08.2022	customer
ČEZ, a. s.	4102561254	Purchase of spare parts and materials	20.04.2022	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	EDU II relationship
ČEZ ICT Services, a. s.				
ČEZ ICT Services, a. s.	4400050713	Framework Contract for the Provision of ICT Services - EDU II	31.05.2021 (effective 1.1.2021)	customer relationship
ČEZ ICT Services, a. s.	4102325484/ 4400050712	Partial contract on the provision of ICT services for EDU II	31.05.2021 (effective 1.1.2021)	customer relationship
ČEZ ICT Services, a. s.	P3A18000014137	Personal Data Processing Agreement	25.04.2018	customer relationship
ČEZ ICT Services, a. s.	170006_2017/ 4101599318	Establishment of an easement on the engineering network "Dispatching cables EDU-RSLV – Route 1" on EDU II land - revenue contract	29.05.2017	supplier relationship
ČEZ ICT Services, a. s.	170007_2017/ 4101599689	Establishment of an easement on the engineering network "DPS06.02 Dispatching cables EDU-RSLV - Route 2" on EDU II land - revenue contract	29.05.2017	supplier relationship
ČEZ ICT Services, a. s.	170008_2017/ 4101599707	Establishment of an easement on the engineering network "DPS06.02 Dispatching cables EDU-RSLV - Route 1" on EDU II land - revenue contract	29.05.2017	supplier relationship
Elektrárna Temelín II, a. s.				
Elektrárna Temelín II, a. s.	4400038981	Framework contract on the provision of services for Elektrárna Dukovany II, a. s.	13.10.2017 (effective 1.6.2017)	customer relationship
ÚJV Řež, a. s.				
ÚJV Řež, a. s.	4101995572	Technical support for obtaining a zoning decision on location of NJZ EDU building, including preparation of documentation for zoning procedure for NJZ EDU site and selected related investments	10.06.2019	customer relationship
ÚJV Řež, a. s.	4102003830	Engineering work and provision of related professional assistance after issue of EIA opinion for NJZ EDU when fulfilling its conditions	02.07.2019	customer relationship
ÚJV Řež, a. s.	4102101087	Technical support for obtaining a zoning decision on location of a structure, including preparation of documentation for zoning procedure for the construction project. Drainage of Rainwater from NJZ EDU through Lipňanský Stream including Retention.	29.01.2020	customer relationship

ÚJV Řež, a. s.	4102194679	Support for completion and assessment of request documentation and with contractor selection	21.07.2020	customer relationship
ÚJV Řež, a. s.	4102408641	Technical support in process of investor preparation and realisation of plan for PP90 buildings ensemble	30.07.2021	customer relationship
ÚJV Řež, a. s.	4102432446	Drafting of the license and permit plan (LPP)	01.09.2021	customer relationship
ÚJV Řež, a. s.	4102493650	Preparation of a proposal for technology and construction of N-ČSJ and design for setting out discharge lines for NJZ EDU	22.12.2021	customer relationship
ŠKODA PRAHA a.s.				
ŠKODA PRAHA a.s.	4101774368	Framework contract on the provision of services between Elektrárna Dukovany II. and Škoda Praha a.s. - expense contract	11.04.2018	customer relationship
Skupina ČEZ (SKČ)				
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	02.02.2016	
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	21.09.2016	
SKČ		Framework contract on the assignment of receivables dated 11 June 2020	11.06.2020	
ČEZ Energetické produkty, s.r.o.				
ČEZ Energetické produkty, s.r.o.	4102665988	Preparation of 3D geotechnical model	26.10.2022	customer relationship

Consolidated Financial Statements of the Group as of 31 December 2022

See Annual Financial Report of ČEZ Group for 2022.

Financial Statements of the Company as of 31 December 2022

Elektrárna Dukovany II, a. s.

Financial Statements for the year ended 31 December 2022

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



BALANCE SHEET
as at 31 December 2022
(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
	TOTAL ASSETS	2,236,378	(14,861)	2,221,517	1,814,425
A.	Stock subscription receivable				
B.	Fixed assets	2,089,837	(14,851)	2,074,986	1,696,342
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.	Advanced 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.	Tangible fixed assets	2,089,837	(14,851)	2,074,986	1,696,342
B. II. 1.	Land and structures	364,491	(8,674)	355,817	356,369
B. II. 1. 1.	Land	336,901		336,901	336,901
B. II. 1. 2.	Structures	27,590	(8,674)	18,916	19,468
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	(6,111)	8,556	9,534
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	1,710,613		1,710,613	1,330,439
B. II. 5. 1.	Advaces granted for tangible fixed assets	55,000		55,000	50,000
B. II. 5. 2.	Tangible fixed assets in progress	1,655,613		1,655,613	1,280,439
B. III.	Long-term investments				
B. III. 1.	Interests - controlled or controlling entity				
B. III. 2.	Loans and borrowings - controlled or controlling entity				
B. III. 3.	Interests - 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				

Item	ASSETS	Current year			Prior year
		Gross	Allowances	Net	Net
C.	Current Assets	144,887	(10)	144,877	116,909
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	144,887	(10)	144,877	116,909
C. II. 1.	Long-term receivables	243		243	153
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	243		243	153
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	243		243	153
C. II. 2.	Short-term receivables	144,644	(10)	144,634	116,756
C. II. 2. 1.	Trade receivables	9,752	(10)	9,742	9,892
C. II. 2. 2.	Receivables - controlled or controlling entity	132,518		132,518	104,787
C. II. 2. 3.	Receivables - significant influence				
C. II. 2. 4.	Other receivables	2,374		2,374	2,077
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	2,212		2,212	1,987
C. II. 2. 4. 4.	Short-term advances granted				
C. II. 2. 4. 5.	Unbilled revenue				
C. II. 2. 4. 6.	Miscellaneous receivables	162		162	90
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				
C. IV. 2.	Cash at bank				
D.	Prepaid expenses and accrued income	1,654		1,654	1,174
D. 1.	Prepaid expenses	836		836	948
D. 2.	Prepaid expenses (specific-purpose expenses)				
D. 3.	Accrued income	818		818	226

Item	EQUITY AND LIABILITIES	Current year	Prior year
	TOTAL EQUITY AND LIABILITIES	2,221,517	1,814,425
A.	EQUITY	2,021,755	1,686,243
A. I.	Basic capital	969,000	969,000
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	1,205,027	823,027
A. II. 1.	Share premium	94,027	94,027
A. II. 2.	Capital funds	1,111,000	729,000
A. II. 2. 1.	Other capital funds	1,111,000	729,000
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 (+/-)	(105,784)	(70,489)
A. IV. 1.	Retained earnings (+/-)	(91,680)	(56,385)
A. IV. 2.	Other profit (loss) brought forward (+/-)	(14,104)	(14,104)
A. V.	Profit (loss) for the year (+/-)	(46,488)	(35,295)
A. VI.	Approved decision on advances for profit distribution (-)		
B. + C.	PROVISIONS AND LIABILITITES	199,762	128,182
B.	Provisions	43,267	28,369
B. 1.	Provision for pensions and similar obligations		
B. 2.	Provision for corporate income tax		
B. 3.	Porvisions recognized under special legislation		
B. 4.	Other provisions	43,267	28,369

Item	EQUITY AND LIABILITIES	Current year	Prior year
C.	Liabilities	156,495	99,813
C. I.	Long-term liabilities	1,535	30,686
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
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	1,535	5,525
C. I. 9.	Other liabilities		24,449
C. I. 9. 1.	Liabilities to partners		
C. I. 9. 2.	Unbilled deliveries		24,449
C. I. 9. 3.	Miscellaneous liabilities		
C. II.	Current liabilities	154,960	69,127
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	27,716	14,319
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	127,244	54,808
C. II. 8. 1.	Liabilities to partners		
C. II. 8. 2.	Short-term borrowings		
C. II. 8. 3.	Liabilities to employees	9,867	7,658
C. II. 8. 4.	Liabilities arising from social security and health insurance	4,807	3,773
C. II. 8. 5.	Due to government - taxes and subsidies	1,365	1,130
C. II. 8. 6.	Unbilled deliveries	110,190	41,666
C. II. 8. 7.	Miscellaneous liabilities	1,015	581
D.	Accruals and deferred income		
D. 1.	Accruals and deferred income		
D. 2.	Deferred income		



INCOME STATEMENT

as at 31 December 2022

(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	612	556
II.	Revenue from sale of goods		
A.	Production-related consumption	53,128	39,941
A. 1.	Cost of goods sold		
A. 2.	Consumption of material and energy	1,952	1,844
A. 3.	Services	51,176	38,097
B.	Change in inventory produced internally (+/-)		
C.	Own work capitalized (-)	(269,229)	(205,579)
D.	Personnel expenses	251,722	195,043
D. 1.	Wages and salaries	184,741	142,745
D. 2.	Social security and health insurance costs and other costs	66,981	52,298
D. 2. 1.	Social security and health insurance costs and other costs	59,549	46,269
D. 2. 2.	Other costs	7,432	6,029
E.	Value adjustments in respect of operating activities	1,530	1,528
E. 1.	Value adjustments in respect of intangible and tangible fixed assets	1,530	1,518
E. 1. 1.	Value adjustments in respect of intangible and tangible fixed assets - permanent	1,530	1,518
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	66	3,881
III. 1.	Income from sale of fixed assets		
III. 2.	Income from sale of materials		
III. 3.	Miscellaneous operating income	66	3,881
F.	Other operating expenses	21,648	12,808
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	1,156	1,062
F. 4.	Provisions relating to operations and prepaid expenses (specific-purpose expenses)	14,898	8,930
F. 5.	Miscellaneous operating expenses	5,594	2,816
*	Profit or loss on operating activities (+/-)	(58,121)	(39,304)

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	8,081	642
VI. 1.	Interest receivable and similar income - subsidiaries or parents	8,081	642
VI. 2.	Other interest receivable and similar income		
I.	Value adjustments and provisions relating to financial activities		
J.	Interest payable and similar expenses		1
J. 1.	Interest payable and similar expenses - subsidiaries or parents		1
J. 2.	Other interest payable and similar expenses		
VII.	Other finance income		320
K.	Other finance cost	438	58
*	Profit or loss on financial activities (+/-)	7,643	903
**	Profit or loss before taxation (+/-)	(50,478)	(38,401)
L.	Income tax	(3,990)	(3,106)
L. 1.	Income tax due		
L. 2.	Income tax deferred (+/-)	(3,990)	(3,106)
**	Profit or loss after taxation (+/-)	(46,488)	(35,295)
M.	Transfer of share of profit or loss to partners (+/-)		
***	Profit or loss for the year (+/-)	(46,488)	(35,295)
*	Net turnover = I.+ II.+ III.+ IV.+ V.+ VI.+VII.	8,759	5,399



Cash flow statement
for the period 1 January 2022 to 31 December 2022
(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
P.	Cash and cash equivalents at beginning for year		
	<u>Cash flows from operating activities</u>		
Z.	Profit or loss before taxation	(50,478)	(38,401)
A.1.	by or used in operating activities	8,401	9,484
A.1.1.	of receivables	1,530	1,518
A.1.2.	Change in allowances, provisions and accruals	15,010	8,711
A.1.2.1.	Change in allowances		10
A.1.2.2.	Change in provisions	14,898	8,930
A.1.2.3.	Changes in accruals	112	(229)
A.1.3.	(Gain)/Loss on disposal of fixed assets, own ownership		
A.1.4.	Interest payable and interest receivable	(8,081)	(641)
A.1.5.	Other non-cash movements	(58)	(104)
A.1.6.	Dividend income		
A.2.	Change in non-cash components of working capital	60,815	16,154
A.2.1.	Change in receivables from operating activities	(237)	(2,463)
A.2.2.	Change in current liabilities from operating activities	61,052	18,617
A.2.3.	Change in inventory		
A.3.	Interest paid, net of capitalized interest		(1)
A.4.	Interest received	7,489	417
A.5.	years		
A.6.	Dividends received		
A.	Net cash provided by (used in) operating activities	26,227	(12,347)
	<u>Cash flows from investing activities</u>		
B.1.	Purchase of fixed assets	(355,335)	(305,809)
B.2.	Proceeds from sale of fixed assets		
B.	Net cash provided by (used in) investing activities	(355,335)	(305,809)
	<u>Cash flows from financing activities</u>		
C.1.	Change in long-term liabilities and short-term loans	(25,161)	16,855
C.2.	Change in receivables/liabilities related to cash pooling	(27,731)	(66,699)
C.3.	Effect of changes in equity on cash	382,000	368,000
C.	Net cash provided by (used in) financing activities	329,108	318,156
F.	Net increase/decrease in cash and cash equivalents		
R.	Cash and cash equivalents at end of year		



Statement of Changes in Equity

as at 31 December 2022

(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	Cumulative profit or loss	Total
As at 1 January 2020	969,000	455,027	(70,489)	1,353,538
Increase/decrease in equity		368,000		368,000
Profit or loss for the year 2020			(35,295)	(35,295)
As at 31 December 2020	969,000	823,027	(105,784)	1,686,243
Increase/decrease in equity		382,000		382,000
Profit or loss for the year 2021			(46,488)	(46,488)
As at 31 December 2021	969,000	1,205,027	(152,272)	2,021,755

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 2022 were as follows:

Board of Directors	
Chair:	Ing. Petr Závodský
Vice-chair:	Ing. Zbyněk Mrázek
Member:	Ing. Pavel Kamenický
Member:	Ing. Jiří Fůzér
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
Member:	Ing. Jaroslav Hrubý
Member:	Ing. Petr Třešňák

The following changes were made to the Company's entry in the public register in 2022.

On 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.

Ing. Petr Třešňák and Ing. Jaroslav Hrubý became members of the Supervisory Board as of 1 July 2022.

The changes were entered in the public register on 19 August 2022.

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 2022 and 2021.

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 2022 and 2021 financial statements are as follows:

a) Intangible Fixed Assets

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

Intangible fixed assets 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 2022 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 with a cost exceeding CZK 80 thousand are depreciated over their respective estimated economic useful lives (3-8 years). 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 relevant 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	336,901	-	-	336,901
Structures	27,590	-	-	27,590
Movable assets	66	-	-	66
Tangible fixed assets in progress	1,280,439	369,118	6,056	1,655,613
Advances granted for tangible fixed assets	50,000	11,056	(6,056)	55,000
Gain or loss on revaluation of acquired property	14,667	-	-	14,667
2022 Total	1,709,663	380,174	-	2,089,837
2021 Total	1,416,793	292,870	-	1,709,663

ALLOWANCES AND ACCUMULATED DEPRECIATION

	At beginning of year	Depreciation during year	At end of year	Net book value
Land	-	-	-	336,901
Structures	(8,122)	(552)	(8,674)	18,916
Movable assets	(66)	-	(66)	-
Tangible fixed assets in progress	-	-	-	1,655,613
Advances granted for tangible fixed assets	-	-	-	55,000
Gain or loss on revaluation of acquired property	(5,133)	(978)	(6,111)	8,556
2022 Total	(13,321)	(1,530)	(14,851)	2,074,986
2021 Total	(11,803)	(1,518)	(13,321)	1,696,342

Depreciation in respect of the adjustment to acquired property of CZK 978 thousand and CZK 978 thousand was charged against income in 2022 and 2021, respectively.

The total value of tangible assets which are not reflected in the accompanying balance sheet was CZK 243 thousand and CZK 195 thousand at acquisition cost as at 31 December 2022 and 2021, 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 2022. 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 2022 in accordance with the approved business plan.

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

Within the framework of the key project "Preparation and Coordination of the Construction of the Power Plant" (KP01), a tender for the future supplier of the power plant and nuclear fuel was launched. Communication with tenderers was ongoing in order to clarify the tender documentation, including site visits, and intensive preparation for activities in the phase following receipt of tenders. Three bids for the power plant and nuclear fuel supplier have been received and their evaluation has started.

Within the framework of the key project "The Site and Related Infrastructure" (KP02), activities and documentation were executed 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, power and heat supply to the NPP site from EDU 1-4, etc.). Necessary geotechnical and geological surveys of the site were carried out and, within the framework of the approved project plan, engineering activities were also carried out to prepare the facility for the investor at the Dukovany site. The necessary land rights for construction, site facilities and corridors were also secured.

Within the framework of the key project "External Infrastructure" (KP03), the activities necessary to ensure the investments related to the external infrastructure of the NJZ EDU project were ensured. A key document - the SaVI Off-Site Concept - was prepared and approved, a number of studies were commissioned and prepared to optimize the transport route of oversized and heavy components (OHS), landowners were continuously negotiated with to ensure the withdrawal or restriction of property rights, an amendment to the SoSB on the connection of the NJZ EDU to the PS was concluded with ČEPS, applications for connection and relocation were submitted to EG.D, a.s. as the owner of the distribution system, relevant agreements were negotiated and concluded, materials and supporting documents for the activities of the NJZ EDU technical working group were continuously prepared and secured, and at the end of the year the material for securing the financing of construction and modifications to the transport infrastructure in connection with the transport of NTK and commodity transport routes to the construction site was prepared.

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). Until the decisive date, in accordance with the project schedule, the preparation of documents for ensuring the compliance of the project with the relevant stages of the spatial planning documentation was commissioned, in connection with the EIA opinion issued as part of the environmental and public health impact assessment process, the relevant conditions from this opinion were ensured. Also on the basis of the State Office for Nuclear Safety (SONS) permit issued for the location of the nuclear facility (according to the Atomic Act), the fulfillment of the conditions of this decision was ensured, and at the same time preparatory work for the preparation of the licensing documentation for the construction permit was initiated, including the preparation of descriptions of individual documents for the permitted activity with a proposal of their scope and content for discussion with the SONS. Following the documentation prepared for the zoning proceedings and the application for a zoning permit filed in 6/2021 (pursuant to the Construction Act), all related activities necessary for these proceedings were secured.

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 2022 and 2021, the Company had overdue receivables totaling CZK 7 thousand and CZK 0 thousand, respectively.

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 - 0.50% p.a. 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. (liabilities). Credit rate limitation (receivables) - if the overnight interest rate PRIBOR O/N minus margin is less than or equal to zero, then a minimum rate of 0.03% p.a. applies. Debit rate limitation (liabilities) - if PRIBOR O/N is below zero, the rate is zero.

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 bear interest at the €STR O/N rate + 1.55% p.a. (liabilities) from 31 October 2022. Debit rate limitation (commitments) - if the €STR O/N rate is less than zero, the rate is zero. The debit rate (liabilities) was changed during the year on 4 May 2022 from the original rate of €STR O/N + 0.35% p.a. to €STR O/N + 0.45% p.a. and subsequently on 31 October 2022 to the current rate of €STR O/N + 1.55% p.a.

The balance of cash transferred under cash-pooling amounted to CZK 132,518 thousand as at 31 December 2022 and CZK 104,787 thousand as at 31 December 2021. 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 financing 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. 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. It is also assumed that the State and the parent company ČEZ, a.s. will negotiate in the so-called investor agreement the possibility to exercise call and put options on Elektrárna Dukovany II, a.s. under certain conditions. The basic principles of these contractual relationships have been agreed and negotiations on specific changes to the contracts are currently underway.
- ii. It is expected that the Czech Republic will be the provider of debt financing for the New Nuclear Source at Dukovany project from the second phase of the project. 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. It is assumed that, in accordance with the wording of the so-called Low Carbon Act No. 367/2021 Coll., state financing will be more advantageous than financing from other sources. 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.

- iii. In connection with the foregoing steps, the State is negotiating with the European Commission regarding compliance of the proposed state aid with EU rules. In March 2022, the notification process was officially launched by the Ministry of Industry and Trade and in August 2022, the European Commission published its initial opinion, which is subject to further negotiations.

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 2022 and 2021, ČEZ, a. s., as the sole shareholder, provided a cash contribution to equity, outside the basic capital, in the amount of CZK 382,000 thousand and CZK 368,000 thousand, respectively, based on the Supplementary Cash Contribution Agreement.

The loss for 2022 in the amount of CZK 46,488 thousand is expected to be transferred to non-compensated losses of previous years in 2023.

The decision of the sole shareholder, ČEZ, a. s., of 15 June 2022 approved the transfer of the loss for 2021 amounting to CZK 35,295 thousand to non-compensated losses of previous years.

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.

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/ 2020	Additions	Deductions	Balance as at 31/ 12/ 2021	Additions	Deductions	Balance as at 31/ 12/ 2022
Employee benefits	19,439	9,098	168	28,369	14,898	-	43,267

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 2022 and 2021, the Company had no current payables overdue.

As at 31 December 2022 and 2021, the Company had liabilities of CZK 4,807 thousand and CZK 3,773 thousand, respectively, owing to social security and health insurance premiums.

Unbilled deliveries as at 31 December 2022 and 2021 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):

	2022	2021
Loss before taxes	(50,478)	(38,401)
Difference between book and tax depreciation	552	540
Depreciation of the gain on revaluation	978	978
Creation of provisions	14,898	8,930
Other	9,067	5,799
Tax loss (-) / Taxable income (+)	(24,983)	(22,154)
Tax loss carryforward	-	-
Current tax expense	-	-

The Company will file the income tax return on 3 July 2022.

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

Deferred tax items	2022		2021	
	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	-	12,651	-	12,941
Tax losses deductible in the future	-	-	-	-
Provisions	8,221	-	5,390	-
Other	2,895	-	2,026	-
Total	11,116	12,651	7,416	12,941
Net	-	1,535	-	5,525

Changes in deferred taxes in 2022 and 2021:

	2022	2021
Deferred tax as at 1 January	5,525	8,631
Changes in deferred taxes charged to income	(3,990)	(3,106)
Deferred tax as at 31 December	1,535	5,525

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):

	2022		2021	
	Total personnel	Members of management, supervisory and administrative bodies	Total personnel	Members of management, supervisory and administrative bodies
Average number of employees*	120	11	100	10
Wages and salaries	184,741**	23,411	142,745**	21,308
Social security and health insurance	59,549**	5,699	46,269**	5,594
Social cost	7,432**	389	6,029**	174
Total personnel expenses	251,722**	29,499	195,043**	27,076

* 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 732 thousand and CZK 671 thousand in 2022 and 2021, 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 2022 and 2021 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	2022	2021
ČEZ, a. s.	50,004	40,745
ÚJV Řež, a. s.	18,257	13,315
ČEZ ICT Services, a. s.	14,234	11,231
ŠKODA PRAHA a. s.	1,580	-
Elektrárna Temelín II, a. s.	-	2,225
Total	84,075	67,516

Overview of sales (in CZK thousands):

Related party	2022	2021
ČEZ, a. s.	17	-
Total	17	-

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

Related party	2022	2021
ČEZ, a. s.	5,930	10,785
ÚJV Řež, a. s.	3,675	2,418
ČEZ ICT Services, a. s.	241	-
Elektrárna Temelín II, a. s.	1	307
Total	9,847	13,510

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	2022	2021
ČEZ, a. s.	142,260	114,684
ČEZ Energetické produkty, s.r.o.	5,000	-
ČEZ ICT Services, a. s.	-	1,133
Total	147,260	115,817

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

Receivables – controlled and controlling entity in the amount of CZK 132,518 thousand and CZK 104,787 thousand in 2022 and 2021, 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

No significant events occurred after the balance sheet date, which would have an impact on the financial statements as at the balance sheet.

Prepared on:	Signature of entity's statutory body:	Person responsible for accounting (name, signature):
24 May 2023	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 ID 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/njz>
<https://www.cez.cz/cs/o-cez/skupina-cez/vyznamne-spolecnosti-skupiny-cez/elektrarna-dukovany-ii>
E-mail: njzedu@cez.cz
Data box ID: zcnewnf

Closing date of the content of the Annual Report for 2022: 24 May 2023