

CEZ GROUP 2019 ANNUAL REPORT



Coal-fired power plants in the European Union are under a lot of pressure. Many countries have already made a commitment to shut them down. In Czechia, they will be decommissioned around 2050 mainly because we will run out of coal. Our coal-fired power plants are linked up with mines, which gives them stability and security of supply in face of future uncertainty and makes them able to remain profitable the longest among competitors. As for power plants located outside mining regions, we will continue phasing them out according to environmental limits.

We are not planning to make any considerable investments in our conventional generation portfolio. Our nuclear power plants, as zero-emission generating facilities, are certain to remain profitable in the future. Besides ensuring their long-term operation, we will focus on the preparation of a new facility, for the construction and development of which we will provide personnel, among other things.

As regards renewables, Czechia currently exceeds the 13% target for using renewable energy in the electricity, heating, and transportation sectors. However, the National Energy and Climate Plan sets a new target of 21% for 2030.

Naturally, we want to be a leader in this field. We know our way around renewables and we know how. We now want to transfer our experience to Czechia more intensely to allow domestic consumers take advantage of it.

The new energy sector means great opportunities for our country. We will seek new opportunities in the energy services market to remain number one. This will not be possible without technological innovation, new products, and new services.

Distribution is going to undergo a big change—digitization. We will digitize many standard routine activities. This will allow us to handle more customer requests, increase the number of projects built, or install and operate new technologies and other innovations. By digitizing, we will also get data from the network faster and reduce its error rate. This change will allow us to control most network elements remotely.

We are also planning big investments in the expansion of optical networks directly on power lines because the future will bring huge amounts of data. A number of small-scale producers as well as consumers connect to the network, consumers will also become producers, and all of this will have an impact on busy online communications. We will offer our new, robust optical networks to mobile phone operators planning to switch to 5G. Besides distribution, digitization will also considerably influence the sales of our products.

Our ČEZ Prodej has long been more than just an electricity and gas supplier. Our customers perceive us as a fair provider of thermal comfort, electric mobility, household solutions, and other services. And we want to be even stronger in this. We will also focus on our service. Our goal is to maintain and expand a satisfied customer base.

Like distribution, ČEZ Prodej is also going to undergo a huge change—the digitization of our activities. Customers want to do everything online and preferably in a single step. That is why we are now going to concentrate on making customers' contact with us simpler and on streamlining our internal operations.

Czechia, as well as Europe, is moving toward digitization, automation, Industry 4.0, and smart buildings and homes. Municipalities, businesses, and homeowners want to reduce consumption, optimize it throughout the day, take advantage of decentral generation. At the same time, the entire European Union is preparing for very strict targets for energy efficiency and savings. Therefore, businesses and municipalities will invest billions of euros in ESCO solutions. This is a huge opportunity for the whole European ESCO sector, which is forecast to be growing at double-digit rates. ČEZ has already built a strong position in Slovakia, Germany, and Poland, and we want to further reinforce this position.

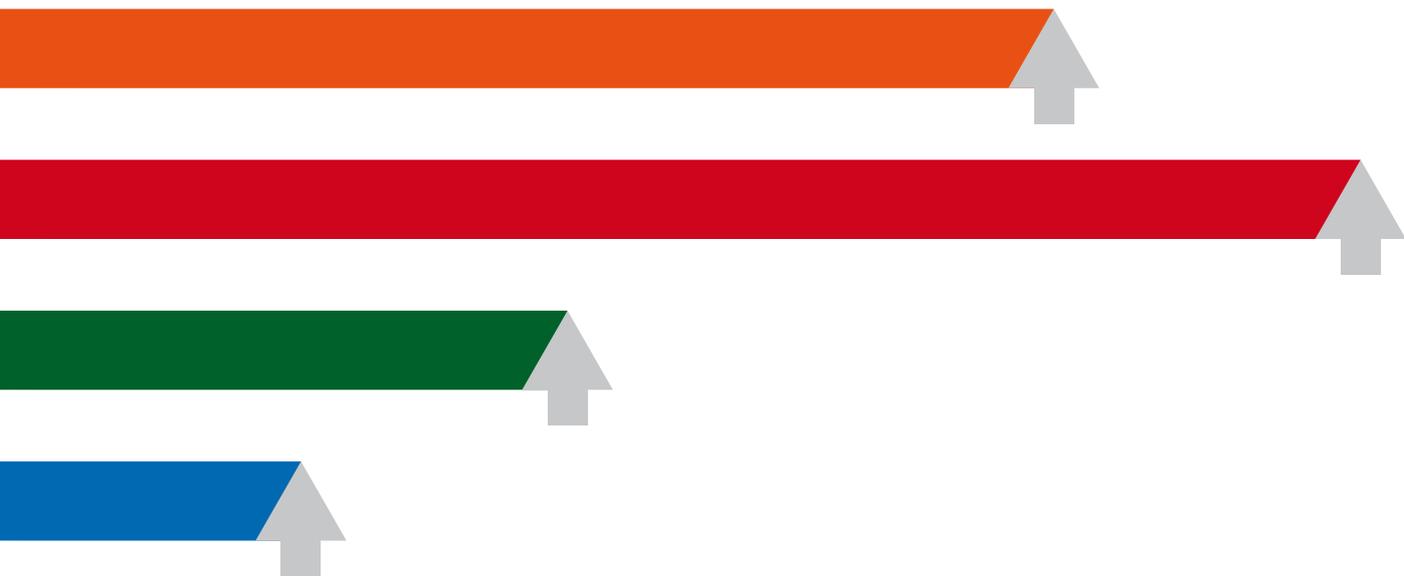
CEZ GROUP'S NEW STRATEGY

EFFICIENT OPERATION, OPTIMUM GENERATION PORTFOLIO UTILIZATION AND DEVELOPMENT

MODERN DISTRIBUTION AND CARE FOR CUSTOMERS' ENERGY NEEDS

NEW ENERGY SECTOR DEVELOPMENT IN CZECHIA

ENERGY SERVICES DEVELOPMENT IN EUROPE



DEAR READERS:

EUROPE'S CLIMATE EFFORTS ARE MORE AND MORE AMBITIOUS. THE NEXT MILESTONE ON THE PATH TO A CARBON-NEUTRAL EUROPE IS THE YEAR 2030. REDUCING GREENHOUSE GAS EMISSIONS, INCREASING THE SHARE OF RENEWABLE ENERGY SOURCES IN TOTAL FINAL CONSUMPTION, OR INCREASING ENERGY SAVINGS—ALL OF THESE ARE OPPORTUNITIES AND CHALLENGES TO WHICH WE ARE RESPONDING WITH CEZ GROUP'S NEW STRATEGY. THIS ANNUAL REPORT WILL SHOW YOU HOW WE ARE CREATING OUR FUTURE TODAY. WE HOPE THAT YOU WILL FIND IT INTERESTING.

CEZ Group's Profile

Headquartered in Czechia, CEZ Group is an integrated energy conglomerate with operations in Western, Central, and Southeastern European countries. Its core business is the generation, distribution, trade in, and sales of electricity, heat, and natural gas and coal extraction. It also provides comprehensive energy services to its customers. CEZ Group companies employed more than 32,000 people at the end of 2019.

The largest shareholder of the parent company ČEZ is the Czech Republic with a nearly 70% stake in the company's stated capital. ČEZ shares are traded on the Prague and Warsaw stock exchanges and included in the PX and WIG-CEE exchange indices.

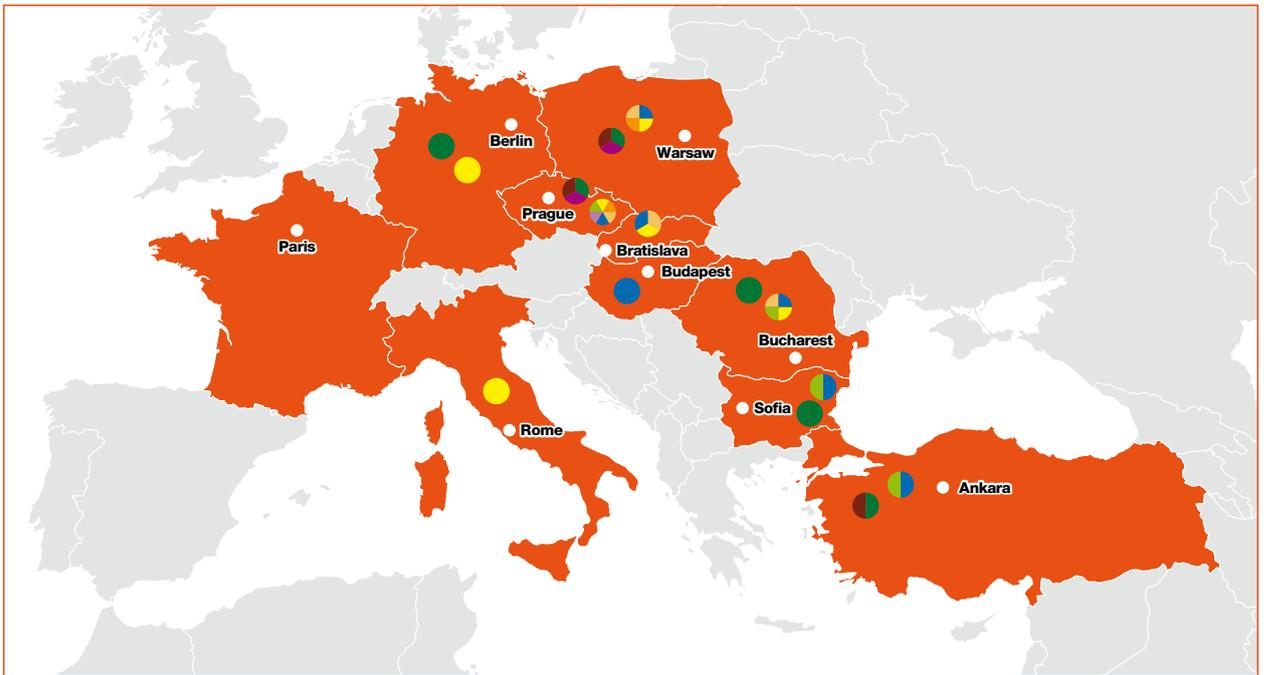
CEZ Group's mission is to provide safe, reliable, and positive energy to its customers and society at large. Its long-term vision is to bring innovations for resolving energy needs and to help improve the quality of life. CEZ Group's strategy consists of four priorities: Efficient Operation, Optimum Generation Portfolio Utilization and Development; Modern Distribution and Care for Customers' Energy Needs; New Energy Sector Development in Czechia; Energy Services Development in Europe.

CEZ Group companies in Czechia generate, distribute, and supply electricity and heat, trade in electricity, natural gas, and other commodities, provide comprehensive energy services, and one company extracts and sells coal. Their generation portfolio consists of nuclear, coal-fired, gas-fired, hydroelectric, photovoltaic, wind, biomass, and biogas facilities.

CEZ Group's ongoing business activities abroad concern energy services and electricity distribution, generation, trading, and sales, as well as natural gas trading and sales and commodity trading in wholesale markets. Foreign countries where CEZ Group is doing business include, most importantly, Germany, Poland, Romania, and Bulgaria, as well as Slovakia, Italy, France, Hungary, and Turkey.

CEZ Group's business activities are governed by strict ethical standards that include responsible behavior toward employees, society, and the environment. In its business activities, CEZ Group embraces the principles of sustainable development, supports energy efficiency, promotes new technologies, and creates an environment for employees' professional growth. Its corporate culture emphasizes safety, continuous growth in internal efficiency, and support for innovation in order to increase CEZ Group's value.

CEZ Group's Presence in the Energy Sector by Territory



Generation

- Traditional electricity generation
- Renewable electricity generation
- Heat generation

Distribution and Sales

- Electricity distribution
- Heat distribution
- Sales of electricity to end-use customers
- Sales of natural gas to end-use customers
- Sales of heat to end-use customers
- Sales of energy services

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In most chapters of the Annual Report, company names are listed without an abbreviation specifying their legal form. The full names of CEZ Group companies are listed in the Related Parties Report included in this Annual Report (see pages 178–223). The full names of companies outside CEZ Group are provided under Information for Shareholders and Investors (see pages 160–167).

Statutory Declaration by Persons Responsible for the CEZ Group 2019 Annual Report

Statutory Declaration

With the use of all reasonable care, to the best of our knowledge the consolidated Annual Report provides a true and fair view of the financial situation, business activities, and results of operations of the issuer and its consolidated group for the year 2019 and of the outlook for the future development of the financial situation, business activities, and results of operations of the issuer and its consolidated group, and no facts have been omitted that could change the meaning of this report.

Prague, March 16, 2020



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



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



INEXHAUSTIBLE ENERGY AROUND US





Decentral Energy Growth

The energy sector is on the threshold of a period of generational renewal. In the future, large power plants will be complemented by a number of small, decentral generating facilities that will sprout up at points of consumption. The reason behind this is not only EU legislation but also technological advancement and requests made by customers themselves, who want environmentally friendly and economical solutions tailored to their specific needs. Our subsidiary ČEZ ESCO is a major player in the field of new energy and such solutions in the Czech and Central European markets.



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

Dear shareholders,

Although 2019 was full of events, I will start from the end of the year. A step taken last December will radically change not only the energy sector but almost all economic sectors, especially industry, transportation, the building industry, agriculture, and financial services. European Union countries approved a program called the European Green Deal, making a commitment to turn Europe into a carbon-neutral continent by 2050.

This did not come as a surprise, as emission reduction has been part of the pan-European discourse for a rather long time, and CEZ Group already announced its goal to achieve carbon neutrality by 2050 several years ago. However, what is surprising is the scope of the ambitions. The European Green Deal is so comprehensive and ambitious that it is no exaggeration to say it is a turning point for Europe's energy sector as well as economy.

CEZ Group has already been responding to this trend for several years: we have drawn up a preliminary decarbonization plan for our generation portfolio based on a phaseout of coal-fired facilities and we help reduce both energy consumption and emissions through our ESCO products and services. We modernize our power plants for higher efficiency and lower environmental impacts, we invest in research into zero-emission technologies in both generation and transportation, we also support innovative clean-tech and new energy startups, and we are a leader in Czech e-mobility.

That is why we do not see the new program as a threat but as an opportunity to make use of our expertise and experience and fulfill our updated corporate business policy and strategy, which reflect the reinforcing trends in the European energy sector and were confirmed at the annual shareholders' meeting in June 2019.

We have defined four strategic priorities, which will help us remain a strong energy-sector player in Europe: operating our existing portfolio efficiently, modernizing distribution networks, offering comprehensive services to customers, and developing new energy and energy services especially in Czechia and its neighboring countries.

Talking of our energy future, we should also mention Czechia's goals for the construction of new nuclear units. Naturally, ČEZ is the Czech government's key partner in this respect and works closely with the Standing Committee on the Construction of New Nuclear Power Plants. An important milestone in the whole process was reached in August: the Ministry of the Environment issued a favorable EIA opinion for new units at the Dukovany Nuclear Power Plant. Intense negotiations about a framework agreement between ČEZ and the Czech state were taking place at the same time and we continued to prepare documentation for a siting permit application and for land use proceedings.

Concurrently, we began analyzing whether small nuclear reactors could also find use in Czechia and started cooperation with companies developing such reactors worldwide.

I am pleased with the steady growth in the amount of orders and sales and CEZ Group's development in energy services. During the five years of its existence, ČEZ ESCO has earned a reputation as a reliable contractor and partner that brings its customers comprehensive, custom-tailored solutions. As a result, some big names in industry as well as government and public administration have chosen to collaborate with us. For example, the City of Prague chose us as its partner for energy-saving measures under several selected building modernization projects, such as the Municipal House, Prague-Holešovice Exhibition Ground, Oliva Children Sanatorium in Říčany near Prague, or Aquacentrum Šutka.

Furthermore, our ESCOs abroad are also successful, especially in Germany, Slovakia, Poland, and Romania. Our revenue from these services in Czechia and abroad amounted to CZK 21.8 billion in 2019.

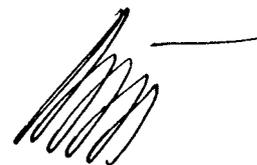
We continue with digitization projects in all areas, most importantly in distribution and sales.

At the end of the year, CEZ Group validated its reputation as one of the best-rated companies in the region in terms of credibility and financial health. ČEZ will pay a coupon of just 0.875% on issued bonds with a nominal value of EUR 750 million. The seven-year bond will mature in 2026. The issue attracted much interest despite the low yield; prospective investors were willing to buy more than triple the amount of ČEZ bonds before the final price was announced. This was the lowest interest in euros achieved in 2019 by issuers from Central and Southeast Europe for any maturity and the lowest interest in euros achieved by any corporate issuer in Central and Southeast Europe for maturity of 5 or more years.

In a year-on-year comparison, CEZ Group considerably increased its profits in 2019 (by more than 21%), primarily due to increased realization prices of generated electricity, higher generation at nuclear power plants, and an exceptionally successful year in commodity trading. Our nuclear power plants generated over 30 TWh of electricity—hundreds of millions of kilowatt-hours more year-on-year. We achieve growth in profit thanks to our well-balanced generation portfolio (with an almost 55% share of zero-emission generation) in spite of high prices of emission allowances. We expended on maintenance, modernization, and asset safety enhancement in 2019 and made financial investments, primarily in ESCO abroad.

In line with our hedging strategy, we continue with medium-term electricity futures contracts and the fixation of emission allowance costs for future years. Assuming that generation will be stable, especially at nuclear power plants, we can expect further growth in profit in 2020.

Dear shareholders, I hope that CEZ Group will build on the successful year of 2019 in 2020 and we will manage to contribute to the maximum growth in the Company's value.



Daniel Beneš

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

Selected CEZ Group Indicators

Selected Indicators of CEZ Group

	Unit	2015	2016	2017	2018	2019	2019/2018 Index (%)
Installed capacity	MW	15,920	15,620	14,864	14,848	14,643	98.6
Electricity generated (gross)	GWh	60,917	61,132	62,887	63,081	64,635	102.5
Share of emission-free production	%	51.4	46.8	52.5	54.2	54.5	x
Electricity sold ¹⁾	GWh	37,933	37,475	37,036	37,634	35,176	93.5
Heat sold ¹⁾	TJ	22,256	24,022	23,659	23,213	24,116	103.9
Gas sold ¹⁾	GWh	6,840	8,180	9,897	9,607	9,784	101.8
Workforce headcount as at December 31	Persons	25,862	26,895	29,837	31,385	32,365	103.1
Operating revenue	CZK millions	210,167	206,543	205,092	184,486	206,192	111.8
Of which: Sales of electricity, heat, gas, and coal	CZK millions	n/a	127,696	122,738	121,450 ²⁾	130,418	107.4
Operating revenue, comparable ³⁾	CZK millions	n/a	n/a	173,731	184,486	206,192	111.8
EBITDA	CZK millions	65,104	58,082	53,921	49,535	60,175	121.5
Net income	CZK millions	20,547	14,575	18,959	10,500	14,500	138.1
Net income, adjusted ⁴⁾	CZK millions	27,666	19,640	20,698	13,055	18,856	x
Dividend per share (gross) ⁵⁾	CZK/share	40.0	40.0	33.0	33.0	24.0	72.7
Net cash provided by operating activities	CZK millions	72,579	48,953	45,812	35,351	42,931	121.4
Capital expenditures (CAPEX) ⁶⁾	CZK millions	(31,494)	(30,165)	(29,135)	(26,386)	(29,789)	112.9
Assets	CZK millions	602,686	628,486	623,906	707,443	704,574	99.6
Net debt	CZK millions	131,223	146,452	136,087	151,262	161,248	106.6
Return on invested capital (ROIC) ⁴⁾	%	5.0	4.5	4.3	3.3	4.3	x
Return on equity (ROE), net ⁴⁾	%	7.8	5.4	7.4	4.3	5.9	x
Net debt / EBITDA	1	2.02	2.52	2.52	3.05	2.68	x

¹⁾ Sales to end-use customers (outside CEZ Group).

²⁾ Manner of presentation of the report has been changed since 2018. Data for preceding periods have been modified so that they can be compared with those of the current period.

³⁾ Comparison when the IFRS 15 standard is applied to the year of 2017. By applying the IFRS 15 standard from January 1, 2018, both revenues and costs of distribution are reported only as a balance, if the Group sells electricity in a territory where it does not own the distribution network (without any effect on the reported total profits).

⁴⁾ Definition can be found in the chapter entitled Methods Used to Calculate Indicators Unspecified in IFRS.

⁵⁾ Awarded in the given year.

⁶⁾ Acquisition of tangible and intangible fixed assets.

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

	Czechia		Germany		Poland		Romania		Bulgaria		Other Countries and Intersegment Elimination	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Operating revenue	140,001	151,218	9,307	14,080	11,298	10,841	13,684	16,442	17,297	18,779	(7,100)	(5,168)
EBITDA	43,718	53,018	834	1,164	971	887	3,250	3,338	1,340	1,860	(577)	(92)
Net income	9,706	15,796	(103)	(469)	156	(1,187)	1,580	1,024	457	201	(1,296)	(865)

Credit Rating

ČEZ's long-term credit ratings remained unchanged in 2019 except for the Moody's outlook.

Standard & Poor's Global Ratings Europe Limited updated its report on ČEZ with a long-term credit rating of A- with a stable outlook on September 27, 2019.

Moody's updated its Credit Opinion on the Company with a long-term credit rating of Baa1 with a stable outlook on January 15, 2020. It reaffirmed ČEZ's long-term credit rating at Baa1 on October 7, 2019, changing its positive outlook to a stable outlook. ČEZ's long-term credit rating was reaffirmed as a follow-up to an upgrade of Czechia's credit rating from A1 to Aa3 on October 4, 2019. Despite the upgraded credit rating for Czechia, ČEZ's credit rating outlook was cut back to stable due to Moody's concerns over the course of preparations for a new nuclear power plant in Czechia, ČEZ's role in the project, and the achievement of an adequate level of support for the project.

Both credit rating agencies are included in the list of credit rating agencies pursuant to Regulation (EC) No. 1060/2009 of the European Parliament and of the Council, as amended by Regulation (EU) No. 513/2011 of the European Parliament and of the Council and Regulation (EU) No. 462/2013 of the European Parliament and of the Council. When selecting credit rating agencies, ČEZ complies with Article 8d of the above-mentioned Regulation.

Shares

The shares of five CEZ Group companies are publicly traded.

1. ČEZ, a. s.

As at December 31, 2019, the total stated capital of ČEZ, a. s., was CZK 53,798,975,900. The Company's stated capital consisted of 537,989,759 shares with a nominal value of CZK 100. The ISIN is CZ0005112300.

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

Shares

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

Structure of Shareholders by Entity Type (%)

	Share in Stated Capital	Share in Voting Rights	Share in Stated Capital	Share in Voting Rights
	As at Dec 31, 2018		As at Dec 31, 2019	
Legal entities, total	89.71	89.65	88.76	88.71
Of which: Czechia	69.78	70.19	69.78	70.11
ČEZ, a. s.	0.58	–	0.47	–
Other legal entities	19.34	19.46	18.51	18.60
Private individuals, total	10.29	10.35	11.23	11.29

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

ČEZ Share Price in 2019 (CZK)



Stock-Related Indicators

	Unit	2018	2019	2019/2018 Index (%)
Net earnings per share—basic (EPS) ¹⁾	CZK/share	19.3	26.9	x
Dividend per share (gross) (DPS)	CZK/share	33.0	24.0	x
Dividends awarded	CZK billions	17.6	12.8	72.6
Share price—year's high	CZK	585.5	570.0	97.4
Share price—year's low	CZK	495.0	500.5	101.1
Share price—at year end (December 31)	CZK	535.0	509.5	95.2
ČEZ stock trading volume on the PSE	CZK billions	40.9	28.0	68.5
ČEZ stock as percentage of overall PSE trading volume	%	28.7	25.7	x
Number of registered shares (as at December 31)	Thousands	537,990	537,990	100.0
Number of treasury shares (as at December 31)	Thousands	3,125	2,551	81.6
Number of shares in circulation (as at December 31)	Thousands	534,865	535,439	100.1
Price to earnings ratio (P/E)	1	27.7	19.0	x
Book value per share (BVPS)	CZK	438.8	468.3	106.7
Price to book value ratio (P/BV)	%	121.9	108.8	x
Total shareholder return (TSR)	%	14.4	(0.3)	x
Market capitalization (as at December 31)	CZK billions	286.2	272.8	95.3

¹⁾ Consolidated net profit per share attributable to shares of shareholders of the parent company.

Payment of Dividends to Shareholders

The Company's annual shareholders' meeting, which started on June 26, 2019, decided on June 27, 2019, to pay a dividend of CZK 24 per share before tax to Company shareholders.

The approved dividend amount is in line with the Board of Directors' proposal at the upper limit of the payout ratio under the current dividend policy. The share of profit to be distributed among shareholders is CZK 12,911,754,216, of which CZK 12,850,164,456 is to be paid out, representing 98.4% of consolidated net income adjusted for extraordinary effects, or 122.4% of consolidated net income.

Entities that were shareholders of ČEZ at the record date, that is, July 2, 2019, are entitled to the dividend. The dividend on treasury shares held by the Company at the record date was not paid out and was transferred to the retained earnings account.

The dividend for 2018 became payable on August 1, 2019, and can be claimed until July 31, 2023.

Dividend Policy

Starting from 2015, ČEZ, a. s., applied a dividend policy that anticipated paying out 60%–80% of consolidated net income adjusted for extraordinary effects generally unrelated to ordinary financial performance in a given year. The payout ratio was temporarily increased in 2017 to 60%–100% until the Company's development strategy is refined and, following an update to CEZ Group's business strategy and policy, the payout ratio was set in 2019 as 80%–100% of CEZ Group's consolidated net income adjusted for extraordinary effects.

ČEZ, a. s., Shareholder and Investor Relations

ČEZ has long been building relations with shareholders and other capital market participants by means of open and regular communication. It publishes quarterly communications on its financial performance and fulfillment of CEZ Group's strategic goals on dates that are announced in advance. It also informs of material facts that might affect the share price on an ad hoc basis. In accordance with good practice, it also maintains an active dialog with capital market participants through personal meetings with analysts and representatives of institutional investors both at the corporate headquarters and in major financial centers and during conferences.

Rights and Obligations Attached to Shares

The rights and obligations attached to ČEZ, a. s., shares are governed by applicable law as set down in Section 210 et seq. of Act No. 89/2012 Sb., Civil Code, as amended, and Section 243 et seq. of Act No. 90/2012 Sb., Business Corporations Act, as amended. No special rights are attached to ČEZ, a. s., shares. Pursuant to Section 256(1) of the Business Corporations Act, shareholder rights attached to a share of stock are to participate, in compliance with the Act and the Company's bylaws, in company management and receive a portion of its profits and its liquidation surplus when wound up with liquidation.

The right to participate in company management is exercised by shareholders by means of their right to attend and vote at a shareholders' meeting.

Pursuant to Section 357(1) of the Business Corporations Act, a shareholder is entitled to request and receive an explanation of matters related to the Company or entities controlled by the Company at a shareholders' meeting if such an explanation is needed for reviewing the contents of matters on the shareholders' meeting agenda or for exercising the shareholder's rights at the shareholders' meeting. This does not apply if no answer needs be given under the law. Explanations may be provided as a summary response to multiple questions with similar contents. Explanations of matters related to the ongoing shareholders' meeting are provided by the Company to a shareholder right at the shareholders' meeting. If that is not possible due to the complexity of the explanation, the Company will provide the explanation to the shareholder within 15 days of the date on which the shareholders' meeting is held.

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

2. ČEZ OZ uzavřený investiční fond a.s.

The company's shares were admitted to trading on the Prague Stock Exchange's regulated market with effect from December 31, 2015. The ISIN is CZ0008041787. An issue of 5,310,498 shares, which amounts to 15% of the total number of the company's shares, previously held by ČEZ, was admitted to trading. ČEZ, a. s., held an almost 99.6% stake in the company as at December 31, 2019; other shareholders were ČEZ Obnovitelné zdroje and ČEZ Korporátní služby. Shareholders outside CEZ Group held a 0.04% stake in the company's stated capital.

3. Akenerji Elektrik Üretim A.S.

The company's shares are traded freely on the stock exchange. A portion of shares representing a 25.3% stake in the company's capital has been freely traded on the Istanbul stock exchange since July 3, 2000. The ISIN is TRAAKENR91L9. The shares are not traded on any other public markets. ČEZ, a. s., held an almost 37.4% stake in the company's capital as at December 31, 2019.

4. CEZ Elektro Bulgaria AD

The company's shares have been traded on the Bulgarian Stock Exchange (Българска Фондова Борса) since October 29, 2012. Their ISIN is BG1100024113. The shares are not traded on any other public markets. As at December 31, 2019, ČEZ held a 67% stake and the second largest shareholder, the Chimimport group, held a 24.94% stake in the company's capital.

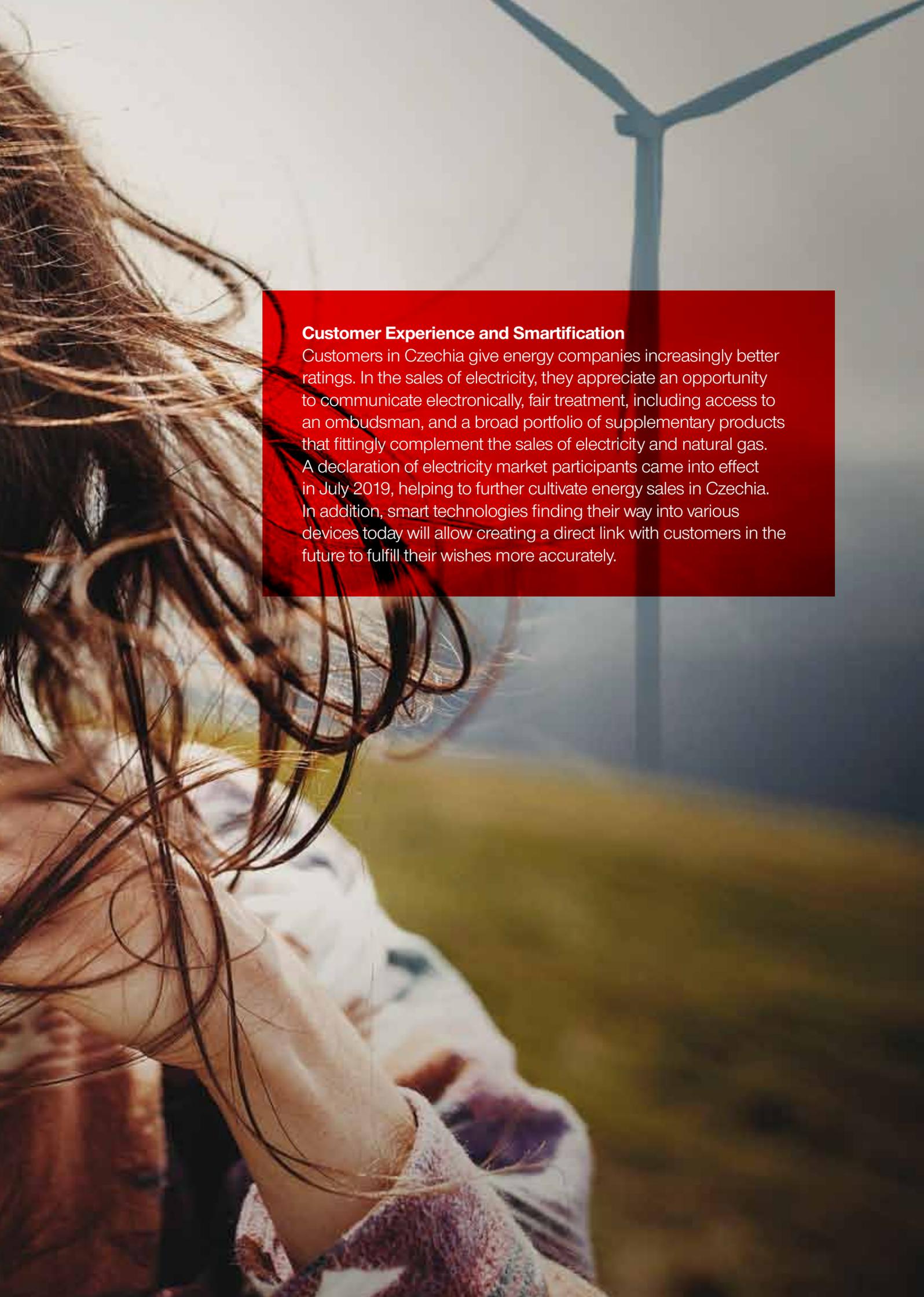
5. CEZ Razpredelenie Bulgaria AD

The company's shares have been traded on the Bulgarian Stock Exchange (Българска Фондова Борса) since October 29, 2012. The ISIN is BG1100025110. The shares are not traded on any other public markets. As at December 31, 2019, ČEZ held a 67% stake and the second largest shareholder, the DOVERIE group, held an 11.07% stake in the company's capital.



FEELING GOOD





Customer Experience and Smartification

Customers in Czechia give energy companies increasingly better ratings. In the sales of electricity, they appreciate an opportunity to communicate electronically, fair treatment, including access to an ombudsman, and a broad portfolio of supplementary products that fittingly complement the sales of electricity and natural gas. A declaration of electricity market participants came into effect in July 2019, helping to further cultivate energy sales in Czechia. In addition, smart technologies finding their way into various devices today will allow creating a direct link with customers in the future to fulfill their wishes more accurately.

Selected Events

Selected Events of 2019

January

- Wind turbine projects with an installed capacity of up to 119 MW were purchased in France.
- A new portal, www.bezstav.cz, was launched to allow ČEZ Distribuce customers to simply check the current condition of electricity supply or get information about expected power restoration times in case of a power outage during a natural disaster.
- Inven Capital, CEZ Group's investment fund seeking opportunities in the new energy sector, bought a share in Driivz, a company whose modular charging management system is used by 300,000 drivers globally.

February

- Inven Capital sold its stake in sonnen, a Bavarian battery system manufacturer. This was the fund's first investment sold off; the selling price was about two times the purchase price.

March

- A memorandum on crisis communication during natural disasters was signed by Czech energy distribution companies ČEZ Distribuce and E.ON Distribuce of the one part and telecommunications infrastructure operators of the other part.
- Inven Capital acquired a share in CyberX, an Israeli company delivering comprehensive solutions for industrial cybersecurity.

April

- The agreement with Inercom for the sale of CEZ Group's assets in Bulgaria was terminated.
- CEZ Group began selling electric vehicles to households and sole traders.

May

- CEZ Group's strategy was updated, followed by an update to its dividend policy; the payout ratio was increased to 80%–100% of consolidated net income adjusted for extraordinary effects.
- HERMOS, a German group involved in ESCO services, was acquired.

June

- The 28th annual shareholders' meeting of ČEZ was held, approving, among other things, an update to the business policy of CEZ Group and ČEZ, a. s.
- An agreement was made with Eurohold for the sale of CEZ Group's assets in Bulgaria for EUR 335 million (about CZK 8.6 billion).
- Inven Capital acquired a share in Neuron Soundware (officially NeuronSW SE), a Czech company delivering smart solutions for machinery diagnostics based on acoustic analysis of machine operation.
- One of Czechia's most advanced and largest corporate data centers was put into operation at the Tušimice power plant.

July

- The "Electricity and Gas Market Participant Declaration for Consumer Protection," which CEZ Group is a signatory too, entered into effect; in the Declaration, suppliers undertook to voluntarily comply with new rules helping to further cultivate energy sales in Czechia.
- The Ministry of the Environment of the Czech Republic issued a favorable environmental impact opinion for coal mining extension at the Bílina Mine until 2035.

August

- The Ministry of the Environment of the Czech Republic issued a favorable binding opinion on the environmental impact assessment (EIA) of a new nuclear power plant at Dukovany; the EIA opinion is valid for 7 years.

September

- A divestment process was started in Romania; following an evaluation of indicative offers, binding offers are expected to be submitted in the first half of 2020.
- A memorandum of understanding concerning small modular nuclear reactors was signed by ČEZ and NuScale (U.S.A.).
- An interconnected system involving an electric vehicle charging station, a photovoltaic power plant, and battery storage was commissioned in Vestec near Prague; it will serve to test various modes of charging station operation suitable for locations with long-term low or restricted capacity.

October

- A follow-up mission was undertaken by experts from the World Association of Nuclear Operators (WANO) to check ČEZ's implementation of measures according to recommendations resulting from the conclusions of a 2017 mission.
- A total of CZK 1.3 billion was paid to SŽDC under a final court ruling from September 2019; ČEZ Prodej subsequently filed a devolutive appeal because it believes that the alleged circumstance excluding liability did not occur in the given case and SŽDC's obligation to purchase the contracted amount of electricity was not affected by the change in legal regulation in any way.
- The transaction to sell CEZ Group's Bulgarian assets to Eurohold was disapproved by the Commission for Protection of Competition; both CEZ Group and Eurohold brought an administrative action against the decision in November.

November

- The previous stock option plan for ČEZ management was discontinued by the Supervisory Board as of December 31, 2019; the stock option plan was replaced with a new long-term performance-based bonus system starting from January 1, 2020.

December

- An issue of bonds worth EUR 750 million was made, maturing in 2026 with a 0.875% coupon and 1.005% yield. This was the lowest interest in EUR achieved in 2019 by issuers from Central and Southeast Europe for any maturity and the lowest interest in EUR achieved by any corporate issuer in Central and Southeast Europe for maturity of 5 or more years.
- An option to cancel the sale of the Počerady power plant for CZK 2 billion was not exercised; consequently, the Sev.en Energy group will become its new owner on January 2, 2024.
- A high-capacity battery system was put into operation at the Tušimice power plant. The pilot project undertaken jointly with the transmission system operator will test various types of operating modes under different conditions and sets of rules for using the batteries to balance out electricity generation and consumption in the electricity system.
- A loan agreement was signed by CEZ Group and the European Investment Bank to help fund a capital expenditure program for distribution system renovation and further development in Czechia with up to EUR 330 million.

Selected Events of 2020 until the Annual Report Closing Date

January

- ČEZ announced an intent to sign a contract with the Czech Republic for the construction of a new nuclear power plant and a contract for the first stage of the project in March.

February

- An agreement was made with GE Hitachi Nuclear Energy (U.S.A.) to investigate the economic and technical feasibility of the potential construction of a BWRX-300 small modular nuclear reactor in Czechia.

Developments in Relevant Energy Markets

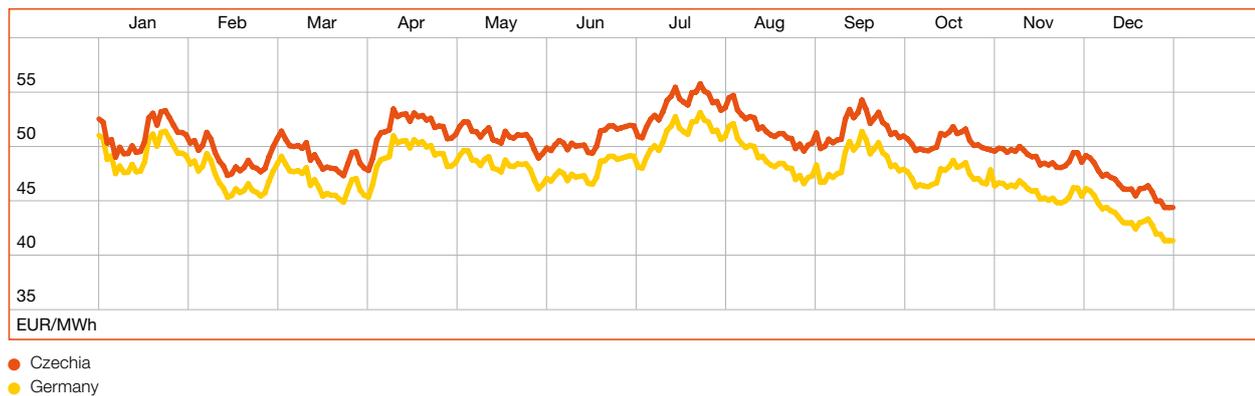
Commodity Prices, Year-on-Year Comparison

Commodity Prices, Year-on-Year Comparison

	Unit	Dec 31, 2018	Dec 31, 2019
Electricity price in Czechia (2020 baseload)	EUR/MWh	52.5	44.4
Electricity price in Germany (2020 baseload)	EUR/MWh	51.0	41.3
Emission allowance price (EEX)	EUR/t	25.0	24.6

Electricity

Wholesale Price of Electricity in 2019 (2020 Year Band)



Wholesale prices of electricity in Czechia derive from prices in Germany due to the close interconnection of these two markets.

Electricity prices are influenced by the following factors in particular:

- Commodity prices determining variable electricity generation costs, which means particularly the prices of coal, natural gas, and emission allowances
- Macroeconomic developments, which affect the level of demand for electricity
- Changes in the volume and structure of generation capacities in Europe, especially renewables

Electricity prices in Germany did not have any clear trend in the first three quarters of 2019, fluctuating over a range of 45–53 EUR/MWh.

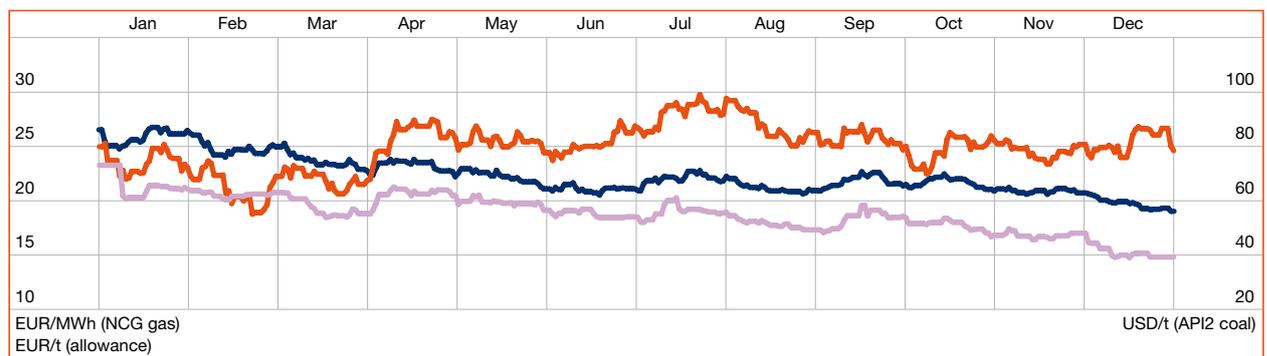
This development reflected stabilization in the prices of CO₂ emission allowances, which stabilized in 2019 after a sharp rise in 2018.

In the fourth quarter, electricity prices declined gradually to about 40 EUR/MWh, mimicking the decline in gas and hard coal prices.

The baseload price with delivery in 2020 closed at 40 EUR/MWh, which was a year-on-year decrease of 22%.

Prices of Coal, Natural Gas, and Emission Allowances in 2019

Prices of Coal, Natural Gas, and Emission Allowances in 2019 (2020 Forward Contracts)



- NCG gas—Futures contract for natural gas with delivery to the NCG (NetConnect Germany) trading point in 2020
- API2 coal—Year-ahead futures contract on API2 coal with delivery in 2020
- CO₂ allowance

Coal and Natural Gas

Natural gas and coal declined in price over the course of the year, trading for more than 30% less year-on-year at the end of the year. The price of hard coal kept between 65 and 70 USD/t from May to early November 2019 on. Crucial factors for the global market in hard coal are events around Pacific, especially in China as the world's largest producer and importer. Its strong domestic output and an increase in production in Australia and Indonesia oversaturated the Asian market so coal prices were keeping relatively low. Another factor was the globally low prices of natural gas. Coal prices were negatively affected by import restrictions imposed by China as well as decreasing demand for coal in Europe, which probably resulted from its replacement with gas in electricity generation. Natural gas prices were negatively affected by a mild winter, which resulted in many-year highs in the amount of natural gas in storage. There is also pressure on prices exerted by continually growing capacities of LNG (Liquefied Natural Gas) terminals. The decrease in natural gas prices was also facilitated by an agreement between Russia and Ukraine on natural gas transit in the next five years, achieved in the last days of December 2019. Together with the commissioning of the Trans-Anatolian Gas Pipeline, TurkStream, and Nord Stream 2, Europe will be well supplied with gas in the next years. In the medium and long term, the price of natural gas will be determined primarily by global LNG trade balance. The world's largest suppliers are Qatar, Australia, the United States of America, and Russia. A significant share of global supply is also provided by less conspicuous but important players such as Malaysia, Indonesia, Trinidad and Tobago, and many others.

Emission Allowances

The prices of emission allowances ranged between 19 and 30 EUR/t over the course of 2019. Market expectations of emission allowance prices were affected by the new European Commission's ambitious plans concerning the necessity of raising climate protection targets, the European Green Deal. The emission allowance price closed at 25 EUR/t at the end of the year, with virtually no change year-on-year, despite a considerable decrease in natural gas prices.

External Conditions in the Energy Sector

European Union

Sustainable Finance Package

The first two pieces of legislation included in the sustainable finance package were passed in the spring of 2019 and published in the Official Journal in November: Regulation (EU) 2019/2088 of the European Parliament and of the Council of November 27, 2019, on sustainability-related disclosures in the financial services sector and Regulation (EU) 2019/2089 of the European Parliament and of the Council of November 27, 2019, amending Regulation (EU) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-Aligned Benchmarks, and sustainability-related disclosures for benchmarks.

The European Parliament passed a resolution on a proposal for a regulation on the establishment of a framework to facilitate sustainable investment in the spring of 2019. This third and last regulation in the sustainable finance package will create a uniform classification system (taxonomy) aiming to harmonize criteria for the purposes of determining whether an economic activity may be considered sustainable under existing market practices. The Directorate-General for Financial Stability and Capital Markets invited investors to take account of the taxonomy even though the procedure has not finished yet. The Council adopted a joint position in the fall of 2018 and subsequently a trialogue concerning the taxonomy started in the second half of 2019. While an agreement was reached in late November, following the sixth trialogue, the Council rejected the agreement at a COREPER meeting in early December because its terms and conditions would in fact make it impossible to include nuclear energy in the list of sustainable activities.

Consumer Law Modernization Package

The European Commission published proposals for two directives enhancing EU consumers' position under this package in 2018. Agreement on the first directive, which includes amendments to four existing consumer directives (93/13/EEC, 98/6/EC, 2005/29/EC, and 2011/83/EU), was reached during dialogues among the European Commission, the EU Council, and the European Parliament as early as in March 2019. This amending legislative act deals primarily with the enhancement of consumer rights in a digital environment.

However, there is greater significance for the energy sector in a proposal for a directive on representative actions for the protection of the collective interests of consumers, which establishes a minimum harmonized framework for rules for the enforcement of consumers' collective interests in the EU. A plenary position of the European Parliament supporting the proposal for this legislative act was also issued in March. As a follow-up, the Council adopted a general approach to the draft directive in November 2019. Trilateral negotiations among the Commission, the Council, and the Parliament will be held in 2020.

European Union Legislation

1. Commission Delegated Regulation (EU) 2019/331 of December 19, 2018, determining transitional Union-wide rules for harmonized free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC of the European Parliament and of the Council applies to the free allocation of emission allowances for stationary installations pursuant to the EU-ETS Directive starting from 2021, with the exception of transitional free allocation of emission allowances for the modernization of electricity generation pursuant to Article 10c of the Directive.
2. Directive (EU) 2019/692 of the European Parliament and of the Council of April 17, 2019, amending Directive 2009/73/EC concerning common rules for the internal market in natural gas introduces a new definition of "interconnector," namely a transmission line that crosses a border between member states or between a member state and a third country up to the limit of the Union's jurisdiction.
3. Commission Delegated Regulation (EU) 2019/807 of March 13, 2019, supplementing Directive (EU) 2018/2001 of the European Parliament and of the Council as regards the determination of high indirect land-use change-risk feedstock for which a significant expansion of the production area into land with high carbon stock is observed and the certification of low indirect land-use change-risk biofuels, bioliquids, and biomass fuels. This first implementing act for the new RES Directive sets down a list of individual resources (in particular, agricultural production used for the production of biofuels and biomass) by their impact on carbon emissions associated with high-intensity land use.

4. Commission Delegated Regulation (EU) 2019/856 of February 26, 2019, supplementing Directive 2003/87/EC of the European Parliament and of the Council with regard to the operation of the Innovation Fund sets rules for Article 10a of the EU-ETS Directive in relation to the operational objective of the Innovation Fund, forms of support provided under the Innovation Fund, the application procedure for Innovation Fund support, criteria for project selection, disbursement of Innovation Fund support, and the governance of the Innovation Fund.
5. Regulation (EU) 2019/941 of the European Parliament and of the Council of June 5, 2019, on risk-preparedness in the electricity sector and repealing Directive 2005/89/EC. The principal objective of the regulation is to set rules for cooperation between member states for the purposes of preventing and managing electricity crises. To this end, it includes fundamental rules for the preparation of ENTSO-E methodologies for risk assessment, national risk-preparedness plans, and national crisis scenarios, as well as conditions for the activation of the early warning mechanism in case of electricity crisis.
6. Regulation (EU) 2019/942 of the European Parliament and of the Council of June 5, 2019, establishing a European Union Agency for the Cooperation of Energy Regulators enhances the role of the European Union Agency for the Cooperation of Energy Regulators (ACER) as regards its right to give recommendations and decisions, especially to new entities (the European Entity for Distribution System Operators, regional coordination centers). The new regulation also clarifies ACER's status in relation to national regulatory authorities and its role as regards generation adequacy and risk preparedness.
7. Regulation (EU) 2019/943 of the European Parliament and of the Council of June 5, 2019, on the internal market for electricity represents one of four fundamental acts for electricity market regulation. It includes principal rules for the functioning of the wholesale market, rules for the purchases of ancillary services, cross-border capacity allocation, and facility connection, as well as general rules for network tariffs and network codes, including options for the application of capacity mechanisms. It also lays down conditions for the activities of Regional Coordination Centers and the European Entity for Distribution System Operators.
8. Directive (EU) 2019/944 of the European Parliament and of the Council of June 5, 2019, on common rules for the internal market for electricity and amending Directive 2012/27/EU is the second most important legislative act with new rules for the electricity market. In addition to introducing new terms such as citizen energy communities or aggregators and setting down rights and obligations for such new market participants, it includes, most importantly, detailed rules for price regulation in the retail market, customers' fundamental rights, and conditions for switching electricity suppliers, invoicing, and smart metering, including electricity storage.
9. Directive (EU) 2019/1161 of the European Parliament and of the Council of June 20, 2019, amending Directive 2009/33/EC on the promotion of clean and energy-efficient road transport vehicles. The directive aims to introduce an obligation for contracting authorities and entities to take into account lifetime energy and environmental impacts, including energy consumption and emissions of CO₂ and of certain pollutants (fine particles, nitrogen oxides, and nonmethane hydrocarbons), when procuring certain road transport vehicles with the objectives of promoting and stimulating the market for clean and energy-efficient vehicles and improving the contribution of the transport sector to the environment, climate and energy policies of the Union. The directive newly defines a "clean vehicle" and sets percentages of such vehicles to be procured by contracting authorities and entities in public procurement procedures for road vehicles.
10. Commission Delegated Regulation (EU) 2019/1868 of August 28, 2019, amending Regulation (EU) No. 1031/2010 to align the auctioning of allowances with the EU-ETS rules for the period of 2021 to 2030 and with the classification of allowances as financial instruments pursuant to Directive 2014/65/EU of the European Parliament and of the Council contains detailed rules for allowance auctions using auction platforms or other forms of auctioning, including requirements for auctioning allowances for the Innovation Fund and the Modernization Fund and notification obligations applying to such transactions.
11. Commission Implementing Regulation (EU) 2019/1842 of October 31, 2019, laying down rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards further arrangements for the adjustments to free allocation of emission allowances due to activity level changes builds on the previous Commission delegated regulation and sets rules for the free allocation of emission allowances to be allocated under Article 10a of the EU-ETS Directive in the 4th trading period of 2021 to 2030.

Regulation of Wholesale Markets in Electricity and Natural Gas

The European Union regulates wholesale energy markets. Regulation (EU) No. 1227/2011 of the European Parliament and of the Council of October 25, 2011, on wholesale energy market integrity and transparency (REMIT) has been in force since December 28, 2011, putting market participants under an obligation to publicly disclose certain inside information on the participant's undertaking in an effective and timely manner, not to use abusive practices in trading, and to register their undertaking in a register of participants and report transactions in a wholesale energy market.

CEZ Group discloses such information on a specialized information portal run by the EEX at: <https://www.eex-transparency.com/power/cz/production/capacity/>. The disclosure concerns all CEZ Group facilities in Czechia. Information on CEZ Group facilities abroad is disclosed centrally in Poland at <http://gpi.tge.pl/en/zestawienie-ubytkow> and on our subsidiary's website at <https://www.cez.ro/en> in Romania. In compliance with REMIT, CEZ Group has also been notifying of bilateral transactions entered into outside organized markets since April 2016 (n.b.: transactions conducted in organized markets are disclosed directly by those markets).

Pursuant to Regulation (EU) No. 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties, and trade repositories (EMIR), which aims to mitigate risks arising from trading in OTC derivatives, ČEZ calculates its open derivative OTC position. It has also been reporting all commodity, interest rate, and currency derivative transactions with financial settlement to a trade repository since February 2014. ČEZ chose REGIS-TR for discharging these obligations.

ČEZ has also established rules and introduced measures to prevent market abuse pursuant to Regulation (EU) No. 596/2014 of the European Parliament and of the Council on market abuse (MAR) and Directive 2014/57/EU of the European Parliament and of the Council on criminal sanctions for market abuse. MAR is an equivalent of REMIT aimed to prevent abuse of the market in financial instruments, which include some commodity derivatives linked to electricity, gas, coal, and emission allowances.

Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (MiFID II) entered into effect in January 2018 and was transposed to Czech law in Act No. 256/2004 Sb., on capital market undertakings (CMUA). ČEZ, a. s., informed the Czech National Bank in December 2017, pursuant to CMUA, that it would take advantage of exemption from authorization for the provision of main investment services under Section 4b(1)(j) as a person, including market makers, dealing on its own account in commodity derivatives or emission allowances or derivatives thereof.

Czechia

Legislation in Czechia

The Ministry of Industry and Trade prepared the "Principal Points of a New Energy Act" and submitted them to the government for consideration and information in 2019. Subsequently, the Ministry of Industry and Trade began working on a "legislative brief for a new energy act" in the fall of 2019 with the aim of submitting the brief to the government for consideration and approval approximately in mid-2020. The Energy Act has been amended more than 20 times since it was passed, primarily due to obligatory implementation of EU legislation governing the energy sector's operation in Czech law. The relatively large number and extent of amendments have reduced the clarity of the Energy Act and some of its provisions are ambiguous, causing interpretation difficulties.

The objectives of the new Energy Act include:

- Preparing a legal and regulatory framework for a new energy market model with emphasis on meeting binding decarbonization targets
- Defining unambiguously the rights and obligations of entities entering the market in electricity and gas and regulating their mutual interactions
- Simplifying, systematically interconnecting, and clearly defining activities and other institutions to be governed and regulated by the new law
- Resolving certain problematic situations (such as unauthorized consumption) as well as ensuring that the new Energy Act will be comprehensible and systematic
- Addressing overlaps with legal regulation set down in Act No. 165/2012 Sb., on supported energy sources and on amendment to some acts, and in Act. No. 406/2000 Sb., on energy management, as amended
- Transposing Directive (EU) 2019/944 of the European Parliament and of the Council on common rules for the internal market for electricity and amending Directive 2012/27/EU (that is, the Energy Efficiency Directive)
- Transposing selected provisions of Directive (EU) 2018/2001 of the European Parliament and of the Council on the promotion of the use of energy from renewable sources, which are appropriate to be included in the new Energy Act for reasons of systematicity and overall clarity
- Transposing Directive (EU) 2018/2002 of the European Parliament and of the Council amending Directive 2012/27/EU on energy efficiency

The new Energy Act will apply to activities pursued by natural and legal persons and sole traders in the energy sector rather than just business activities as the current Act does. Therefore, there will be no difference in whether or not a certain activity requires a license (or another authorization).

Work that will result in amendments to a number of other legal regulations having an impact on the energy sector started in 2019. However, these amendments can be expected to be passed over the course of 2020.

Only a very limited number of major legal regulations concerning the energy sector and telecommunications were amended in 2019; essentially, there was just one act amended:

- **Act No. 127/2005 Sb.**, on electronic communications and on amendment to certain related acts (Electronic Communications Act); the amendment was made by Act No. 311/2019 Sb., effective mostly from April 1, 2020 (some provisions from as late as May 15, 2024); the amending act sets down more detailed rules for the transfer of phone service contracts when switching providers; it also sets down deadlines for such switches and the termination of contracts (2 business days); it obligates the Czech Telecommunication Office to create a free-of-charge, independent, online comparison tool within 9 months of the effect of the amended act to allow comparing and reviewing various publicly available electronic communications services in terms of price and quality.

A Brief Forecast of the Development of the Electricity Sector from CEZ Group's Perspective

Electricity prices relevant to price development in Czechia derive from the prices of energy commodities, especially hard coal and gas and also the price of CO₂ emission allowances.

The long-term development of the electricity sector is fundamentally affected by political decisions. These include, most importantly, the European Union's climate and energy targets. The share of renewable energy should be 32% of all consumed energy (heat, transportation, electricity) by 2030. Accompanying studies indicate that the share of RES in the EU electricity sector will be 55% in 2030. Member states describe their intended contributions in national integrated energy and climate plans. Czechia made a commitment to use 22% of renewable energy by 2030: 30.7% for heating, 14% for transportation, and 16.9% for electricity. The other V4 countries will strive to achieve a RES share similar to Czechia's but their RES electricity contribution will be greater than the Czech one.

The new European Commission set reducing CO₂ emissions as its primary goal. The overarching programming document is called the European Green Deal. It contains a schedule for the publication of individual steps in various subareas. These will include, among other things, raising the 2030 decarbonization target from the current 40% to at least 50% and raising targets for growth in renewable resources and energy efficiency targets. In December 2019, the prime ministers and presidents of EU member states reached an agreement that the EU should achieve climate neutrality by 2050 (with the exception of Poland, which should become climate-neutral later). The goal is to eliminate CO₂ emissions from the entire economy, from the energy industry to transportation, industry, and construction to the food industry and agriculture. Zero-emission electricity will play a key role in the decarbonization of many branches of industry, replacing fossil resources.

Political decisions taken by individual European countries are also significant to energy markets. Germany is planning to shut down its last nuclear power plants in 2022 and its last coal-fired power plants in 2038; Germany will be the last country with coal-fired units in Western Europe. France has announced that it will strive to gradually reduce the share of nuclear generation and increase the share of renewable generation. The Netherlands is planning to introduce a minimum price of CO₂ in the energy sector.

The future of the energy sector is also significantly affected by technology advancement. Renewable electricity generation is much cheaper these days than in the past. For example, the purchase price of electricity generated by new photovoltaic power plants of 1–10 MW in Germany is around 50 EUR/MWh in auctions. It used to be 8 times higher. Costs have been decreasing rapidly and parameters have been improving for other types of renewable energy sources, too: onshore wind farms in Germany regularly achieve prices of around 62 EUR/MWh in auctions. Offshore wind farms in the United Kingdom got a contract-for-difference at a level of 49 EUR/MWh.

The growing share of wind farms and photovoltaic power plants will also result in greater price volatility—if winds blow and the sun shines, electricity prices will more and more often be around zero or even negative. Conversely, periods without sunshine and wind will see very high electricity prices. This will create a business opportunity for both flexible sources and energy storage. While this effect will be softened repeatedly in Central Europe due to the phaseout of nuclear and coal-fired capacities in Germany, it will always come back over time.

There is also significant advancement in energy storage technologies. Besides short-term electricity storage in batteries, there is an increasing effort to provide an industrial solution for long-term storage using hydrogen, methane, or other chemicals (power-to-gas, power-to-liquid). There are hundreds of projects under preparation or in operation throughout the EU. It is generally expected that these technologies will undergo development similar to that of photovoltaic power plants and wind turbines in the past twenty years. This will also create new business opportunities for energy companies.

CEZ Group Strategy

Europe's energy sector is undergoing a major transformation. Traditional energy is stagnating but remains an indispensable part of the energy sector. Renewables and decentral energy keep growing. Customers require comprehensive services relating to energy use. The European Union approved new ambitious targets for 2030 in decarbonization, renewables, and energy efficiency and, on the threshold of 2020, carbon neutrality by 2050. Complex changes are also underway in the Czech energy market. Czechia has incorporated the European Commission's targets in its climate and energy plan with a growing share of renewable generation, has been debating an update to its State Energy Policy, has advanced in debates concerning the form of new nuclear power plant preparation and construction, has been working on its National Action Plan for Smart Grids and Electric Mobility, and has been preparing nationwide digitization. CEZ Group's mission and vision remain unchanged. CEZ Group's mission is to provide safe, reliable, and positive energy to its customers and society at large. Its vision is to bring innovations for resolving energy needs and to help improve quality of life.

CEZ Group Strategy Update

The principal determinant strategic factors remain the same, but new, mostly regionally specific challenges occurred and CEZ Group responded to them by updating its business policy and strategy. The annual shareholders' meeting approved the updated business policy of CEZ Group and ČEZ, a. s., on June 27, 2019.

CEZ Group's major challenges in the traditional energy sector include decarbonization, phase out of coal-fired generating facilities, ensuring stable supplies when those facilities are shut down, and continued preparation of projects for new nuclear power plants.

In the new energy sector, CEZ Group anticipates further development of renewables and growth in the energy services market, where it wants to remain a major player innovating both products and services. In distribution and sales, the biggest challenge is gradual digitization and decentralization.

CEZ Group's updated strategy and business policy aims at the following business opportunities:

- Participation in enhancing Czechia's energy security
- Modernization of the Czech energy sector and growth in decentral energy
- Fulfillment of Czechia's energy and climate plan meeting the European Union targets
- Interconnection of Czech industry and trade with neighboring countries

In comparison with the previous strategy from 2014, the current strategy has stronger focus on the Czech market. New development investments will be mostly made in the new energy sector and distribution assets in Czechia and in energy services abroad. Its aim for abroad is long-term growth primarily in comprehensive energy services in markets closer to Czechia, especially in Germany.

CEZ Group's Strategic Priorities

1. Efficient Operation, Optimum Generation Portfolio Utilization and Development

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

- Enhancing the safety, security, and effectiveness of the operation of nuclear power plants in accordance with international practices and ensuring their long-term operation
- Efficiently managing the portfolio of coal-fired power plants in mining regions, heating plants, and mines
- Efficiently operating and phasing out the portfolio of power plants located outside mining regions
- Continuing the preparation of the project for a new nuclear power plant at Dukovany, including the negotiation of a contractual framework with the Czech state to cover the regulatory and market risks of the project

2. Modern Distribution and Care for Customers' Energy Needs

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

In distribution:

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

In sales:

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

3. New Energy Sector Development in Czechia

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

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

4. Energy Services Development in Europe

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

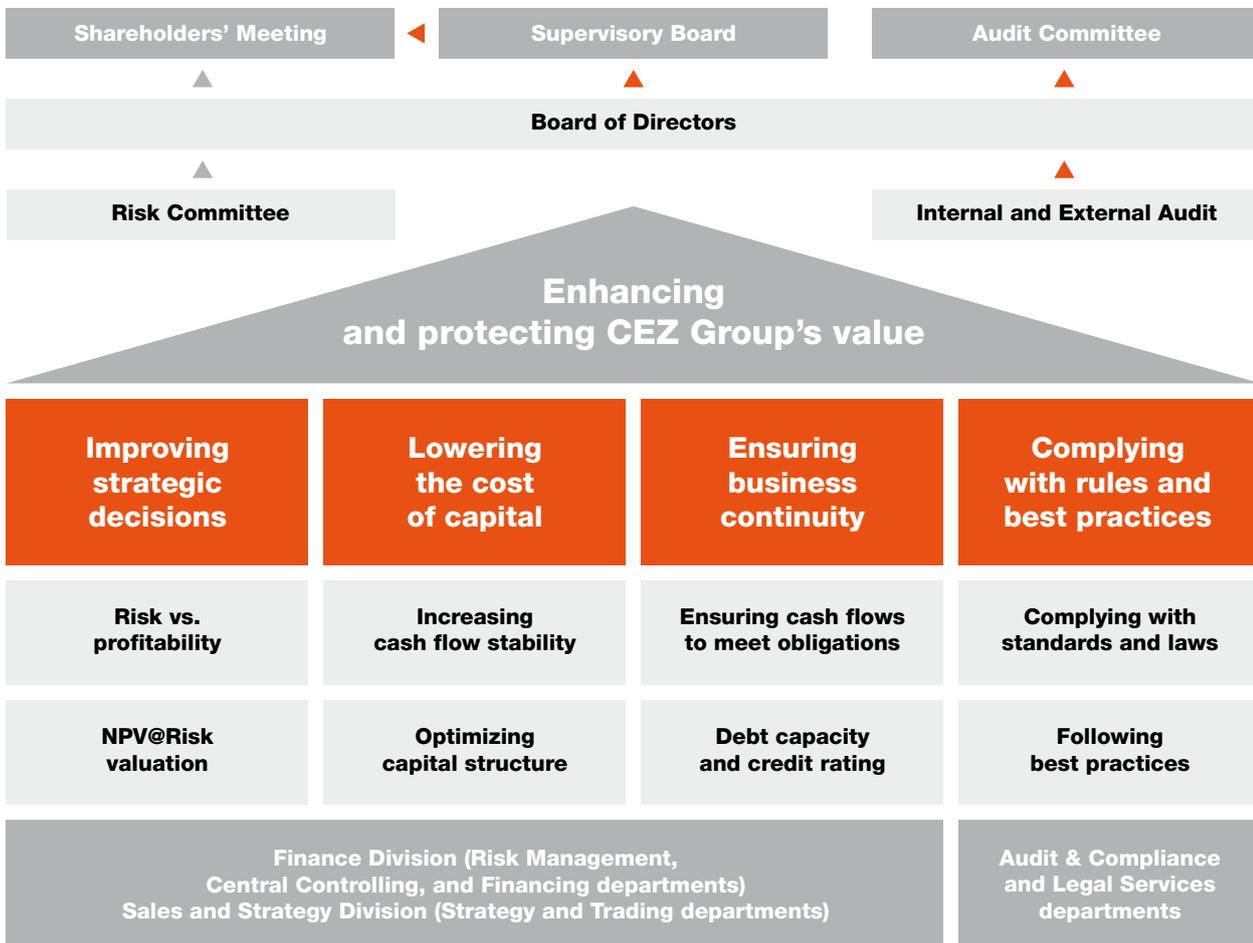
- Continuing to grow in the energy services market in Germany, northern Italy, and Poland
- Offering customers innovative products that will allow them to cut their expenses on energies, heating and cooling, and lighting and enhance their comfort in other areas

The updated strategy anticipates leaving some markets and segments abroad. The currently applicable divestment strategy assumes completing the sale of assets in Bulgaria, selling generation and distribution assets in Romania, selling generation assets in Poland, and exiting from Turkey.

As concerns the current portfolio of renewables abroad, the goal is to ensure return on funds invested in assets in Germany and France.

CEZ Group Risk Management

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



The aim of the risk management system is to protect the value of CEZ Group while taking on an acceptable level of risk. Centralized risk management is based on the perception of risk as measurable uncertainty (potential deviation between actual and planned developments), expressed in Czech korunas at a chosen uniform confidence level enabling various types of risk to be compared and priorities to be set accordingly. Centralized risk management relies on tools and models for managing and quantifying risks in one-year and medium-term time frames. Together with CEZ Group's budget, the ČEZ Board of Directors approves the Profit at Risk, an overall risk limit expressing CEZ Group's inclination to risk for a given year. The limit is allocated to individual risks and organizational units on an ongoing basis. Rules, responsibilities, and structure of limits for managing partial risks are discussed by the Risk Committee (an advisory body to the member of the Board of Directors responsible for risk management—Chief Financial Officer), which monitors the overall impact of risks on CEZ Group, including the utilization of CEZ Group's debt capacity. Risks having the form of specific threats and/or events are managed in a decentralized manner, with only the most significant of them being reported centrally, in a unified fashion, within the process of updating the CEZ Group business plan.

The tools and processes used at CEZ Group allow:

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

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

1. Market Risks

- Commodity risks to generation margin associated with the operation of power plants (managed through running sales of nuclear electricity or by fixing the gross margin of coal-fired power plants for the next 3–6 years in long-term electricity sales contracts and through operative management of the overall CO₂ position)
- Commodity risks resulting from trading in electricity, emission allowances, natural gas, hard coal, crude oil, and oil products (managed by setting financial limits on deviation from plans, position limits, and rules)
- Currency and interest rate risks hedged by maintaining well-balanced operating, investing, and financing cash flows denominated in foreign currencies and utilizing standard financial instruments in accordance with risk limits and rules for fixing generation revenues on a running basis within a five-year time frame
- Volume risk to generation at renewable sources abroad

2. Credit Risks

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

3. Operational Risks

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

4. Business Risks

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

Insurance

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

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

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

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

Internal Audit and Compliance

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

ČEZ's internal audit activities are carried out by the Audit and Compliance unit, which has also been covering the field of corporate compliance since February 1, 2019. The unit reports directly to the Company's Board of Directors. The unit's independence and efficiency are overseen by the ČEZ Audit Committee.

The head of ČEZ's Audit and Compliance has direct access to and attends meetings of the Board of Directors and participates as a guest in meetings of the ČEZ Plant Safety Committee, Risk Management Committee, and CEZ Group Security Committee. The unit's independence and the compliance of its activities with the Standards of Professional Internal Audit Practice were verified by an external quality assessment in late 2016 and an internal quality assessment in 2019 in compliance with the Standards.

Internal audit plans are prepared on the basis of an assessment of the level of risk involved in individual processes, making use of suggestions made by CEZ Group managers and assessments of specific risks made by the Company's specialized functions (for example, cybersecurity, nuclear safety, compliance) and integrating follow-up audits. A total of 37 audits were conducted in 2019: 15 at ČEZ and 22 at subsidiaries and affiliates (including 7 audits at foreign shareholdings) where audits are conducted by ČEZ's internal audit function under a contract.

There are also separate audit units in Bulgaria, Romania, and Turkey, whose audit activities are coordinated at the audit plan level to prevent overlapping activities.

Audit outputs are reports documenting all objective findings and formulating corrective action where shortcomings are identified. The outputs are discussed with the managements of the audited entities, which subsequently take corrective action. Audit and Compliance regularly reviews the corrective action taken, using follow-up audits where appropriate.

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

Systemic measures are taken to ensure a high level of legal and regulatory compliance across CEZ Group and ethics standards are defined in the field of compliance. The key management document in this field is the CEZ Group Code of Ethics.

CEZ Group's Ethics Hotline, available on the CEZ Group website, is an effective tool not only for employees but also for business partners and the general public. It is implemented so as to ensure anonymity for the whistleblower. Any information reported through the hotline is subsequently investigated internally and corrective action is taken based on the findings.

This area was enhanced by a Compliance Management System (CMS) Policy launched in 2019. The goal is to develop a unified risk management tool for the risks of noncompliance with legal obligations and internal rules of conduct in order to prevent and efficiently protect CEZ Group against financial loss, possible criminal liability or regulatory sanctions, and injury to CEZ Group's reputation.

The CMS integrates previously introduced elements and tools with additional procedures and processes that help reduce the incidence of risky activities and their impacts on CEZ Group. It builds on international compliance standards as well as on the Supreme Prosecutor's Office guidelines on legal entities' options to avoid criminal liability. The ČEZ Board of Directors receives help with its responsibility for the application of the CMS Policy from a newly established ČEZ Corporate Compliance Committee, an advisory body led by the head of Audit and Compliance. Compliance procedures were amended in 2019 to include systematic checks of contractors and other business partners to detect elevated risk of their unlawful or unethical conduct using appropriate internal preventive action.

Approach to Risks in Relation to Financial Reporting

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

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

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

Only users with appropriate privileges have access to the accounting system. Access privileges for the system are granted by means of a software application and are subject to approval by a superior and a system administrator. Access privileges are granted according to each employee's position. Only employees of the relevant accounting department have privileges for active operations in the accounting system. All logins to the accounting system are logged in a database and can be searched retroactively. The accounting system allows identifying the user that created, changed, or reversed any accounting record.

Taking an inventory of assets and liabilities is an integral part of the system of accounting controls. The inventory-taking process verifies whether all predictable risks and potential losses associated with the assets have been reflected in the accounts, whether the assets are properly protected and maintained, and whether records of assets and liabilities are true.

The accuracy of the accounts and financial statements is checked by the accounting unit on an ongoing basis. In addition, it is checked by an independent auditor, who audits individual and consolidated financial statements prepared on the reporting date, that is, December 31 of a given year. Selected accounting areas are also subjected to internal audits to verify whether the procedures used are in compliance with applicable law and the Company's internal regulations.

Where discrepancies are found, corrective action is proposed immediately and taken as soon as possible. The effectiveness of ČEZ's system of internal controls, the process of compiling ČEZ's individual financial statements and CEZ Group's consolidated financial statements, and the process of auditing financial statements are also reviewed by the Audit Committee, which conducts these activities as a Company governance body without prejudice to the responsibilities of members of the Board of Directors and the Supervisory Board.

A procedure for the award of a public contract for Auditor Services for ČEZ, a. s., and Selected Subsidiaries was started in October 2019 pursuant to Regulation (EU) No. 537/2014 of the European Parliament and of the Council on specific requirements regarding statutory audit of public-interest entities (a mandatory rotation rule) and the Auditors Act.

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

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

a) Information on the Structure of the Company's Equity

Equity Structure as at December 31, 2019

Equity	CZK
Stated capital	53,798,975,900
Treasury stock and treasury interests	(2,884,937,452)
Retained earnings and additional paid-in capital	152,564,969,793
Total equity	203,479,008,241

As at December 31, 2019, the stated capital of ČEZ, a. s., recorded in the Commercial Register totaled CZK 53,798,975,900. It consisted of 537,989,759 shares with a nominal value of CZK 100 each. The issue price of all shares had been paid up in full. All the shares had been issued as dematerialized bearer securities and had been admitted to trading on a European regulated market. The Company's stated capital is divided exclusively into common shares, with no special rights attached. All of the Company's shares have been admitted to trading on the Prague Stock Exchange in Czechia and the Warsaw Stock Exchange in Poland.

b) Information on Restrictions on the Transferability of Securities

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

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

As at December 31, 2019, the following entities were registered by the Central Securities Depository as having a share of at least 1% in the stated capital of ČEZ, a. s.:

- The Czech Republic, represented by the Ministry of Finance of the Czech Republic, holding a share amounting in total to 69.78% of the stated capital, that is, 70.11% of voting rights
- Clearstream Banking S.A., holding a share amounting to 2.19% of the stated capital, that is, 2.20% of voting rights
- Chase Nominees Limited, holding a share amounting to 2.00% of the stated capital, that is, 2.01% of voting rights
- A group of shareholders consisting of corporations HAMAFIN RESOURCES LIMITED, J&T SECURITIES MANAGEMENT PLC, and Tinsel Enterprises Limited and Ing. Michal Šnobl, a natural person; at the above date, this group of shareholders acting in concert held a share amounting to 1.11% of the stated capital and of voting rights

The aforementioned entities had rights pursuant to the provisions of Section 365 et seq. of the Business Corporations Act as at December 31, 2019. The possibility that some of the aforementioned entities manage shares owned by third parties cannot be excluded.

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

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

e) Information on Restrictions on Voting Rights

The voting right attached to the Company's shares is not restricted. Pursuant to Section 309(1) of the Business Corporations Act, the Company does not exercise voting rights attached to treasury shares. As at December 31, 2019, ČEZ held 2,551,240 treasury shares corresponding to 0.47% of its stated capital.

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

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

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

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

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

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

i) Information on Significant Contracts Relating to Change in Control over the Company as a Result of a Takeover Bid

ČEZ, a. s., has entered into significant contracts that will become effective, change, or expire if control over ČEZ changes as a result of a takeover bid. These are the 7th, 12th, 13th, 19th, 20th, 21st, 24th, 30th, 33rd, and 34th Eurobond issues; the 1st, 2nd, and 4th Namensschuldverschreibung issues; the 1st and 2nd US bond issues; the ČEZ, a. s., Promissory Note Issue Program and bilateral committed credit lines; loan agreements with the European Investment Bank for EUR 100 million made in 2010, EUR 180 million made in 2011, EUR 100 million made in 2012, EUR 200 million made in 2014, EUR 200 million made in 2010 (originally between the European Investment Bank and a Romanian subsidiary) and assumed by ČEZ, a. s., in 2016; and EUR 330 million made in 2019. In these contracts, the counterparty would be entitled, but not required, to demand early repayment should there be a change in the controlling entity of ČEZ. However, the right to early repayment may be exercised only if either Standard & Poor's or Moody's publicly declares or notifies ČEZ in writing that it has downgraded ČEZ's existing credit rating due to, in full or in part, the change in controlling entity. Downgrading an existing credit rating is defined as any change from investment grade to noninvestment grade, any downgrade of original noninvestment grade, or nondetermination of investment grade if no rating is given at all. The above downgrading would have to take place in the period from the public disclosure of the step that could result in the change in controlling entity to 180 days after the announcement of the change in controlling entity. The counterparty would not be allowed to exercise its right to early repayment if, following the actual change in the controlling entity, the credit rating agency reevaluated its position and restored ČEZ's investment grade or original noninvestment grade rating within the period defined above. The contractual provisions concerning a change in control over ČEZ should be seen in the context of ČEZ, a. s., credit ratings, which in 2019 were A- (with a stable outlook) by Standard & Poor's and Baa1 (with a stable outlook) by Moody's, that is, 4 and 3 grades, respectively, above the credit rating agencies' noninvestment-grade ratings. Said change-of-rating condition does not apply to the loan agreements with the European Investment Bank, worth EUR 1,110 million in total, under which the counterparty's right becomes effective as soon as control over ČEZ, a. s., changes.

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

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

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

ČEZ top managers' compensation included an incentive program that allowed them to acquire Company shares (a "stock option plan") until the end of 2019.

Under the stock option plan applicable until December 31, 2019, members of the Board of Directors and selected managers were entitled to options on the Company's common stock under the terms and conditions set forth in their service contracts (for Board of Directors members) and stock option agreements (for selected managers). Under the stock option rules, members of the Board of Directors and selected managers received options on a certain number of Company shares every year as long as they remained in office. According to the rules of the stock option plan, the exercise price per share was determined as the weighted average of prices at which Company shares were traded on the regulated market in Czechia during one month before the annual grant date, and stock option beneficiaries may call on the Company to transfer shares up to the number corresponding to a given option grant, no earlier than two years and no later than by the middle of the fourth year after every option grant. The exercise of options is restricted by the rules of the stock option plan in that the appreciation of the Company's shares may be no more than 100% over the exercise price and the option beneficiary had to keep in their asset account as many shares of Company stock obtained under the call as corresponded to 20% of the profit realized on the call date until the termination of the stock option plan. In 2019, there were 17 individuals among employees and members of the Board of Directors who owned shares of stock obtained through the stock option plan. None of the individuals exercised their right to attend the shareholders' meeting of ČEZ as a Company shareholder. All of the individuals exercised their right to dividend. None of the above-mentioned individuals exercised any other rights associated with their ownership of Company shares. According to information submitted to the Company for the purposes of preparing this report, no beneficiary of the stock option plan transferred any separately transferable right attached to their shares to any third party.

The stock option plan was terminated on December 31, 2019, based on the Supervisory Board's decision approving amendments to service contracts (in relation to members of the Board of Directors) and the Board of Directors' and Supervisory Board's decision to terminate the stock option plan in relation to the selected managers. The right to call the options granted by the end of 2019 remained unchanged, with the following exception: All option grants provided to members of the Board of Directors and/or selected managers in 2019 were reduced proportionately so as to correspond to the number of shares determined according to the number of days remaining between the grant date and the end date of the stock option plan (that is, December 31, 2019). Starting from January 1, 2020, the stock option plan was replaced with a new long-term performance-based bonus system for members of the Board of Directors and a new system of long-term performance-based bonus agreements/multiannual bonus agreements for selected managers. The new long-term performance-based bonus system does not involve any right to acquire the Company's shares (see the section on ČEZ, a. s., governance bodies for more detailed information).

An aerial photograph of a dense forest of evergreen trees, viewed from a high angle. The trees are dark green and tightly packed. A semi-transparent green rectangular box is overlaid on the upper left portion of the image, containing white text. The text discusses the future of conventional power generation facilities, their role in electricity production in Europe, and their need to adapt to environmental changes and emission reduction goals. It notes that these facilities may shift from full-time operation to providing flexibility and stability as renewable energy sources with intermittent generation become more prevalent.

Future of Conventional Facilities

Conventional generating facilities, meaning power plants that use fossil fuels for generation, continue to play an important role in electricity generation in Czechia and other European countries; however, they have to adjust to changes in their environment and commitments made to reduce emissions. In the future, they can thus be expected to switch from full-time operation to ensuring flexibility and stability in the energy networks, which are more and more affected by the operation of renewable energy sources with intermittent generation. This is because renewable generation, unlike that of conventional facilities, depends on the momentary climatic conditions—wind or sunshine.



NEW LIMITS ALL THE TIME



ČEZ, a. s., Governance Bodies

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

ČEZ, a. s., is a joint-stock company that was incorporated in the Commercial Register on May 6, 1992. Its core businesses are electricity generation, distribution, and trading, heat generation and distribution, gas trading, and related activities. The Company is headquartered in Prague, Czechia, at Duhová 2/1444, 140 53 Praha 4. The Company's website is located at www.cez.cz. The Company is subject to Act No. 90/2012 Sb., on Commercial Companies and Cooperatives (Business Corporations Act) as a whole.

The Company had the following governance bodies in 2019:

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

Shareholders' Meeting

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

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

- Making decisions on amendments to the Company's bylaws
- Making decisions on changes to the Company's capital and on issues of convertible or priority bonds
- Electing and removing two-thirds of members of the Supervisory Board, approving contracts on service on the Supervisory Board and amendments thereto

- Approving annual or extraordinary financial statements, consolidated financial statements, as well as interim financial statements, if required by law; making decisions on the distribution of profits or other own resources or the settlement of a loss
- Making decisions on the provision of consideration within the meaning of Section 61 of the Business Corporations Act to members of the Supervisory Board and members of the Audit Committee
- Making decisions on filing an application for admission or withdrawal of the Company's shares and securities to or from trading on a European regulated market
- Making a decision on Company dissolution with liquidation, appointing and removing a liquidator, and approving a proposal for the distribution of a liquidation surplus
- Making a decision on Company transformation unless such a decision is not required by law
- Approving the assignment, pledge, or lease of an enterprise or such a part thereof that would result in a substantial change to the enterprise structure or a substantial change to the Company's scope of business or activities
- Approving a silent partnership agreement, including approval of amendments thereto and the discharge of obligations arising thereunder
- Making decisions on the amount of funds that the Company may use for donations over a defined period
- Making decisions on changes to the class or form of shares and on changes in rights attached to a certain class of shares
- Excluding or restricting preferential rights to acquire convertible and/or priority bonds and to subscribe new shares
- Making decisions on stock mergers or splits
- Making decisions on the Company's business policy and changes thereto
- Debating the Board of Directors' Report on the Company's Business Activities and Assets
- Making decisions on the appointment of an auditor to conduct the statutory audit
- Electing and removing members of the Audit Committee and approving contracts of service on the Audit Committee

Attendance at the Shareholders' Meeting

The shareholders' meeting may be attended by any person that is registered as a shareholder in the register of investment instruments (Central Securities Depository) on the record date, either in person or through an agent acting under a power of attorney. A shareholder may also be represented by a person registered in the register of investment instruments on the record date as an administrator or a person entitled to execute rights attached to a share. The record date for attendance at the shareholders' meeting is the seventh day preceding the date on which the shareholders' meeting is held. Furthermore, the shareholders' meeting is attended by members of the Board of Directors, the Supervisory Board, and the Audit Committee. The shareholders' meeting may also be attended by individuals that can reasonably give their opinion on items on the shareholders' meeting agenda, such as the Company's auditors or advisers, and individuals that make arrangements for the shareholders' meeting.

Procedure at the Shareholders' Meeting

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

Shareholders' Meeting Decision-Making

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

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

In addition to other cases required by law, a majority of at least two-thirds of the votes of the shareholders present is required for the shareholders' meeting to make decisions on

- An amendment to the Company's bylaws or a decision resulting in an amendment thereto
- Authorization for the Board of Directors to increase the Company's capital
- Possibility to set off a pecuniary claim payable by the Company against a claim for payment of the issue price
- Issuance of convertible bonds and priority bonds
- Company dissolution with liquidation and distribution of the liquidation balance
- Approving the assignment, pledge, or lease of an enterprise or such a part thereof that would result in a substantial change to the enterprise structure or a substantial change to the Company's scope of business or activities

In addition to other cases required by law, a majority of at least three-quarters of the votes of the shareholders present is required for the shareholders' meeting to make decisions on

- Excluding or restricting preferential rights to acquire convertible and/or priority bonds
- Allowing allocation of earnings to persons other than shareholders in compliance with law and the Company's bylaws
- Excluding or restricting a shareholder's preferential right in an increase of the Company's capital by subscribing new stock
- Increasing the Company's stated capital through noncash consideration

Shareholders' meeting decisions to change the class or form of shares, to change the rights associated with a certain class of shares, to restrict transferability of shares, or to withdraw shares from trading on a European regulated market require approval by at least three-quarters of votes of the present shareholders holding such shares. Additionally, shareholders' meeting decisions on stock mergers require approval by all shareholders whose shares are to be merged. Matters that were not included in the published agenda of the shareholders' meeting may only be decided on in the presence and with the approval of all Company shareholders. The minutes of the shareholders' meeting together with notices of the shareholders' meeting and attendance lists, including submitted powers of attorney, are kept in the Company archives for the duration of the Company.

Shareholders' Meeting in 2019

The annual shareholders' meeting of ČEZ, a. s., began on June 26, 2019, and ended on June 27, 2019. In its session, the shareholders' meeting

- Heard the Board of Directors' Report on the Company's Business Activities and Assets for 2018, the Summary Report pursuant to Section 118(9) of the Capital Market Undertakings Act, Conclusions from the Related Parties Report for 2018, the Supervisory Board's Report, and the Audit Committee's Report on the Results of Its Activities
- Approved the financial statements of ČEZ, a. s., and the consolidated financial statements of CEZ Group for the year ended December 31, 2018
- Approved the distribution of the Company's 2018 profit amounting to CZK 23,776,000,035.70 as follows:
 - Share in profit to be distributed to shareholders ("dividend") CZK 12,911,754,216.00
 - Transfer to the retained earnings account CZK 10,864,245,819.70
 The dividend is CZK 24 per share before tax.
- Appointed Ernst & Young Audit, s.r.o., as the auditor to perform the statutory audit for the accounting period of the calendar year of 2019
- Approved a 2020 donations budget of CZK 110 million
- Approved an update to the business policy of CEZ Group and ČEZ, a. s., as presented to the shareholders' meeting by the Company's Board of Directors
- Removed Šárka Vinklerová from the Supervisory Board
- Elected Jan Vaněček as a member of the Supervisory Board and the Audit Committee

Supervisory Board

Supervisory Board Status and Powers

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

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

- Check compliance with generally binding legal regulations, the Company's bylaws, and shareholders' meeting resolutions
- Check how the Board of Directors executes ownership rights in legal entities that the Company has an ownership interest in
- Review annual, extraordinary, consolidated, and, where applicable, also interim financial statements, proposals for the distribution of profits or loss settlement, and the Related Parties Report, and present its comments to the shareholders' meeting
- Debate quarterly financial results, half-year reports, and other reports as applicable pursuant to the Capital Market Undertakings Act, and annual reports pursuant to the Accounting Act
- Present its comments, recommendations, and proposals to the shareholders' meeting and the Board of Directors
- Elect and remove members of the Board of Directors
- Approve service contracts with members of the Board of Directors and consideration for members of the Board of Directors pursuant to Section 61 of the Business Corporations Act; however, the Supervisory Board is not entitled to decide to provide any consideration if the performance of the member of the Board of Directors apparently contributed to the Company's unfavorable financial results
- Make decisions defining and assessing the performance of individual assignments of members of the Board of Directors
- Propose that the shareholders' meeting appoint an auditor to conduct the statutory audit, taking account of the Audit Committee's recommendation; if the Supervisory Board proposes to the shareholders' meeting an auditor other than the one recommended by the Audit Committee, it must duly justify such a proposal and change

The Supervisory Board grants its prior consent to the implementation of certain decisions by the Board of Directors.

These include, in particular, decisions regarding

- Acquisition, alienation, pledging, renting, lease, or free use of immovable and/or movable property (except for inventories and securities held for liquidity-management purposes) that are to be, or are, included in the Company's assets and whose book value exceeds CZK 500 million
- Implementation of the Company's capital expenditure project or the granting of the Company's consent to the implementation of a directly or indirectly controlled company's capital expenditure project if the value of the capital expenditure project to be implemented by the Company or a controlled company exceeds CZK 500 million
- Operations with the Company's ownership interests in other legal entities in certain cases, for example, if the sum of the value of the interest alienated to a third party (that is, a party other than a controlled entity) and the net debt attributable to it ("enterprise value") exceeds CZK 500 million
- Transfers and pledging of treasury stock
- Staffing of the supervisory boards of companies in whose capital ČEZ, a. s., has an interest in excess of CZK 500 million or companies for which the Supervisory Board has reserved prior consent
- A draft contract with the auditor appointed by the shareholders' meeting to conduct the statutory audit
- Alienation of real property if the market or assessed price of the real property exceeds CZK 100 million
- Granting of a loan (credit) to a third party (that is, a party other than a controlled entity) or the provision of security for a third party's liability that in each individual case exceeds CZK 200 million
- Acceptance of a long-term loan (credit) from a third party (that is, a party other than a controlled entity) for a period of more than 1 year and other similar long-term financial operations (except hedging operations) in excess of CZK 500 million
- Issue of bonds other than those for which the consent of the shareholders' meeting is required

- Granting of Company stock options where the law permits the Board of Directors to do so
- Company transformation if the law provides that the Board of Directors is entitled to make such decisions
- Making of a contract under which ČEZ, a. s., is to acquire or alienate assets whose value during one accounting period exceeds one-third of its equity as shown by the latest approved consolidated financial statements
- Enabling the conduct of due diligence (legal, financial, technical, and/or environmental audit) of ČEZ or any of its organizational units
- Conclusion of management contracts with division heads that are not members of the Board of Directors and appointment of the Chief Executive Officer
- Definition and evaluation of the performance of individual assignments for division heads that are not members of the Board of Directors
- Distribution of tender specifications to tenderers for public contracts pursuant to the Public Procurement Act if the anticipated value of the contract is greater than one-third of the Company's equity as shown by the last consolidated financial statements

Supervisory Board Composition and Activities

The Supervisory Board has 12 members. Two-thirds are elected and removed by the shareholders' meeting and one-third are elected and removed by Company employees. The Supervisory Board elects and removes its Chairman and two Vice-Chairmen. The term of office of members of the Supervisory Board is four years and members may be reelected. Unless the number of members of the Supervisory Board dropped by more than half, the Supervisory Board may appoint (co-opt) substitute members to serve until the next shareholders' meeting in place of Supervisory Board members elected by the shareholders' meeting whose membership ended since the last shareholders' meeting. The term of office of a substitute (co-opted) Supervisory Board member is included in the total term of office of the member of the Supervisory Board. The business address of members of the Supervisory Board is the Company's registered office address: Duhová 2/1444, 140 53 Praha 4.

Supervisory Board Decision-Making

The Supervisory Board constitutes a quorum if a majority of all its members (that is, at least 7 members) is present. Voting is by show of hands unless otherwise provided. The Supervisory Board makes decisions by a majority of the votes of all its members unless the Company's bylaws stipulate otherwise. Each member has one vote when making decisions. The Supervisory Board's meetings are governed by its Rules of Procedure, which it adopts and amends by a two-thirds vote of all its members. Supervisory Board meetings are usually held once a month. Members of the Supervisory Board usually attend its meetings in person; a member of the Supervisory Board may also authorize another member on a case-by-case basis to vote on their behalf if absent, or technical means (teleconference, videoconference) may be used in justified cases. The Chairman of the Supervisory Board must always call a Supervisory Board meeting if a Supervisory Board member or the Board of Directors requests so or if shareholders defined in Section 365 of the Business Corporations Act request that the performance of the Board of Directors be reviewed pursuant to Section 370 of the Business Corporations Act. Such a request must be in writing and must include an urgent reason for convening the meeting. A record is made of the course of each Supervisory Board meeting and the resolutions passed. The record lists the names of the members of the Supervisory Board who voted against each decision or abstained from voting; unlisted members are deemed to have voted in favor of the decision. In necessary cases that allow no delay, it is possible to take a vote outside a meeting (by letter) in written form or using technical means. In such a case, a resolution is passed if at least two-thirds of all members took part in the vote and a majority of all members voted in favor of the resolution. The Supervisory Board may invite members of the Company's other bodies, Company employees, and/or other persons to its meetings at its discretion. Supervisory Board meetings are held usually once a month. There were 12 meetings held in 2019: 10 regular meetings and 2 extraordinary meetings.

Supervisory Board Members

Otakar Hora

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

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

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

Number of ČEZ shares as at December 31, 2019: 0.

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

Zdeněk Černý

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

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

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

Number of ČEZ shares as at December 31, 2019: 0.

- UNIPETROL, a.s.—Vice-Chairman of the Supervisory Board
- ECHO Labor Union—Chairman
- ČESKÁ RAFINÉRSKÁ, a.s.—Chairman of the Supervisory Board

Ondřej Landa

Vice-Chairman of the Supervisory Board since June 23, 2016, member of the Supervisory Board since June 3, 2016 (term ending June 3, 2020)

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

Number of ČEZ shares as at December 31, 2019: 0.

- Letiště Praha, a. s.—Vice-Chairman of the Supervisory Board
- IP Exit, a.s., v konkursu—Vice-Chairman of the Supervisory Board (term expired in June 2015)
- Český Aeroholding, a.s.—Vice-Chairman of the Supervisory Board (the company ceased to exist as a result of a merger by acquisition by Letiště Praha, a. s., as the acquiring company)

Jitka Čermáková

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

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

Number of ČEZ shares as at December 31, 2019: 0.

- CEZ Group European Works Council—Vice-Chairwoman

Vladimír Hronek

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

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

Number of ČEZ shares as at December 31, 2019: 0.

- CEZ Group European Works Council—Vice-Chairman

Lubomír Klosík

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

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

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

Number of ČEZ shares as at December 31, 2019: 2.

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

Vladimír Kohout

Member of the Supervisory Board since June 3, 2016 (term ending June 3, 2020)

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

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

Number of ČEZ shares as at December 31, 2019: 1,430.

- ESB Elektro, a.s.—Chairman of the Board of Directors
- ESB Rozvaděče, a.s.—member of the Board of Directors
- Moravská energetická a.s.—Chairman of the Board of Directors, Chief Executive Officer, and sole shareholder
- Energetické strojírný Brno, a.s.—Vice-Chairman of the Board of Directors

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

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

Lubomír Lízal

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

He habilitated at the Faculty of Social Sciences, Charles University, Prague; graduated from the Faculty of Electrical Engineering, Czech Technical University, Prague; and was awarded his doctorate of economics after studying at the Center for Economic Research and Graduate Education (CERGE) of Charles University. He gained managerial and other professional experience in such positions as Director of the Economics Institute of the Czech Academy of Sciences and Director of CERGE, Charles University, and then as a member of the Bank Board of the Czech National Bank. In addition, he was, for example, President of the Anglo-American University in Prague, a member of the Czech Statistical Council of the Czech Statistical Office, member of an expert task force for the preparation of the National Action Plan for 2008–2012 at the Czech Ministry of the Environment, and member of the National Economic Council of the Czech government. He was in the Supervisory Board of ČEZ in late 2010 and early 2011.

At the closing date of the Annual Report, he held the position of Chairman of the Board of Directors of Expobank CZ a.s.

Number of ČEZ shares as at December 31, 2019: 50.

- Expobank CZ a.s.—Chairman of the Board of Directors
- Expobank CZ a.s.—Chairman of the Supervisory Board
- Anglo-americká vysoká škola, z.ú.—President
- Prague Twenty, o.p.s.—member of the Supervisory Board (in liquidation since 2016—the company’s liquidation was completed and the company was struck off the Commercial Register in 2017)

Josef Suchánek

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

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

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

Number of ČEZ shares as at December 31, 2019: 0.

Karel Tyll

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

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

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

Number of ČEZ shares as at December 31, 2019: 90.

- Podpůrný a garanční rolnický a lesnický fond, a.s. (Agricultural and Forestry Subsidy and Guarantee Fund)—member of the Supervisory Board

František Vágner

Member of the Supervisory Board since June 3, 2016 (term ending June 3, 2020)

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

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

Number of ČEZ shares as at December 31, 2019: 0.

- Perálec 77, s.r.o.—company member and Managing Director
- IFRE a.s.—Chairman of the Board of Directors, Chief Executive Officer, and sole shareholder
- IFRE INDUSTRY a.s.—member of the Board of Directors
- P77 s.r.o.—company member and Managing Director
- NUVIA a.s.—Chairman and Vice-Chairman of the Board of Directors
- AEF ACIMEX ELECTRONICS FULNEK s.r.o.—Managing Director
- IFRE FJ s.r.o.—Managing Director
- BD ŘÍČANY s.r.o.—Managing Director
- Denní centrum Barevný svět, o.p.s.—member of the Board of Trustees

Jan Vaněček

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

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

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

Number of ČEZ shares as at December 31, 2019: 0.

- pinn partners s.r.o.—Managing Director and company member
- i4wifi a.s. (subsequently EVPower a.s., now GWL a.s.)—member of the Supervisory Board
- CP Praha s.r.o., v likvidaci—Vice-Chairman of the Supervisory Board

Members of the Supervisory Board whose membership ended in 2019 or before the Annual Report closing date:

Šárka Vinklerová

Member of the Supervisory Board from June 3, 2016, to June 27, 2019

Supervisory Board Committees

The Supervisory Board's powers include setting up committees to serve as advisory bodies in selected areas of expertise. Only Supervisory Board members may become committee members. Committee members are elected and removed by the Supervisory Board. The term of a member of a Supervisory Board committee ends at the latest on the date of termination of their membership of the Supervisory Board unless they are removed or resign from the committee on an earlier date. Each committee elects its Chairman and Vice-Chairman.

There were no Supervisory Board committees operating at the Company in 2019. Their tasks were assumed by work groups, which work as currently needed by the Supervisory Board.

Audit Committee

Audit Committee Status and Powers

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

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

The Audit Committee regularly debates reports on material facts ensuing from the statutory audit, in particular any fundamental shortcomings in internal controls in relation to the compilation of financial statements or consolidated financial statements. If it receives an additional audit report pursuant to applicable provisions of the Auditors Act, it debates it and submits it to the Board of Directors and the Supervisory Board. The Audit Committee may inspect documents and records concerning the Company's activities to the extent necessary for the performance of its activities. It prepares an activity report once a year, in which it reviews its activities, and submits the report to the Public Audit Oversight Board. Members of the Audit Committee attend the Company's shareholders' meetings and are required to present the results of their activities to the shareholders' meeting.

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

Audit Committee Composition and Activities

The Audit Committee has five members, who are elected and removed by the shareholders' meeting from among the members of the Supervisory Board or third parties. Members of the Audit Committee may not be members of the Company's Board of Directors or proxies. A majority of Audit Committee members must be independent and professionally qualified as required by the applicable provisions of the Auditors Act. At least one member of the Committee must be a person that is or was a statutory auditor or a person whose expertise and/or prior practice in accounting qualify them to duly perform the duties of an Audit Committee member, taking into consideration the Company's line of business. This member must always be independent. The Audit Committee elects its Chairman, who must be independent pursuant to the applicable provisions of the Auditors Act, and its Vice-Chairman. The term of each member of the Audit Committee is four years. The business address of members of the Audit Committee is the Company's registered office address: Duhová 2/1444, 140 53 Praha 4.

Audit Committee Decision-Making

The Audit Committee constitutes a quorum if a majority of all its members is present. Each member has one vote when making decisions. The Audit Committee makes decisions by a majority of the votes of all its members. The Audit Committee's meetings are governed by its Rules of Procedure, which are adopted and amended by a two-thirds vote of all its members. Members of the Audit Committee usually attend its meetings in person; a member of the Audit Committee may also authorize another member on a case-by-case basis to vote on their behalf if absent, or technical means (teleconference, videoconference) may be used in justified cases. In necessary cases that allow no delay, the Chairman or, if absent, the Vice-Chairman of the Audit Committee may call a vote outside a meeting (by letter). The proposal for the Audit Committee's resolution must be sent to all its members. In such a case, a resolution is passed if at least two-thirds of all members took part in the vote and a majority of all members voted in favor of the resolution. The Audit Committee may invite members of the Company's other bodies, Company employees, and/or other persons to its meetings at its discretion. Audit Committee meetings are held as necessary. There were 6 regular meetings held in 2019.

Audit Committee Members

Jan Vaněček

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

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

Otakar Hora

Vice-Chairman of the Audit Committee since September 27, 2016, member of the Audit Committee since June 3, 2016 (term ending June 3, 2020)

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

Andrea Lukasíková

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

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

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

Number of ČEZ shares as at December 31, 2019: 0.

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

Jiří Pelák

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

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

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

Number of ČEZ shares as at December 31, 2019: 0.

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

Tomáš Vyhnaněk

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

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

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

Number of ČEZ shares as at December 31, 2019: 0.

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

Remuneration of Supervisory Board Members and Audit Committee Members

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

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

- **Remuneration of a member of the Supervisory Board**—Paid regularly after the end of every calendar month. The monthly remuneration is stipulated as a fixed amount and is differentiated by the importance of the position held (chairman, vice-chairman, and member). The remuneration of a member of the Supervisory Board has no variable component. If a Supervisory Board member is temporarily unable to perform activities associated with service on the Supervisory Board due to sickness, they remain entitled to the full monthly remuneration for the first 30 calendar days of their inability to perform activities associated with service on the Supervisory Board due to the above reasons. If such inability to perform activities associated with service on the Supervisory Board lasts longer than 30 calendar days without interruption, the amount of monthly remuneration for every calendar month in which the member is unable to perform activities associated with service on the Supervisory Board, from the 31st calendar day to the end of their inability, is 50% of the stipulated monthly remuneration.

- **Remuneration of an Audit Committee member**—Paid regularly after the end of every calendar month. The monthly remuneration is stipulated as a fixed amount and is differentiated by the importance of the position held (chairman, vice-chairman, and member). The remuneration of a member of the Audit Committee has no variable component. If an Audit Committee member is temporarily unable to perform activities associated with service on the Audit Committee due to sickness, they remain entitled to the full monthly remuneration for the first 30 calendar days of their inability to perform activities associated with service on the Audit Committee due to the above reasons. If such inability to perform activities associated with service on the Audit Committee lasts longer than 30 calendar days without interruption, the amount of monthly remuneration for every calendar month in which the member is unable to perform activities associated with service on the Audit Committee, from the 31st calendar day to the end of their inability, is 50% of the stipulated monthly remuneration.
- **Directors' fee**—Paid to members of the Supervisory Board based on the shareholders' meeting's decision. The amount of directors' fees for individual members of the Supervisory Board is determined pursuant to rules approved by the shareholders' meeting.
- **Insurance**—Supervisory Board members are entitled to endowment life insurance to be taken out at the Company's expenses. Upon termination of office or the Company's withdrawal from the endowment life insurance contract, the policy is transferred to the member of the Supervisory Board free of charge.
- **Company car**—A Supervisory Board member may be provided with a car to be used when discharging their duties as well as for personal use. The provision of such a car is subject to additional taxation on the part of the Supervisory Board member and fuel consumption for personal use is paid for by the member of the Supervisory Board. Terms and conditions for the provision and use of such cars are set forth in separate agreements. If a Supervisory Board member uses their private car to discharge their duties, the costs associated with such use are reimbursed by the Company in compliance with applicable law. An Audit Committee member may use their private car to discharge their duties. In such a case, travel costs are reimbursed in compliance with applicable law.
- **Reimbursement of travel expenses**—When traveling in connection with the discharge of their duties ("business travel"), Supervisory Board members receive meal and per diem allowances at rates stipulated in their service contracts and reimbursement for other expenses at face value; in addition, Supervisory Board members are covered by travel insurance for short-term foreign business travel. Audit Committee members traveling in connection with the discharge of their duties ("business travel") receive meal allowances at rates stipulated in their service contracts and reimbursement for other necessary expenses at face value; in addition, Audit Committee members are covered by travel insurance for short-term foreign business travel and they receive a per diem allowance at the maximum rate stipulated by the Labor Code when traveling on business abroad.

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

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

Board of Directors

Board of Directors Status and Powers

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

The Board of Directors is competent, in particular, to

- Take care of business management and proper bookkeeping
- Call a shareholders' meeting, make organizational arrangements for it, and present to it, in particular, the following:
 - Draft company business policies and draft amendments thereto, at least once every four years
 - Draft amendments to the bylaws
 - Proposals to increase/decrease the stated capital as well as to issue convertible and/or priority bonds
 - Annual, extraordinary, consolidated, and/or interim financial statements, if they are required to be approved by the shareholders' meeting
 - Proposals for the distribution of profits including the amount, manner, and date of payment of dividends, the amount of directors' fees, and allocations to reserves or the manner of settlement of Company losses
 - Yearly report on the Company's business operations and assets
 - Proposal for Company dissolution
 - Summary explanatory report pursuant to Section 118(9) of the Capital Market Undertakings Act

- Implement resolutions of the shareholders' meeting
- Grant and revoke procuration
- Approve and amend the ČEZ, a. s., Signature Rules, and, with the consent of the labor organizations operating within the Company, the ČEZ, a. s., Work Rules
- Approve, after consultation with labor organizations operating within the Company, the ČEZ, a. s., Election Rules for the election of Supervisory Board members elected by Company employees, and organize such elections
- Remove Company executives pursuant to Section 73 of the Labor Code
- Make service contracts with members of Company governance bodies on behalf of the Company

Board of Directors Composition and Activities

The Board of Directors has seven members, who are elected and removed by the Supervisory Board. The Board of Directors elects and removes its Chairman and two Vice-Chairmen.

The term of office of each member is four years and members may be reelected. The business address of members of the Board of Directors is the Company's registered office address: Duhová 2/1444, 140 53 Praha 4. Board of Directors meetings are held at least once a month. There were 38 meetings held in 2019: 37 regular meetings and 1 extraordinary meeting.

Board of Directors Decision-Making

The Board of Directors constitutes a quorum if a majority of all its members is present. Each member has one vote. The Board of Directors makes decisions by a majority of the votes of all its members. The Board of Directors' meetings are governed by its Rules of Procedure, which the Board of Directors adopts and amends by a two-thirds vote of all its members. A record is made of the course of each Board of Directors meeting and the resolutions passed, which must list the names of the members of the Board of Directors who voted against each decision or abstained from voting. Unlisted members are deemed to have voted in favor of the resolution unless stated otherwise. In necessary cases that allow no delay, the Chairman or, if absent, the Vice-Chairman of the Board of Directors may call a vote outside a meeting (by letter). The proposal for the Board of Directors' resolution must be sent to all its members. In such a case, a resolution is passed if at least two-thirds of all members took part in the vote and a majority of all members voted in favor of the resolution. The Board of Directors may invite members of the Company's other bodies, Company employees, and/or other persons to its meetings at its discretion.

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

The office of member of the ČEZ, a. s., Board of Directors involves the exercise of all rights and obligations that are associated with the office pursuant to applicable law, the Company's bylaws, the Rules of Procedure of the Board of Directors, resolutions of the Company's governance bodies, contracts on service on the Board of Directors, and the Company's internal regulations. In particular, members of the Board of Directors are required to carry out their activities for the Company in person and to the best of their knowledge and ability, to cooperate with the other members of the Board of Directors, and to protect the Company's interests to the greatest extent possible. The Board of Directors can assign specific tasks to a member in the manner set forth in the Rules of Procedure of the Board of Directors.

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

- Using funds from the legal reserve, unless otherwise provided by law
- Increasing the Company's capital in compliance with the Business Corporations Act and the Company's bylaws and, in that context, issuing Company shares as dematerialized bearer securities
- Draft purchase contracts concerning electricity, heat, natural gas, and greenhouse gas emission allowances; distribution, transmission, and ancillary services; commodity derivatives and commodity trade services
- Capital projects and implementation thereof
- Acceptance of a long-term loan (credit) for a period of more than one year and other similar long-term financial operations of the Company, except hedging operations
- Contents of annual reports pursuant to the Accounting Act and half-year and annual reports pursuant to the Capital Market Undertakings Act
- Making agreements on the establishment of a commercial company or association, on the Company's acquisition of an interest in another legal entity, on the dissolution of a commercial company or association if the Company is to take a decision on the dissolution of another commercial company or association as its member, or on the transfer of the Company's interest in another legal entity
- Alienation or lease of real estate, if so indicated in the Company's bylaws

The Board of Directors must seek the Supervisory Board's prior approval to implement some of its decisions (see information on the Supervisory Board).

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

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

No later than by May 15 of each calendar year, the Board of Directors submits to the Supervisory Board for review the annual and consolidated financial statements, a proposal for the distribution of profits (including the manner and date of payment of dividends) or a proposal for the settlement of the Company's losses where applicable, the proposed amount of directors' fees, and a related parties report pursuant to Section 82 of the Business Corporations Act. In addition, the Board of Directors submits to the Supervisory Board for review any extraordinary and interim financial statements if such financial statements are required by law.

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

Board of Directors—Members



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



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



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



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



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



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



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

Board of Directors Members

Daniel Beneš

Chairman of the Board of Directors since September 15, 2011, member of the Board of Directors since December 15, 2005 (term ending December 18, 2021)

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

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

Number of ČEZ shares as at December 31, 2019: 22,500.

Number of ČEZ stock options as at December 31, 2019: 305,753.

Number of ČEZ stock options as at February 29, 2020: 305,753.

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

Pavel Cyrani

Vice-Chairman of the Board of Directors since January 1, 2020, member of the Board of Directors since October 20, 2011, reelected with effect from October 22, 2019 (term ending October 22, 2023)

A graduate of the University of Economics, Prague, majoring in international trade, and the Kellogg School of Management in Evanston, Illinois (USA), where he was awarded an MBA in Finance. He gained managerial and professional experience primarily at ČEZ, where he has served since 2006, first as Head of Planning & Controlling and Head of Asset Management and since 2011 as a member of the Board of Directors, Chief Strategy Officer, and then Chief Sales and Strategy Officer. Prior to joining ČEZ, he worked at McKinsey & Company.

Number of ČEZ shares as at December 31, 2019: 5,216.

Number of ČEZ stock options as at December 31, 2019: 191,671.

Number of ČEZ stock options as at February 29, 2020: 191,671.

- CM European Power International B.V. (Netherlands)—member of the Board of Directors

Michaela Chaloupková

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

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

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

Number of ČEZ shares as at October 21, 2019: 1,410.

Number of ČEZ shares as at December 31, 2019: 1,410

(not a member of the Board of Directors at that date).

Number of ČEZ stock options as at October 21, 2019: 180,000.

Number of ČEZ stock options as at December 31, 2019: 185,671

(not a member of the Board of Directors at that date).

Number of ČEZ stock options as at February 29, 2020: 185,671.

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

Martin Novák

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

A graduate of the Faculty of International Relations, University of Economics, Prague, majoring in international trade and commercial law. In 2007, he completed an Executive Master of Business Administration (MBA) program at the KATZ School of Business, University of Pittsburgh, specializing in the energy sector. He has been a member of the Czech Chamber of Tax Advisers since 1996.

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

Number of ČEZ shares as at December 31, 2019: 11,600.
Number of ČEZ stock options as at December 31, 2019: 161,096.
Number of ČEZ stock options as at February 29, 2020: 161,096.

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

Tomáš Pleskač

Member of the Board of Directors since January 26, 2006 (term ending January 29, 2022), Vice-Chairman of the Board of Directors from June 26, 2017, to December 31, 2019

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

Number of ČEZ shares as at December 31, 2019: 6,000.
Number of ČEZ stock options as at December 31, 2019: 192,329.
Number of ČEZ stock options as at February 29, 2020: 192,329.

- Akcez Enerji A.S. (Turkey)—Vice-Chairman of the Board of Directors
- Akenerji Elektrik Üretim A.S. (Turkey)—Vice-Chairman of the Board of Directors
- CM European Power International B.V. (Netherlands)—Chairman of the Board of Directors

Ladislav Štěpánek

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

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

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

Number of ČEZ shares as at December 31, 2019: 16,934.
Number of ČEZ stock options as at December 31, 2019: 150,740.
Number of ČEZ stock options as at February 29, 2020: 150,740.

- Radioactive Waste Repository Authority—member of the Board

Bohdan Zronek

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

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

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

Number of ČEZ shares as at December 31, 2019: 2,890.
Number of ČEZ stock options as at December 31, 2019: 97,479.
Number of ČEZ stock options as at February 29, 2020: 97,479.

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

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

Board of Directors Working Commissions, Teams, and Committees

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

Board of Directors Committee

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

The Operations and Development Teams, which operated as advisory bodies to the Board of Directors from 2016, were dissolved as of March 1, 2020, accentuating the roles of CEO deputies.

Board of Directors Member Committees

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

Key committees in 2019 included the following:

- **ČEZ, a. s., Plant Safety Committee**, which, among other things, deals with matters concerning the safety of ČEZ, a. s., nuclear facilities, especially as regards compliance with integrated requirements for nuclear safety, radiation protection and technical safety, radiation situation monitoring, radiological emergency management, and security; it also debates matters concerning statutory and regulatory changes and their impact on nuclear safety management, the condition of onsite safety of nuclear facilities, safety culture, and allocation of resources to ensure an appropriate level of nuclear safety. The Committee is an advisory body to the Chairman of the Board of Directors (Chief Executive Officer).
- **CEZ Group Security Committee**, which, among other things, deals with CEZ Group security policies, strategies, and objectives, selected activities, threats, risks, analyses of security incidents, and proposed security requirements, corrective measures, and priorities or conditions for their implementation. The Committee is an advisory body to the Chairman of the Board of Directors (Chief Executive Officer).
- **Risk Committee**, which deals with matters concerning CEZ Group's risk management; in particular, it proposes a development strategy for the risk management system and adopts recommendations and opinions on venture capital management, the oversight of internal risk management, and the monitoring of the overall impact of risks on CEZ Group's value. The Risk Committee is an advisory body to the member of the Board of Directors in charge of the Finance division (Chief Financial Officer).

- **Nuclear Energy Division Safety Committee**, established to provide support for operational safety management at ČEZ's nuclear power plants. The Committee is an advisory body to the member of the Board of Directors in charge of the Nuclear Energy division (Chief Nuclear Officer).
- **Strategic IT Committee**, created on account of the ever-growing importance of matters concerning information technology for the further growth of CEZ Group's business and the resulting requirements for CEZ Group IT expansion coordination and direction. The Committee deals with the strategy and overall architecture of key IT platforms. It was created with effect from January 1, 2020, as an advisory body to the member of the Board of Directors in charge of the Finance division (Chief Financial Officer).

Remuneration of Board of Directors Members

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

Members of the Board of Directors are in charge of the management of the Company's respective divisions and responsible for managing the matters of CEZ Group subsidiaries in their respective areas of management.

Members of the Board of Directors receive the following remuneration and perquisites:

- **Monthly remuneration for members of the Board of Directors**—Paid regularly after the end of every calendar month. The monthly remuneration is stipulated as a fixed amount. If a Board of Directors member cannot temporarily perform activities associated with service on the Board of Directors because of sickness or maternity/parental leave, they remain entitled to the full monthly remuneration for the first 30 calendar days. If such inability to perform activities associated with service on the Board of Directors lasts longer than 30 calendar days without interruption, the amount of monthly remuneration for every calendar month in which the member is unable to perform activities associated with service on the Board of Directors, from the 31st calendar day to the end of their inability, is 50% of the stipulated monthly remuneration.
- **Annual remuneration**—Provided to Board of Directors members in addition to monthly remuneration, depending on the accomplishment of predefined specific tasks for a given year. The share of annual remuneration in the total compensation (monthly remuneration and annual remuneration) may be, depending on the importance of the position held in the Board of Directors (member, Vice-Chairman, and Chairman), 47% to 64%. Specific tasks and the relation between the amount of annual remuneration and the accomplishment of individual tasks are defined for members of the Board of Directors by the Supervisory Board's decision. The accomplishment of defined specific tasks is evaluated and the final amount of annual remuneration is determined by the Supervisory Board following an assessment of the Company's financial performance in the relevant year. Members of the Board of Directors are set a defined joint task (for 2019, it was achieving a planned value of CEZ Group's EBITDA) as well as individual specific tasks of both financial and nonfinancial nature, reflecting the responsibility of each member of the Board of Directors for their respective area of management and reflecting Group and project goals. Such specific tasks are set on the basis of strategic, financial, and safety priorities and goals and are based on the Company's current business plan and, most importantly, annual budget. All specific tasks have a defined target value, weight, and deadline. Recoverable advances on the annual remuneration are paid every month together with the monthly remuneration. The total sum of recoverable advances paid may not exceed 45% of the maximum annual remuneration.
- **Target-based remuneration**—A Board of Directors member may receive target-based remuneration of up to six times the amount of their monthly remuneration for the accomplishment of specific tasks. Details, including the amount and due date of target-based remuneration, are specified by the Supervisory Board.
- **Directors' fee**—Paid to Board of Directors members based on the shareholders' meeting's decision. The amount of directors' fees for individual members of the Board of Directors is determined pursuant to rules approved by the shareholders' meeting.
- **Stock options**—Board of Directors members were entitled to options on the Company's common stock under terms and conditions set forth in a stock option agreement that was part of their contract of service on the Board of Directors until the end of 2019. A Board of Directors member's stock option plan started on the date of commencement of their membership of the Board of Directors subject to the Supervisory Board's approval. Stock options were granted every year, starting on the commencement of the stock option plan and then on every anniversary for the duration of the stock option plan. When an option is exercised, appreciation of the shares on a public market on the exercise date may not exceed 100% over the exercise price applicable to the option grant in question. The gain on the exercise of options, that is, the difference between the exercise price and the final price of the Company's shares on the exercise date, is subject to income tax and statutory deductions. The terms and conditions of the stock option plan were defined in accordance with the OECD Principles of Corporate Governance. At its meeting held on November 28, 2019, the Supervisory Board decided to discontinue the stock option plan as of December 31, 2019, and replace it with long-term performance-based bonus starting from January 1, 2020. Stock option grants from previous years remain valid with the exception of 2019, in which the grant of stock options was reduced proportionately by the Supervisory Board's decision according to the number of days remaining between a specific Board of Directors member's grant date and the end date of the stock option plan, that is, December 31, 2019. Stock options from 2019 may be exercised by no later than 3.5 years after the grant date.

- **Long-term performance-based bonus**—A new long-term performance-based bonus program reinforces alignment of beneficiaries' and shareholders' interests by newly taking account of the payment of dividends and fulfillment of defined performance indicators besides being linked to the long-term trend in the market price of shares, as was the case with the stock option plan. The long-term performance-based bonus system is based on performance units that will be allocated to beneficiaries annually. The number of allocated performance units will be based on a set annual value of long-term bonuses and the price of shares before the allocation. The Supervisory Board defines performance indicators for each allocation of performance units so as to match the current situation at ČEZ and in the market. A year after the allocation, the Supervisory Board will evaluate the defined performance indicators based on supporting information provided by an independent advisor. The performance indicator for 2020 is defined on the basis of annual Total Shareholder Return (TSR). TSR corresponds to change in the market value of traded Company shares in the evaluated period, including the effect of dividends. The fulfillment of the Company performance indicator is assessed relatively to the Company's TSR percentile among all corporations included in the STOXX Euro 600 Utilities stock index created by Deutsche Börse AG. The leading curve for 2020 is defined so that beneficiaries will be entitled to a bonus only if ČEZ's TSR is at least in the 65th percentile; that is, the Company's TSR must perform better than that of 65% of companies included in the stock index. The number of performance units allocated to a beneficiary will be adjusted based on the evaluation of annual performance indicator fulfillment and this will be followed by a two-year holding period. The long-term performance-based bonus will be paid three years after the allocation and its amount will be based on the adjusted number of performance units, the price per Company share at the end of the holding period, and dividends paid during the holding period.
- **Insurance**—Board of Directors members are beneficiaries of endowment life insurance, accident insurance, and third-party liability insurance taken out at the Company's expense. Upon termination of office or the Company's withdrawal from the endowment life insurance contract, the endowment policy is transferred to the member of the Board of Directors free of charge.
- **Company car**—A member of the Board of Directors is entitled to a company car for business and personal use. Terms and conditions for the provision and use of such cars are set forth in separate agreements. The provision of a car for personal use is subject to additional taxation on the part of the Board of Directors member and fuel consumed for personal use is paid for by the Board of Directors member. If a Board of Directors member uses their own car to discharge their duties, the costs associated with such use are reimbursed by the Company in compliance with applicable law.
- **Severance pay**—In the event of termination of office (other than the member's resignation) before the expiration of their four-year term, a member of the Board of Directors is entitled to severance pay. The method of calculation and payment conditions of severance pay are set forth in the service contract. This pay is no longer included in service contracts made with effect from January 1, 2020.
- **Reimbursement of travel expenses**—When traveling in connection with the discharge of their duties ("business travel"), Board of Directors members receive meal and per diem allowances at rates stipulated in their service contracts and reimbursement for other expenses at face value; in addition, Board of Directors members are covered by travel insurance for short-term foreign business travel.
- **Benefits**—Board of Directors members receive premium health care and other benefits matching those provided to Company employees under the applicable collective agreement.
- **Cash compensation for compliance with the Board of Directors member's obligation under a noncompetition clause**—Considering the nature of information, knowledge, and expertise gained by a Board of Directors member during their service on the Board of Directors, the Company undertakes to provide the member with a cash compensation upon its termination, for the period and under the terms and conditions set forth in their contract.

Persons with Executive Authority

At ČEZ, persons with executive authority, as defined by the Capital Market Undertakings Act, are members of the Board of Directors, members of the Supervisory Board, and members of the Audit Committee. Members of the Board of Directors are authorized by their service contracts to manage their respective divisions. Members of the Board of Directors may also be authorized by the Board of Directors to manage the matters of Czech and foreign companies within CEZ Group.

Description of the Delegated Powers of Board of Directors Members as at March 1, 2020

Daniel Beneš—Chief Executive Officer,

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

He is responsible for the fulfillment of tasks assigned by the Board of Directors in its resolutions and has the authority to take decisions on Company matters that are not reserved for the shareholders' meeting, the Supervisory Board, or another Company body, and are within the decision-making authority of the Board of Directors and were not expressly placed within the decision-making authority of other members of the Board of Directors or the Board of Directors as a whole. In particular, the Chief Executive Officer coordinates the activities of division heads. He takes care of the management of CEO division departments, management activities concerning the system of management, communication and marketing, legal services, corporate compliance, corporate governance, public affairs, CEZ Group safety and security, and independent nuclear oversight. His competence extends to procurement and sales (other than the procurement and sales of electricity, heat, certain process materials, and financial services), incorporated in the procurement department that Board of Directors member Michaela Chaloupková, Chief Administrative Officer, is in charge of. He manages Czech subsidiaries' matters relating to coal extraction and sales.

Pavel Cyrani—Chief Sales and Strategy Officer,

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

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

Tomáš Pleskač—Chief Renewables and Distribution Officer,

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

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

**Martin Novák—Chief Financial Officer,
member of the Board of Directors in charge of the Finance
Division, Chief Executive Officer's Deputy for Operations**

He is responsible for economic and financial management, financing, investor relations, risk management, controlling, accounting, tax matters, and mining management and coordinates efficient organization and operation of centralized and support services. He manages subsidiaries' matters relating to information technology and telecommunications.

**Michaela Chaloupková—Chief Administrative Officer,
member of the Board of Directors in charge of the
Administration Division**

She is responsible for the management of human resources, administration of shareholdings, and activities related to sustainable development and the ombudsman function. She manages the matters of a subsidiary providing corporate services. She is also in charge of the procurement function (procurement and sales, except for the procurement and sales of electricity, heat, certain process materials, and financial services), organized under the CEO division.

**Ladislav Štěpánek—Chief Fossil/Hydro Officer,
member of the Board of Directors in charge of the Fossil and
Hydro Generation Division**

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

**Bohdan Zronek—Chief Nuclear Officer,
member of the Board of Directors in charge of the Nuclear
Energy Division**

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

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

Information on Cash and In-Kind Income (Gross Amounts), Loans, and Securities in 2019

	Unit	Supervisory Board	Audit Committee	Board of Directors
Information on Cash and In-Kind Income				
Base salary ¹⁾	CZK thousands	2,747	–	–
Remuneration depending on the company performance and wage compensation ¹⁾	CZK thousands	57	–	62,425
Remuneration to members of Company governing bodies	CZK thousands	8,097	771	59,258
2018 bonus paid to members of governing bodies	CZK thousands	–	–	–
Severance pay and cash settlement	CZK thousands	–	–	–
Other cash income	CZK thousands	7,039	–	5,102
Of which: Contributions to supplementary pension insurance ¹⁾	CZK thousands	61	–	90
Endowment life insurance	CZK thousands	6,918	–	4,692
Use of employee's personal account ¹⁾	CZK thousands	54	–	100
Life jubilee bonuses ¹⁾	CZK thousands	–	–	–
Domestic business travel reimbursement above limit	CZK thousands	–	–	13
International business travel reimbursement above limit	CZK thousands	6	–	154
Other cash income	CZK thousands	–	–	53
Other in-kind income ¹⁾	CZK thousands	603	–	2,318
Of which: Company car for business and personal use	CZK thousands	600	–	2,289
Mobile phone for business and personal use	CZK thousands	3	–	29
Mobility program	CZK thousands	–	–	–
Other in-kind income	CZK thousands	–	–	–
Income from entities controlled by the issuer	CZK thousands	–	–	15,201
Of which: Remuneration to members of governing bodies of controlled companies	CZK thousands	–	–	14,943
Endowment life insurance	CZK thousands	–	–	258
Company car for business and personal use ¹⁾	CZK thousands	–	–	–
Other cash and in-kind income	CZK thousands	–	–	–
Information on Loans and Securities				
Loans originated by the issuer	CZK thousands	–	–	–
Loans originated by entities controlled by the issuer	CZK thousands	–	–	–
Number of options held as at December 31, 2018	Pcs	–	–	1,493,781
Average option price	CZK	–	–	486.81
Number of options vested in 2019	Pcs	–	–	239,068
Average option price	CZK	–	–	534.83
Number of shares on which option was exercised	Pcs	–	–	(453,781)
Average option price	CZK	–	–	437.02
Resulting in-kind income taxed	CZK millions	–	–	47.68
Number of shares on which option was held by a former governing body member	Pcs	–	–	(180,000)
Average option price	CZK	–	–	484.22
Number of options held as at December 31, 2019 ²⁾	Pcs	–	–	1,099,068
Average option price	CZK	–	–	518.24
Number of Company shares held by members of governing bodies as at December 31, 2019 ²⁾	Pcs	1,572	–	66,712

¹⁾ Cash and in-kind income of Supervisory Board members in these items include income from their present and/or past employment with the Company.

²⁾ Figures are for persons who were members of governing bodies at December 31, 2019.

Convictions for Fraud-Related Crimes during the Past Five Years

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

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

Otakar Hora was a partner and statutory representative at DZD, v.o.s. v likvidaci (in liquidation); he has been the liquidator of the company since 2019.

Ondřej Landa was Vice-Chairman of the Supervisory Board of IP Exit, a.s., in bankruptcy. His term of office expired in June 2015. (The bankruptcy proceedings ended in 2018 and the company was struck off the Commercial Register.)

Lubomír Lízal was member of the Supervisory Board of Prague Twenty, o.p.s. (In liquidation since 2016—the company's liquidation was completed and the company was struck off the Commercial Register in 2017.)

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

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

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

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

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

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

Michaela Chaloupková was a member of the Board of Directors until October 21, 2019, and has been a member of the Board of Directors since January 1, 2020, again. She was employed by the Company in the meantime and was not a person with executive authority at ČEZ. She was the head of procurement from October 22 to October 23, 2019, under an agreement on individual terms of remuneration made on October 22, 2019. She served as Chief Administrative Officer from October 24 to December 31, 2019, under a management contract made on October 24, 2019. Her employment contract did not include any provision concerning benefits upon termination of employment. As an employee under contract, she could have received pay in lieu of notice or severance pay upon the termination of her employment in accordance with the collective agreement. No consideration was paid to Michaela Chaloupková in connection with the termination of her above-mentioned employment with the Company on December 31, 2019.

Conflicts of Interest

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

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

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

Agreement with the Issuer concerning Restrictions on Disposal of Its Securities

Beneficiaries of the stock option plan having exercised an option must keep on their account with the central registrar of securities as many shares of Company stock obtained in the exercise as corresponds to 20% of the gain realized on the exercise date until the termination of the stock options plan. Appreciation of the shares on a public market on the exercise date may not exceed 100% over the exercise price applicable to the option grant in question. Options may be exercised no earlier than two years and no later than by the middle of the fourth year after the grant date. Members of the Company's governance bodies as well as persons having access to inside information are informed by ČEZ's central controlling function of time limits (and any modifications thereto) applicable to the prohibition on trading in ČEZ shares pursuant to relevant provisions of the European Union's Regulation No. 596/2014.

Concern Management

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

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

Since the publication of the 2018 Annual Report, the Concern has been left by Energo centrum Vítkovice, which ceased to exist on January 1, 2020, through a merger with ČEZ Energetické služby. ČEZ Distribuce and ČEZ Energetické služby are subjected to concern management in full compliance with all requirements of unbundling rules resulting from the Energy Act and Directive 2009/72/EC of the European Parliament and of the Council.

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

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

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

Corporate Governance Compliance

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

ČEZ takes into account all material rules of the WSE Code in its activities, considering the individual areas and topics governed by the Code to be important also to its shareholders. ČEZ's practices departed from the WSE Code in the following cases in 2019 (an explanation or reasoning for each departure or deviation is given):

- Concerning the rotation of the audit firm that audits its financial statements, the Company adheres to the applicable Regulation (EU) No. 537/2014 of the European Parliament and of the Council of April 16, 2014, on specific requirements regarding statutory audit of public-interest entities, and Act No. 93/2009 Sb., on auditors, which regulate these matters comprehensively. Therefore, the Company deems it unnecessary to set rules on the matter in an internal regulation as required by the WSE Code.
- The Company does not pursue a diversity policy applicable to members of the Company's upper management, as required by the WSE Code. The fact that ČEZ does not apply a diversity policy consisting in equal representation of such elements as gender, age, or education among its employees helps the Company hire and keep talented employees and exploit their professional potential to the full extent. Nevertheless, no direct or indirect discrimination is allowed. Every applicant's education, expertise, qualifications, and skills are the determinant factors in hiring. A fundamental value honored by CEZ Group is a fair and equal approach to all employees regardless of their race, ethnic origin, nationality, gender, sexual orientation, age, health, religious belief, or other criteria excluded from consideration by applicable law, not only for hiring but also for remuneration, personal growth, or career development. For the application of a diversity policy to Company governance bodies (Article 118(4)(l) of Act No. 256/2004 Sb., on capital market undertakings act, CMUA), refer to Diversity Policy in Relation to Company Governance Bodies below.
- The Company does not publish on its website explanations concerning shareholders' questions provided by the Company during a shareholders' meeting. Such explanations are included in detailed shareholders' meeting minutes, which are available to shareholders upon request.
- The Company does not publish any audio/video recording of its shareholders' meetings. Detailed minutes of shareholders' meetings are available to shareholders upon request.
- The WSE Code requires that the participation of Board of Directors members in another company's governance bodies be conditional on the Supervisory Board's approval. The Company's bylaws and internal regulations do not include any regulation of such approval. Nevertheless, members of the Company's Board of Directors may not be members of the statutory governing body of a company with an identical or similar purpose (unless it is part of the concern) pursuant to applicable law. In addition, members of the Company's Board of Directors have an obligation to disclose any potential conflict of interest to other members of the Board of Directors and the Supervisory Board.
- The Company has no means to ensure compliance with the WSE Code requirement that at least two members of the Supervisory Board be independent as two-thirds of Supervisory Board members are elected by the shareholders' meeting (from candidates proposed by shareholders) and one-third of Supervisory Board members are elected by Company employees from among Company employees in compliance with applicable law.
- The Company has not set up internal processes for Supervisory Board members' providing a declaration of independence. Nonetheless, the Company has established measures to prevent a conflict of interest and members of the Supervisory Board have an obligation to disclose any potential conflict of interest to other members of the Supervisory Board pursuant to applicable law.

- The Supervisory Board's report for the shareholders' meeting meets requirements for its contents as specified by the WSE Code, with the exception of assessment of the Company's system of internal controls, as such assessment is carried out, in compliance with applicable law, by the Audit Committee, which communicates it to the Supervisory Board and the Company shareholders' meeting, and with the exception of assessment of the Company's sponsorship activities, which are, however, regularly reported to the Supervisory Board, and assessment of the fulfillment of the obligation to provide information concerning the Company's compliance with corporate governance principles, which, however, the shareholders' meeting is informed of by the Company's Board of Directors, and with the exception of compliance with the requirement for the Supervisory Board's self-assessment. The Supervisory Board's report contains all information required by law, which the Company deems sufficient.
- In compliance with applicable law, the efficiency of internal controls and the risk management system and the efficiency and functional independence of the internal audit function are monitored by the Audit Committee, which reports its findings to the Supervisory Board and the shareholders' meeting. The report presented by the Supervisory Board to the shareholders' meeting complies with applicable legislation.
- The Company does not meet the WSE Code requirement for providing a public real-time broadcast of its shareholders' meeting, because the Company's policy, which is in compliance with applicable law, is based on permitting its shareholders' meetings to be attended only by its shareholders (either in person or by proxy), individuals that can reasonably give their opinion on items on the shareholders' meeting agenda, such as the Company's auditors or advisers, and individuals that make arrangements for the shareholders' meeting.
- Representatives of the mass media can attend a shareholders' meeting, as required by the WSE Code, but their attendance must be approved by the shareholders' meeting unless they are Company shareholders.
- Dividend payment is always dealt with by the Company on an ad hoc basis, in a decision of a shareholders' meeting. The WSE Code's requirement that the period between the dividend record date and the dividend payment date be no longer than 15 days cannot be met for technical reasons concerning dividend payment.
- The WSE Code requirement that the Supervisory Board should approve making any significant contract between the Company, of the one part, and a shareholder having a share in voting rights of 5% or more or a related party, of the other part, is not included in the bylaws. Nevertheless, the Supervisory Board reviews the related parties report, which includes a list of the Company's contracts with related parties, including the majority shareholder. In addition, the relevant legal regulation (CMUA Section 121s et seq.) directly provides for the Company's obligation of only entering into any significant transaction with a related party with the approval of the shareholders' meeting. The Company bylaws then impose a rule that, among other things, all proposals to be submitted by the Board of Directors to the shareholders' meeting for decision or information must

first be submitted by the Board of Directors to the Supervisory Board for consideration and given the Supervisory Board's prior opinion, which ensures that significant transactions with related parties are both approved by the Company shareholders' meeting and considered by the Supervisory Board. The definition of a related party is included in CMUA Section 2(2)(d), which refers to Section 9 of International Accounting Standard IAS 24, Related Party Disclosures, set out in the Annex to Commission Regulation (EC) No. 1126/2008 of November 3, 2008.

A significant transaction means a contract or agreement under which (a) the Company's assets are alienated or acquired or (b) the Company's debt is increased, both in an amount exceeding 10% of its assets as shown by its financial statements for the reporting period immediately preceding the reporting period in which the transaction is made. Transactions made with the same related party during the same reporting period are summed up for these purposes.

In addition,

- The WSE Code requirement concerning information on the Company's compensation policy has so far been fulfilled by the Company by means of its annual reports, which include information on compensation provided to the Board of Directors and the Supervisory Board, among other things. In compliance with the currently applicable legal regulation (CMUA Section 121j et seq.), the Board of Directors will submit the Company's compensation policy to the shareholders' meeting for approval. Subsequently, the Board of Directors will submit the compensation policy to the shareholders' meeting for approval whenever there is a significant change or at least every 4 years. The approved compensation policy will be published by the Company on its website.

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

The Company does not formally declare any diversity policy to be applied to its governance bodies, that is, Board of Directors, Supervisory Board, and Audit Committee. Decisions on the staffing of the Board of Directors are within the purview of the Supervisory Board and decisions on the staffing of the Audit Committee are within the purview of the shareholders' meeting, which exercise their will in these matters independently of the Company's internal documents and/or declarations. Likewise, decisions on the composition of two-thirds of the Supervisory Board are within the purview of the shareholders' meeting.

In relation to the remaining one-third of Supervisory Board members that are elected by Company employees, the Election Rules applicable to the election of these Supervisory Board members place emphasis on providing equal opportunities and promoting diversity in respect to differences between people. In this context, the Election Rules emphasize that equal opportunity and diversity are the concern of the entire management, labor unions, and every individual at CEZ Group and the approach is fully respected in relation to the elections of Supervisory Board members. However, ČEZ does not have any means to influence the composition of this portion of the Supervisory Board within the meaning of a diversity policy.

A large flock of birds, possibly terns, is captured in mid-flight over a body of water. The birds are silhouetted against a bright, golden sunset sky, creating a dense, dark cloud of wings. The water below is calm, reflecting the warm light of the setting sun. A small boat is visible on the horizon line. A blue banner with white text and a white arrow pointing up is overlaid on the right side of the image.

BREATHING FREELY



Emission Reduction and Desulfurization

CEZ Group considerably reduced emissions produced by its coal-fired portfolio in the past. It modernized, desulfurized, denitrified, and enhanced the efficiency of its power plants in the 1990s. It shut down almost 2,000 MW of installed capacity. This was later followed by comprehensive renovation of its power plants located in mining regions and the commissioning of the zero-emission Temelín Nuclear Power Plant.

Report on Operations

CEZ Group Financial Performance

As at December 31, 2019, the consolidated CEZ Group comprised a total of 208 companies, with 183 companies fully consolidated and 25 associates and joint ventures consolidated using the equity method.

Consolidated CEZ Group as at December 31, 2019

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

Generation—Traditional Energy

ČEZ, a. s.
 Areál Třeboradice, a.s.
 Centrum výzkumu Řež s.r.o.
 CEZ Chorzów S.A.
 CEZ Chorzów II sp. z o.o.
 CEZ Magyarorszag Kft.
 CEZ Produkty Energetyczne Polska sp. z o.o.
 CEZ Skawina S.A.
 CEZ Srbija d.o.o.
 CEZ Towarowy Dom Maklerski sp. z o.o.
 CEZ Trade Romania S.R.L.
 ČEZ Bohunice a.s.
 ČEZ Energetické produkty, s.r.o.
 ČEZ ENERGOSERVIS spol. s r.o.
 ČEZ Teplárenská, a.s.
 EGP INVEST, spol. s r.o., v likvidaci
 Elektrárna Dětmárovice, a.s.
 Elektrárna Dukovany II, a. s.
 Elektrárna Mělník III, a. s.
 Elektrárna Počerady, a.s.

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

Generation—New Energy

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

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

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

Distribution

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

Sales

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

HERMOS International GmbH
 HERMOS SDN. BHD
 Hermos Schaltanlagen GmbH
 Hermos sp. z.o.o.
 Hermos Systems GmbH
 High-Tech Clima d.o.o.
 High-Tech Clima S.A.
 HORMEN CE a.s.
 Hybridkraftwerk Culemeyerstraße Projekt GmbH
 Jäger & Co. Gesellschaft mit beschränkter Haftung
 Kälteanlagenbau Schröder GmbH
 KART, spol. s r.o.
 Kofler Energies Energieeffizienz GmbH
 Kofler Energies Ingenieurgesellschaft mbH
 Kofler Energies International GmbH
 KOFLER ENERGIES ITALIA SRL
 Kofler Energies Systems GmbH
 Metrolog sp. z o.o.
 NEK Facility Management GmbH
 OEM Energy sp. z o.o.
 Rudolf Fritz GmbH
 SPRAVBYTKOMFORT, a.s. Prešov
 SYNECO ENERGY SERVICE S.R.L.
 SYNECO Group S.R.L.
 SYNECO PROJECT S.R.L.
 SYNECO tec GmbH
 TENAUR, s.r.o.
 WPG Projekt GmbH
 Bytkomfort, s.r.o.*
 Elevion Co-Investment GmbH & Co. KG*
 KLF-Distribúcia, s.r.o.*
 Sakarya Elektrik Perakende Satis A.S.*

Mining

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

Support Services

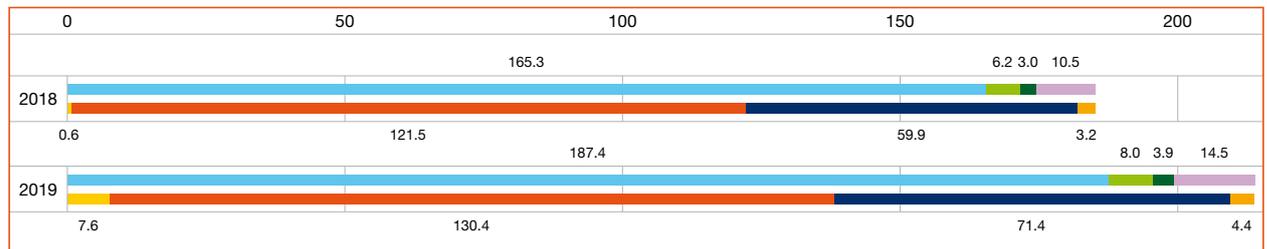
CEZ MH B.V.
 CEZ Polska sp. z o.o.
 CEZ Ukraine LLC
 ČEZ Asset Holding, a. s.
 ČEZ ICT Services, a. s.
 ČEZ Korporátní služby, s.r.o.
 Telco Infrastructure, s.r.o.
 Telco Pro Services, a. s.

* Joint venture or associate

CEZ Group Financial Results

Changes in Revenues, Expenses, and Income

CEZ Group Net Income Breakdown (CZK Billions)



- Operating expenses
- Other income (expenses)
- Income tax
- Net income
- Gains and losses from commodity derivative trading
- Sales of electricity, heat, gas, and coal
- Sales of services and other sales
- Other operating income

Net income (after-tax income) for 2019 amounted to CZK 14.5 billion, which was a year-on-year increase of CZK 4.0 billion. This was in spite of the negative effect of a court ruling under which ČEZ Prodej had to repay SŽDC a payment of an obligation from 2010, which decreased CEZ Group's 2019 net income by CZK 1.1 billion.

Net income adjusted for extraordinary effects achieved in 2019, amounting to CZK 18.9 billion, is fully in line with Company management's initial estimates. At the beginning of 2019, CEZ Group estimated net income adjusted for extraordinary effects at the level of CZK 17–19 billion for the whole year 2019.

Operating revenues of CZK 206.2 billion increased by CZK 21.7 billion year-on-year, primarily due to higher revenue from sales of services and other revenue (CZK +11.5 billion), most importantly, distribution services. Revenue from sales of electricity, heat, gas, and coal (CZK +9.0 billion) increased primarily due to higher realization prices of generated electricity. A positive effect on the year-on-year comparison was also derived from higher amounts of other operating income (CZK +1.2 billion), primarily due to higher revenue from allocated color certificates.

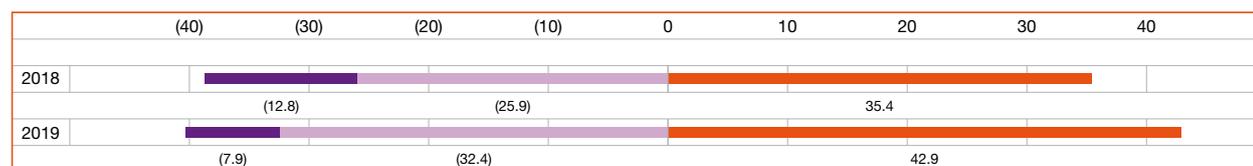
Operating expenses were CZK 187.4 billion, increasing by CZK 22.1 billion year-on-year. The year-on-year increase was due to services (CZK -5.1 billion), purchases of electricity, gas, and other energies (CZK -3.4 billion), personnel costs (CZK -3.2 billion), fixed asset impairments (CZK -3.1 billion), fuel and emission allowances (CZK -2.3 billion), materials (CZK -2.0 billion), and total miscellaneous and other operating expenses (CZK -3.0 billion).

Other income (expenses) of CZK 8.0 billion decreased net income by CZK 1.8 billion year-on-year. The year-on-year decrease was due to the balance of other finance income and expenses (CZK -1.4 billion), impairment of financial assets (CZK -0.4 billion), balance of interest expense and income (CZK -0.2 billion), and higher interest expense on provisions (CZK -0.1 billion). Conversely, there was a positive effect of profit and loss from associates and joint ventures (profit; CZK +0.3 billion).

Income tax of CZK 3.9 billion increased by CZK 0.9 billion year-on-year due to higher earnings before taxes.

Cash Flows

CEZ Group Cash Flows (CZK Billions)



- Financing activities and effect of rate differences and impairments on cash amounts
- Investing activities
- Operating activities

Cash flows from operating activities increased by CZK 7.6 billion year-on-year to CZK 42.9 billion. The growth was positively affected by profit before tax adjusted for noncash operations (CZK +19.3 billion). In contrast, there was a negative effect of change in working capital (CZK -10.6 billion), while change in the reporting of operating leases due to the application of IFRS 16, which also resulted in an increase in cash used in financing activities, had a positive effect on working capital (CZK +0.8 billion). There was a year-on-year increase in both income tax paid (CZK -0.8 billion) and interest paid (CZK -0.3 billion).

Working capital was negatively affected in year-on-year comparison by changes in the balance of payables and receivables from derivatives including options (CZK -17.1 billion), change in emission allowances adjusted for changes in the fair value of allowances for trading (CZK -10.9 billion), and change in inventories (CZK -1.6 billion). In contrast, there was a positive effect of change in the balance of trade receivables and payables (CZK +20.3 billion) and change in the balance of other payables and receivables (CZK -1.3 billion).

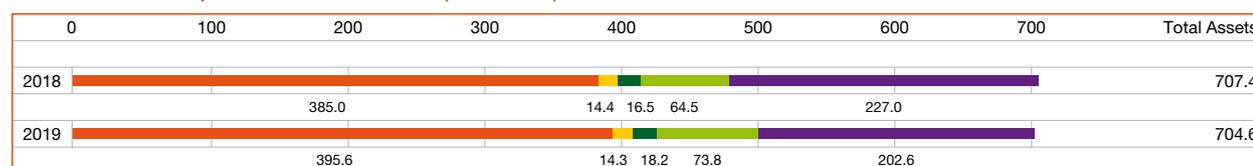
Cash used in investing activities increased by CZK 6.5 billion year-on-year to CZK 32.4 billion. Acquisition of fixed assets including capitalized interest increased by CZK -3.8 billion year-on-year due to higher investments in property, plant, and equipment and intangible fixed assets. There was also a year-on-year increase in investments in the acquisition of subsidiaries, associates, and joint ventures (CZK -1.3 billion), increased growth of financial assets with limited availability (CZK -0.8 billion), and decrease in revenue from the sale of fixed assets (CZK -0.6 billion).

Cash used in financing activities (including net effect of currency translation and valuation allowances in cash) decreased by CZK 4.9 billion year-on-year to CZK 7.9 billion. There was a year-on-year decrease in dividends paid to shareholders (CZK +4.8 billion) and in the proceeds from and repayments of borrowings (CZK +1.1 billion). The application of IFRS 16 to the reporting of operating leases resulted in increased cash used in financing activities (CZK -0.8 billion) while decreasing cash used in operating activities. Other items increased year-on-year (CZK -0.2 billion) primarily due to change in the balance of additions to and repayments of other noncurrent liabilities.

Structure of Assets, Equity, and Liabilities

The value of CEZ Group's consolidated assets, equity, and liabilities decreased by CZK 2.9 billion to CZK 704.6 billion in 2019.

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



- Property, plant, and equipment, net
- Nuclear fuel, net
- Construction work in progress, net
- Other noncurrent assets
- Current assets

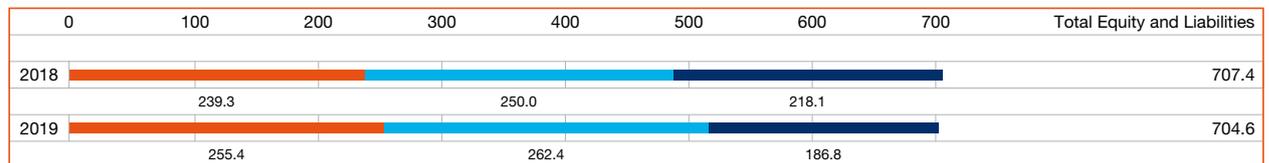
Noncurrent assets increased by CZK 21.5 billion to CZK 501.9 billion.

There was an increase in net property, plant, and equipment (CZK +10.6 billion), which was primarily due to increase in the capitalized portion of nuclear provisions (CZK +12.3 billion) and the application of IFRS 16 (CZK +5.8 billion); conversely, other effects decreased net property, plant, and equipment (CZK -7.5 billion)—most importantly, depreciation, amortization, and impairments exceeded investments in net property, plant, and equipment. Net construction work in progress increased (CZK +1.8 billion) and the value of nuclear fuel decreased (CZK -0.2 billion) year-on-year.

Increase in other noncurrent assets (CZK +9.3 billion) was primarily due to increase in noncurrent intangible assets (CZK +6.3 billion), where the most significant factors were increase in the value of long-term emission allowances (CZK +4.9 billion) and the effect of the acquisition of new subsidiaries (CZK +1.6 billion). There was year-on-year increase in long-term receivables from derivatives (CZK +2.2 billion) and financial assets with limited availability (CZK +1.9 billion). Conversely, there was decrease in long-term securities (CZK -1.4 billion), which was primarily due to the sale of a stake in sonnen Holding and revaluation of equity securities. Deferred tax asset increased (CZK +0.2 billion).

The value of current assets decreased by CZK 24.4 billion to CZK 202.6 billion. This was primarily due to decrease in receivables from derivatives including options (CZK -30.8 billion) and trade and other receivables (CZK -7.2 billion). There was also year-on-year decrease in debt securities (CZK -0.9 billion) due to the repayment of bonds held. Assets classified as held for sale, originated in 2018 in relation to the intention to sell Bulgarian assets, slightly decreased year-on-year (CZK -0.2 billion). Conversely, there was year-on-year increase in short-term emission allowances (CZK +10.4 billion), cash and cash equivalents (CZK +2.5 billion), and inventories of fossil fuels and materials (CZK +0.9 billion). Other current asset items were also higher year-on-year (CZK +1.0 billion) primarily due to increase in contract assets.

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



- Equity
- Noncurrent liabilities
- Current liabilities

Equity increased by CZK 16.1 billion to CZK 255.4 billion.

Equity was increased in 2019 by generated net income (CZK +14.5 billion) and other comprehensive income (CZK +14.1 billion); conversely, it was decreased, most importantly, by dividends paid to Company shareholders (CZK -12.8 billion). Other changes in equity are primarily related to sales of treasury shares.

Noncurrent liabilities increased by CZK 12.4 billion to CZK 262.4 billion primarily due to increase in long-term provisions (CZK +13.7 billion), most importantly nuclear. The year-on-year increase was also contributed to by noncurrent lease liabilities (CZK +4.7 billion) due to the application of new IFRS 16. There was increase in deferred tax liability (CZK +3.9 billion). Noncurrent derivative liabilities decreased in year-on-year comparison (CZK -7.3 billion), as did bonds issued and long-term loans (CZK -4.6 billion). Other noncurrent liabilities and liabilities attributable to capital expenditure increased year-on-year (CZK +1.9 billion).

Current liabilities decreased by CZK 31.4 billion year-on-year to CZK 186.8 billion. The decrease was primarily due to decrease in current liabilities from derivative trading including options (CZK -46.2 billion) and decrease in short-term loans (CZK -7.5 billion). There was only a slight decrease in liabilities associated with Bulgarian assets (CZK -0.6 billion), classified as held for sale since 2018 in connection with their intended sale. In contrast, there was year-on-year increase in the current portion of long-term debt (CZK +18.3 billion), trade and other payables (CZK +3.2 billion), and short-term provisions (CZK +1.9 billion), most importantly provision for emission allowances. There was also increase in income tax liability (CZK +0.4 billion). Other items of current liabilities decreased (CZK -0.9 billion), most importantly contract liabilities.

Comprehensive Income

Net comprehensive income in 2019 increased over 2018 by CZK 28.7 billion to CZK 28.6 billion.

Net income increased by CZK 4.0 billion and other comprehensive income increased by CZK 24.7 billion. Other comprehensive income was positively affected primarily by change in the fair value of cash flow hedging instruments (CZK +26.9 billion), which resulted from increase in the fair value of sales contracts for electricity supplies in 2020–2025 in relation to decreased market prices of electricity in 2019. A positive year-on-year effect was derived from the reclassification of cash flow hedging instruments to profit and loss and to assets (CZK +5.3 billion). In contrast, other comprehensive income was decreased by foreign exchange translation differences for subsidiaries, affiliates, and joint ventures (CZK -1.5 billion) and, particularly, by deferred income tax associated with other comprehensive income (CZK -6.2 billion). Other changes had a positive effect on comprehensive income (CZK +0.2 billion).

Financial Results of CEZ Group Segments

Segments and Their Contributions to CEZ Group's Financial Performance

	Revenues and Other Operating Income— Other Than Intersegment	Revenues and Other Operating Income— Intersegment	Total Revenues and Other Operating Income	EBITDA	Net Income	CAPEX	Workforce Headcount as at Dec 31
	(CZK millions)	(CZK millions)	(CZK millions)	(CZK millions)	(CZK millions)	(CZK millions)	(persons)
Generation – Traditional Energy							
2018	56,482	32,820	89,302	16,664	25,673	8,268	9,949
2019	61,498	36,864	98,362	25,632	11,859	10,759	10,031
Generation – New Energy							
2018	5,678	511	6,189	2,895	1,292	439	170
2019	6,353	382	6,735	3,936	3,063	682	183
Distribution							
2018	40,656	787	41,443	19,922	9,605	12,900	9,238
2019	43,151	632	43,783	20,553	7,259	13,709	9,016
Sales							
2018	76,555	7,189	83,744	4,280	3,021	669	6,096
2019	86,549	7,063	93,612	3,726	1,867	1,530	7,275
Mining							
2018	4,827	5,830	10,657	4,507	1,504	2,576	4,841
2019	4,883	6,099	10,982	4,991	1,862	2,306	4,776
Support Services							
2018	288	4,167	4,455	1,272	788	1,848	1,091
2019	3,758	4,781	8,539	1,347	696	1,088	1,084
Elimination							
2018	–	(51,304)	(51,304)	(5)	(31,383)	(314)	–
2019	–	(55,821)	(55,821)	(10)	(12,106)	(285)	–
Consolidated							
2018	184,486	–	184,486	49,535	10,500	26,386	31,385
2019	206,192	–	206,192	60,175	14,500	29,789	32,365

The net income of CEZ Group's biggest segment, Generation—Traditional Energy, decreased by CZK 13.8 billion year-on-year, which was due to lower dividends received in 2019 by the parent company ČEZ (CZK -19.5 billion), higher fixed asset impairments (CZK -1.9 billion), and higher income tax (CZK -1.4 billion). In contrast, there were two positive year-on-year effects: higher operating income before depreciation and amortization, impairment, and asset sales (EBITDA) in the segment (CZK +9.0 billion) primarily due to higher realization prices of generated electricity, including the effect of hedges, and higher profit from commodity trading.

The Generation—New Energy segment's net income increased by CZK 1.8 billion primarily due to reversal of impairments. Net income in Czechia increased by CZK 0.6 billion primarily due to provisioning for a potential refund of Čekanice photovoltaic power plant revenue in 2018 (CZK +0.5 billion). Net income in Romania increased by CZK 0.9 billion primarily due to higher reversal of fixed asset impairments (CZK +0.7 billion) and also due to higher generation and higher selling prices of electricity and green certificates (CZK +0.2 billion).

The Distribution segment's net income decreased by CZK 2.3 billion, including CZK 0.3 billion in Czechia primarily due to increased interest expenses (CZK -0.4 billion). The net income of Bulgarian distribution decreased by CZK 0.4 billion primarily due to higher fixed asset impairments (CZK -1.0 billion); conversely, its EBITDA increased by CZK 0.4 billion primarily due to higher gross margin on electricity distribution. The net income of Romanian distribution decreased by CZK 1.4 billion primarily due to additions to fixed asset impairments (CZK -1.1 billion).

The Sales segment's net income decreased by CZK 1.2 billion year-on-year. The decrease was primarily due to a court ruling from 2019 that ordered the repayment of SŽDC's payment of an obligation to ČEZ Prodej from 2010, which had a negative effect on the segment's net income (CZK -1.1 billion). Overall, net income in Czechia decreased by CZK 1.3 billion; other negative effects besides the repayment included a lower margin on commodity sales due to higher expenses on electricity purchases. Net income in Bulgaria increased by CZK 0.2 billion due to higher gross margin, primarily in connection with lower expenses on commodity procurement.

The Mining segment's net income increased by CZK 0.4 billion as compared to 2018 due to higher revenue from coal sales.

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

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

The EBITDA of CEZ Group's Generation—Traditional Energy segment increased by CZK 9.0 billion overall and by CZK 9.1 billion in Czechia alone. The increase was attributable to higher realization prices of generated electricity, including the effect of hedging and commodity trading (CZK +10.9 billion), higher generation at nuclear power plants (CZK +0.3 billion), higher margin on the operation of other generating facilities (CZK +0.7 billion), and higher revenue from sales of heat (CZK +0.4 billion) and sales of ancillary services (CZK +0.3 billion). Conversely, there was a negative effect of higher expenses on emission allowances for generation (CZK -1.9 billion) due to increased market prices and a lower allocation of free allowances, higher expenses on care of assets (CZK -0.8 billion) primarily due to expenses on compliance with emission limits after 2020 and additions to nuclear provisions (CZK -1.0 billion) due to a decreased discount rate. EBITDA in Poland decreased by CZK 0.2 billion due to higher expenses on emission allowances and increased prices of biomass for the Chorzów power plant.

The EBITDA of the Generation—New Energy segment increased by CZK 1.0 billion overall and by CZK 0.6 billion in Czechia alone due to lower provisioning for a potential refund of Čekanice photovoltaic power plant revenue (CZK +0.4 billion) in 2018 and due to higher revenues from small hydropower plants resulting from both higher generation and higher electricity prices (CZK +0.1 billion). Increase in EBITDA in Romania of CZK 0.3 billion resulted from higher generation and selling prices of generated electricity (CZK +0.2 billion) and higher revenue from sales of certificates (CZK +0.1 billion). EBITDA in Germany increased by CZK 0.1 billion year-on-year primarily due to a higher amount of generated electricity and lower fixed operating expenses.

The EBITDA of the Distribution segment increased by CZK 0.6 billion year-on-year overall and by CZK 0.4 billion in Czechia alone due to higher gross margin on electricity distribution (CZK +0.7 billion) resulting from higher allowed revenue, lower additions to allowances for receivables (CZK +0.2 billion), and higher revenue from capacity reservation and connection (CZK +0.1 billion); conversely, there was a negative effect of higher fixed operating expenses (CZK -0.6 billion), primarily personnel costs and facility maintenance. EBITDA in Romania decreased by CZK 0.1 billion primarily due to increased charge on revenue from licensed activities (CZK -0.1 billion). EBITDA in Bulgaria increased by CZK 0.4 billion due to higher gross margin on electricity distribution (CZK +0.3 billion) resulting from higher prices of electricity distribution and lower costs to cover losses in the grid, due to higher provisioning for litigation in 2018 (CZK +0.2 billion), and due to lower revenue from capacity reservation and connection (CZK -0.1 billion).

The Sales segment's EBITDA was lower by CZK 0.6 billion year-on-year; the decrease was due to a 2019 court ruling under which SŽDC's payment of debt to ČEZ Prodej from 2010 was repaid including interest and costs (CZK -1.3 billion). Overall, the indicator decreased by CZK 1.4 billion in Czechia, where the margin on commodity sales also decreased primarily due to higher expenses on electricity purchases (CZK -0.5 billion) but a positive contribution was made by increase in noncommodity ESCO activities (CZK +0.2 billion), lower loss on receivables (CZK +0.1 billion), and other effects (CZK +0.1 billion), most importantly lower fixed operating expenses. Increase of CZK 0.2 billion in EBITDA was achieved in Germany due to the acquisitions of En.Plus and Hermos. The indicator also increased by CZK 0.2 billion in Poland due to the acquisition of Euroklimat and, most importantly, with merger of CEZ Trade Polska and CEZ Polska. Year-on-year increase of CZK 0.2 billion in EBITDA in Bulgaria was due to higher gross margin, primarily in connection with lower expenses on commodity procurement. An increase of a total of CZK 0.3 billion in the other countries of the Sales segment was achieved in Slovakia due to higher gross margin on electricity sales and new ESCO acquisitions. The Support Services segment's EBITDA increased by CZK 0.1 billion.

Economic and Financial Outlook for 2020

As at March 16, 2020, CEZ Group estimated its 2020 consolidated net income* at CZK 21 to 23 billion. The assumed year-on-year increase results particularly from the expected increase of the consolidated operating income before depreciation and amortization, impairment, and sale of assets (EBITDA). On the other hand, higher depreciation and income tax have contradictory year-on-year effect. As at March 16, 2020, CEZ Group estimated its 2020 EBITDA at CZK 63 to 65 billion, which is a year-on-year increase of CZK 3 to 5 billion (that is, an increase of approximately 5% to 8% as compared to the actual 2019 figure).

The major causes of the year-on-year change in operating results are listed below broken down by segments to indicate CEZ Group's expected economic situation in 2020.

The Mining segment is expected to decrease by CZK 0.2 billion year on year. The Generation—Traditional Energy segment is expected to report year-on-year growth of CZK 1 to 2 billion, where factors with positive effect include higher realization prices of electricity produced, including hedging effects, while higher costs of emission allowances for generation and lower expected revenue from commodity trading (compared to their exceptionally high contribution in 2019) belong to factors with negative effect. The Distribution segment is expected to report a year-on-year growth of CZK 0.3 to 0.7 billion, particularly due to higher gross margin both abroad and in Czechia. The Sales segment is expected to report a year-on-year growth of CZK 1.5 to 2 billion, which is caused by the negative effect of litigation with SŽDC on economic results of 2019 in the amount of CZK 1.3 billion, and our growth ambitions in the area of energy services. Generation—New Energy and Support Services segments are not expected to report any year-on-year change. Reasons for the use of 2020 CEZ Group's EBITDA and net profit prediction intervals include particularly the following risks and opportunities: availability of generating facilities, electricity realization prices, commodity trading revenue and, new development acquisitions in ESCO area.

In 2020, CEZ Group expects its capital expenditures to reach CZK 37 billion, with most of them planned to be invested in production and distribution assets in Czechia.

The 2020 net income of the parent company, ČEZ, a. s., is estimated at CZK 13 to 15 billion, the bulk of which consists of estimated dividends received from subsidiaries.

* When assessing fulfillment of expectations, CEZ Group adjusts its net profit by exceptional effects generally not related to ordinary economic activities of the given year (e.g. impairment of noncurrent assets or goodwill) and such adjusted net profit of CEZ Group is the basis for application of the applicable dividend policy of the Company.

Solvency in 2019

Solvency of CEZ Group was good in 2019 and CEZ Group companies did not report any problems in paying their liabilities.

Bonds issued by ČEZ, a. s., worth approximately EUR 2.4 billion, will mature between 2020 and 2022, of which EUR 0.75 billion as early as in June 2020. In preparation for refunding those bonds, ČEZ, a. s., issued bonds worth EUR 750 million on December 2, 2019, maturing in 7 years, with a 0.875% coupon. The coupon was the same as with a 2018 issue even though the 2019 issue was worth EUR 250 million more and had an almost double maturity period.

In addition, a loan agreement for EUR 330 million was signed with the European Investment Bank on December 16, 2019, to support a capital expenditure program for distribution system renovation and further development. The loan will be repayable in 10 years after drawdown and is expected to be drawn down in 2020.

CZK 12.7 billion was paid in dividends for 2018 and another approximately CZK 0.1 billion was paid in dividends for previous years during 2019. As at December 31, 2019, long-term bank loans and lease liabilities (including their current portion) amounted to CZK 23.4 billion, of which loans provided by the European Investment Bank amounted to CZK 8.6 billion. The average maturity of CEZ Group's financial debt was approximately 6 years at the end of 2019.



GIVING A BIT EXTRA



A woman in a black riding helmet and shirt is riding a light brown horse in a forest. Two other riders are visible in the background. The scene is lit with warm, golden light, suggesting late afternoon or early morning. The forest has tall trees and some autumn-colored foliage.

Sectoral Change in Strategy—Focus on ESCO

CEZ Group anticipates further growth in the energy services market, where it wants to remain a major player innovating both products and services. It wants to achieve a significant position in European markets close to Czechia. CEZ Group's products should allow customers to cut their costs of energy, heating, cooling, and lighting while enhancing comfort in other areas.

CEZ Group Capital Expenditure

Capital Expenditure in 2018 and 2019

Total Capital Expenditure (CZK Millions)

	2018	2019
Additions to property, plant, and equipment, including capitalized interest	26,018	29,802
Additions to property, plant, and equipment	25,184	28,584
Of which: Nuclear fuel acquisition	2,374	3,242
Additions to intangibles	1,202	1,205
Additions to noncurrent financial assets	316	222
Change in balance of liabilities attributable to capital expenditure	(684)	(209)
Financial investments*	2,214	3,529
Total capital expenditures	28,232	33,331

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

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

	Czechia		Germany		Poland		France		Romania		Bulgaria		Other		Total	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Mining	2,576	2,306	-	-	-	-	-	-	-	-	-	-	-	-	2,576	2,306
Generation— Traditional Energy	7,985	10,341	-	-	283	418	-	-	-	-	-	-	-	-	8,268	10,759
Of which: Nuclear fuel acquisition	2,374	3,242	-	-	-	-	-	-	-	-	-	-	-	-	2,374	3,242
Generation— New Energy	5	8	6	(8)	-	22	188	400	239	260	-	-	-	-	439	682
Distribution	10,301	10,904	-	-	-	-	-	-	1,309	1,307	1,290	1,497	-	-	12,900	13,709
Sales	484	914	178	539	6	13	-	-	-	13	-	2	-	49	669	1,530
Support Services*	1,525	798	-	-	9	5	-	-	-	-	-	-	-	-	1,534	803
Total	22,877	25,271	184	531	298	458	188	400	1,548	1,579	1,290	1,500	-	49	26,386	29,789

* Including the amount of intersegment eliminations.

Expected Investments in Fixed Assets in 2020–2024

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

	2020	2021	2022	2023	2024
Mining	3.3	3.2	4.0	2.3	2.0
Generation	15.4	14.8	18.2	16.7	14.6
Of which: Traditional energy	14.7	13.3	16.6	15.1	14.2
New energy	0.7	1.4	1.6	1.6	0.3
Distribution	14.9	14.8	15.8	15.8	14.5
Sales	1.5	1.6	1.3	1.4	1.2
Support Services	2.0	2.1	1.5	1.2	1.7
Total CAPEX	37.1	36.4	40.8	37.4	34.0

CEZ Group Commodity Procurement, Sales, and Generation

Electricity Procured and Supplied

Electricity Procured and Sold (GWh)

	2018	2019	2019/2018 Index (%)
Electricity procured	56,930	58,381	102.5
Generation	63,081	64,635	102.5
In-house and other consumption, including pumping in pumped-storage plants	(6,151)	(6,254)	101.7
Sold to end-use customers	(37,634)	(35,176)	93.5
Wholesale balance	(15,332)	(19,468)	127.0
Sold in the wholesale market	(333,262)	(324,116)	97.3
Purchased in the wholesale market	317,931	304,648	95.8
Grid losses	(3,965)	(3,737)	94.3

Electricity Generation, by Source of Energy (GWh)

2018	Czechia		Germany		Poland		Romania		Bulgaria		2018 Total	
	Traditional Sources	Renewables	Traditional Sources	Renewables	Traditional Sources	Renewables						
Nuclear	29,920	–	–	–	–	–	–	–	–	–	29,920	–
Coal	24,352	64	–	–	2,557	–	–	–	–	–	26,910	64
Hydro	1,715	170	–	–	6	–	–	83	–	–	1,721	253
Biomass	531	–	–	–	258	–	–	–	–	–	789	–
Photovoltaic	–	140	–	–	–	–	–	–	–	6	–	146
Wind	–	9	–	266	–	–	–	1,105	–	–	–	1,380
Natural gas	1,759	136	–	–	–	–	–	–	–	–	1,759	136
Biogas	–	4	–	–	–	–	–	–	–	–	–	4
Total	58,278	522	–	266	2,821	–	–	1,188	–	6	61,099	1,983

2019	Czechia		Germany		Poland		Romania		Bulgaria		2019 Total	
	Traditional Sources	Renewables	Traditional Sources	Renewables	Traditional Sources	Renewables						
Nuclear	30,245	–	–	–	–	–	–	–	–	–	30,245	–
Coal	23,367	9	–	–	2,040	–	–	–	–	–	25,407	9
Hydro	2,047	197	–	–	5	–	–	66	–	–	2,053	263
Biomass	631	–	–	–	397	–	–	–	–	–	1,028	–
Photovoltaic	–	136	–	–	–	–	–	–	–	6	–	142
Wind	–	10	–	285	–	–	–	1,185	–	–	–	1,479
Natural gas	3,699	306	–	–	–	–	–	–	–	–	3,699	306
Biogas	–	2	–	–	–	–	–	–	–	–	–	2
Total	59,990	660	–	285	2,443	–	–	1,250	–	6	62,433	2,202

Electricity Sales to End-Use Customers (GWh)

	Czechia		Poland		Romania		Bulgaria		Slovakia		Hungary		Total	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
Large customers	8,451	7,449	2,478	1,669	789	1,035	4,748	4,530	1,794	1,220	1,452	1,520	19,711	17,423
Commercial retail	2,107	2,024	261	135	912	950	1,472	1,605	156	156	–	–	4,909	4,869
Residential retail	6,946	6,819	–	–	1,724	1,723	4,344	4,342	–	–	–	–	13,014	12,884
Total	17,504	16,292	2,739	1,804	3,425	3,708	10,565	10,476	1,950	1,375	1,452	1,520	37,634	35,176

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

2018	Czechia		Germany		Poland		Romania		Bulgaria		2018 Total	
	Traditi- onal Sources	Re-ne- wables										
Nuclear power plants	4,290	–	–	–	–	–	–	–	–	–	4,290	–
CCGT power plants; gas-fired CUs and boiler plants*	845	95	–	–	–	–	–	–	–	–	845	95
Coal-fired power plants and heating plants	6,114	79	–	–	568	–	–	–	–	–	6,682	79
Hydroelectric power plants	1,893	68	–	–	1	–	–	22	–	–	1,894	90
Photovoltaic power plants	–	125	–	–	–	–	–	–	–	5	–	130
Wind power plants	–	8	–	134	–	–	–	600	–	–	–	742
Biogas plants	–	1	–	–	–	–	–	–	–	–	–	1
Total	13,142	377	–	134	569	–	–	622	–	5	13,711	1,137

* ČEZ Energo, s.r.o., was included among CEZ Group's fully consolidated companies in 2018. ČEZ Energo takes care of the operation and subsequent development of a portfolio of small local electricity and heat generation facilities. Its target partners include municipalities, district heating system operators, industry, hospitals, sports facilities, accommodation facilities, and residential or administrative complexes.

2019	Czechia		Germany		Poland		Romania		Bulgaria		2019 Total	
	Traditi- onal Sources	Re-ne- wables										
Nuclear power plants	4,290	–	–	–	–	–	–	–	–	–	4,290	–
CCGT power plants; gas-fired CUs and boiler plants	845	110	–	–	–	–	–	–	–	–	845	110
Coal-fired power plants and heating plants	5,894	79	–	–	568	–	–	–	–	–	6,462	79
Hydroelectric power plants	1,893	68	–	–	1	–	–	22	–	–	1,894	90
Photovoltaic power plants	–	125	–	–	–	–	–	–	–	5	–	130
Wind power plants	–	8	–	134	–	–	–	600	–	–	–	742
Biogas plants	–	1	–	–	–	–	–	–	–	–	–	1
Total	12,922	391	–	134	569	–	–	622	–	5	13,491	1,152

Heat

Heat Supplied and Sold (TJ)

	Heat Supplied for Heating Purposes		External Heat Sales (outside CEZ Group)	
	2018	2019	2018	2019
Czechia	21,358	21,469	17,735	18,864
Poland	5,646	5,366	5,478	5,252
CEZ Group, total	27,004	26,835	23,213	24,116

Natural Gas

Natural Gas Procured and Sold (GWh)

	2018	2019	2019/2018 Index (%)
Procured	244,370	384,216	157.2
Removed from storage	5,918	9,556	161.5
Sales	(239,366)	(374,459)	156.4
Of which: Trading	(229,266)	(364,005)	158.8
External large customers	(3,922)	(4,130)	105.3
Medium-sized end-use customers	(1,597)	(1,582)	99.1
Small end-use customers	(1,123)	(1,109)	98.8
Residential retail	(2,967)	(2,964)	99.9
OTE	(493)	(670)	135.8
Placed in storage	(6,733)	(10,648)	158.1
Consumed in-house	(4,188)	(8,664)	206.9

Natural Gas Sold to End-Use Customers (GWh)

	Czechia		Poland		Romania		Slovakia		Total	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
External large customers	1,075	893	892	884	–	–	1,955	2,352	3,922	4,130
Medium-sized end-use customers	392	298	12	28	1,086	1,170	108	85	1,597	1,582
Small end-use customers	986	974	–	–	–	–	137	135	1,123	1,109
Residential retail	2,962	2,959	–	–	–	–	4	5	2,967	2,964
Total	5,415	5,124	904	913	1,086	1,170	2,203	2,577	9,607	9,784

Distributed Electricity

Electricity Distributed by CEZ Group (GWh)

	Czechia		Romania		Bulgaria	
	2018	2019	2018	2019	2018	2019
Electricity distributed to end-use customers	35,980	35,863	6,826	6,810	9,541	9,426

ČEZ, a. s., Financial Performance

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

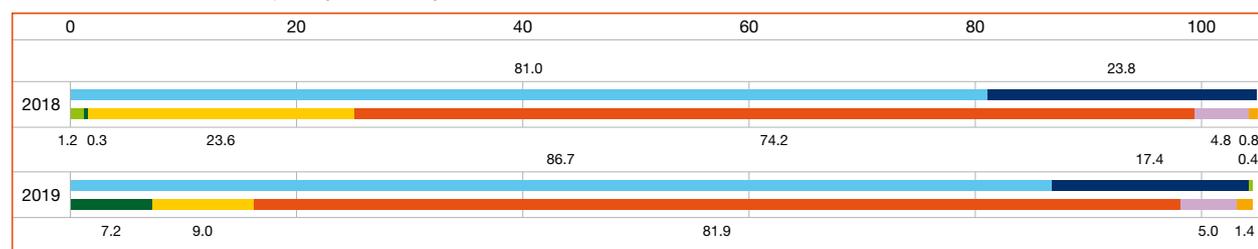
Selected ČEZ, a. s., Indicators

	Unit	2018	2019	2019/2018 Index (%)
Installed capacity	MW	11,096	10,876	98.0
Electricity generated (gross)	GWh	50,204	53,676	106.9
Heat sold (including sales within CEZ Group)	TJ	9,915	10,689	107.8
Workforce headcount as at December 31	Persons	5,311	5,381	101.3
Operating revenue	CZK millions	79,749	88,298	110.7
EBITDA	CZK millions	13,530	23,419	173.1
Net income	CZK millions	23,776	17,393	73.2
Dividend per share (gross) ¹⁾	CZK/share	33.0	24.0	72.7
Net cash provided by operating activities	CZK millions	37,112	24,623	66.3
Capital expenditures (CAPEX)	CZK millions	6,741	8,640	128.2
Total assets	CZK millions	626,075	622,086	99.4
Equity	CZK millions	183,212	203,479	111.1
Return on equity (ROE), net	%	12.8	9.0	x

¹⁾ Awarded in the given year.

Changes in Revenues, Expenses, and Income

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



- Operating expenses
- Net income
- Income tax
- Gains and losses from commodity derivative trading
- Other income (expenses)
- Sales of electricity, heat, gas, and coal
- Sales of services and other sales
- Other operating income

The 2019 net income (after-tax income) of ČEZ, a. s., amounted to CZK 17.4 billion, which is a year-on-year decrease of CZK 6.4 billion. The decrease was primarily due to year-on-year decrease in received dividends (CZK -18.9 billion). In contrast, there was a year-on-year positive effect of gains and losses from commodity derivative trading (CZK +6.9 billion) and additions to and reversals of impairments of financial assets (CZK +6.0 billion).

Net income achieved in 2019 is fully in line with Company management's initial estimates (amounting to CZK 17–19 billion).

Operating revenues amounted to CZK 88.3 billion in 2019. They increased by CZK 8.5 billion year-on-year due to higher revenue from sales of electricity, heat, gas, and coal (CZK +7.8 billion), other operating income (CZK +0.6 billion), and revenue from sales of services (CZK +0.2 billion).

Operating expenses of CZK 86.7 billion in 2019 increased by CZK 5.7 billion year-on-year. The increase in expenses was primarily due to fuel and emission allowances (CZK -3.2 billion), other operating expenses (CZK -1.2 billion), personnel costs (CZK -0.6 billion), services (CZK -0.4 billion), and depreciation and amortization of noncurrent assets (CZK -0.2 billion). In contrast, the amount of operating expenses was positively affected by lower impairments of noncurrent assets and trade receivables (CZK +0.1 billion).

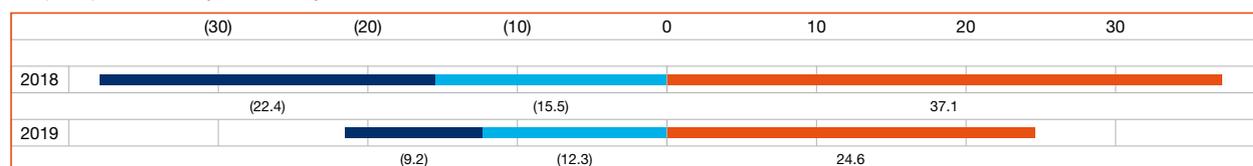
Operating income was also affected by gains and losses from commodity derivative trading (CZK +6.9 billion).

Other income (expenses) amounted to CZK 9.0 billion in 2019. A year-on-year negative effect (CZK -14.5 billion) resulted primarily from lower other financial income (CZK -20.8 billion), which was primarily due to decrease in dividends received (CZK -18.9 billion) in relation to a significant amount of dividends received from ČEZ Distribuce in 2018. There was also a negative effect of the balance of interest expense and income, including interest on provisions (CZK -0.2 billion). In contrast, there was a positive effect of lower additions to and reversals of impairments of financial assets (CZK +6.0 billion) and lower other financial expenses (CZK +0.4 billion).

Income tax increased by CZK 1.6 billion.

Cash Flows

ČEZ, a. s., Cash Flows (CZK Billions)



- Investing activities
- Financing activities and effect of rate differences and impairments on cash amounts
- Operating activities

Cash flows from operating activities decreased by CZK 12.5 billion year-on-year to CZK 24.6 billion.

The year-on-year decrease in cash flows from operating activities was primarily due to lower dividends received (CZK -18.9 billion) and change in working capital (CZK -14.4 billion). Higher income tax was also paid (CZK -0.3 billion). By contrast, earnings before taxes adjusted for noncash operations increased (CZK +21.2 billion).

In respect of working capital, negative year-on-year effects included, most importantly, change in the balance of payables and receivables from derivatives including options (CZK -16.2 billion) and change in emission allowances adjusted for changes in the fair value of allowances for trading (CZK -12.5 billion). In contrast, there was a positive effect of change in the balance of trade receivables and payables including advances and accruals/deferrals (CZK +14.0 billion) and change in inventories (CZK +0.3 billion).

Cash used in investing activities decreased by CZK 13.2 billion in 2019 as compared to 2018, to CZK 9.2 billion. This was primarily due to lower loans made, net of repayment (CZK +13.1 billion) and higher revenue from the sale of subsidiaries, associates, and joint ventures and repayment of original contributions (CZK +3.4 billion), primarily as a result of decrease in the equity of Romanian subsidiaries. The opposite year-on-year effect was produced by acquisitions of subsidiaries, associates, and joint ventures (CZK -1.0 billion), revenue from the sale of fixed assets (CZK -1.5 billion), acquisitions of fixed assets including capitalized interest (CZK -0.5 billion), and change in financial assets with limited availability (CZK -0.2 billion).

Cash used in financing activities (including net effect of currency translation and valuation allowances in cash), decreased by CZK 3.2 billion year-on-year to CZK 12.3 billion. There were lower dividends paid in 2019 (CZK +4.8 billion) and a positive effect of change in the balance of proceeds from and repayments of borrowings (CZK +1.4 billion). In contrast, there was greater change in payables and receivables from Group cash pooling (CZK -1.8 billion) and lease repayments increased cash used in financing activities (CZK -1.2 billion), which was due to the application of IFRS 16 in 2019.

Structure of Assets, Equity, and Liabilities

The value of assets, equity, and liabilities decreased by CZK 4.0 billion to CZK 622.1 billion in 2019.

Noncurrent assets increased by CZK 17.9 billion to CZK 444.1 billion.

There was an increase in net property, plant, and equipment (CZK +7.5 billion), which was primarily due to increase in the capitalized portion of nuclear provisions (CZK +11.4 billion) and the application of IFRS 16 to the reporting of operating leases (CZK +2.5 billion). Conversely, other effects decreased net property, plant, and equipment (CZK -6.4 billion); most importantly, depreciation, amortization, and impairments exceeded investments in net property, plant, and equipment.

There was also an increase in property, plant, and equipment in progress, including advance payments (CZK +1.1 billion) and a decrease in nuclear fuel (CZK -0.1 billion).

Other noncurrent assets increased (CZK +9.5 billion) primarily due to increase in noncurrent intangible assets (CZK +4.8 billion) resulting from increase in long-term emission allowances. There was also an increase in ownership interests in subsidiaries including impairments (CZK +2.5 billion), long-term receivables from derivative trading (CZK +2.2 billion), and financial assets with limited availability (CZK +1.0 billion). Conversely, there was year-on-year decrease in long-term receivables (CZK -0.6 billion) and long-term equity securities (CZK -0.3 billion).

Current assets decreased by CZK 21.9 billion to CZK 178.0 billion in 2019. The decrease in current assets was affected by decrease in short-term receivables from derivative trading including options (CZK -32.7 billion) and decrease in trade and other receivables (CZK -6.2 billion), primarily those related to the clearing of electricity exchange transactions, and repayment of debt securities (CZK -1.3 billion). In contrast, there was year-on-year increase in short-term emission allowances (CZK +11.2 billion), cash and cash equivalents (CZK +3.1 billion), other short-term receivables (CZK +2.8 billion), primarily loans within CEZ Group, and receivables from Group cash pooling (CZK +1.2 billion).

Equity increased by CZK 20.3 billion on 2018 to CZK 203.5 billion. Net income generated in 2019 contributed to the increase in equity (CZK +17.4 billion); other comprehensive income increased (CZK +15.4 billion). Dividends awarded to shareholders decreased equity (CZK -12.8 billion). Other changes in equity (CZK +0.3 billion) were primarily related to sale of treasury shares.

Noncurrent liabilities increased by CZK 11.1 billion to CZK 225.4 billion. Long-term provisions, especially nuclear, increased over the previous year (CZK +12.3 billion). There was year-on-year increase in noncurrent lease liabilities (CZK +4.3 billion) due to the application of IFRS 16. There was also year-on-year increase in deferred liability (CZK +3.5 billion) and other noncurrent liabilities (CZK +1.7 billion). In contrast, there was decrease in noncurrent derivative liabilities (CZK -7.3 billion) and bonds issued and long-term bank loans (CZK -3.5 billion).

Current liabilities decreased by CZK 35.4 billion to CZK 193.2 billion primarily due to decrease in liabilities from derivative contracts including options (CZK -47.7 billion). There was also year-on-year decrease in short-term loans (CZK -7.6 billion) and Group cash-pooling liabilities (CZK -4.6 billion). In contrast, there was increase in the current portion of long-term debt (CZK +19.2 billion), trade and other payables (CZK +2.5 billion), short-term provisions (CZK +2.4 billion), and income tax liability (CZK +0.5 billion).

Treasury Shares

To cover claims arising out of the Company's stock option plan, 3,125,021 treasury shares, representing 0.58% of its stated capital, were held on the asset account of ČEZ, a. s., with the Central Securities Depository as at January 1, 2019.

ČEZ used 573,781 shares, representing 0.11% of its stated capital, to satisfy the claims of beneficiaries under the Company's stock option plan in 2019. The average call price at which the shares were sold to beneficiaries amounted to CZK 434.74 per share. The total amount received for the transfer of the shares to the beneficiaries was CZK 249.5 million (including interest).

As at December 31, 2019, the above-mentioned asset account contained 2,551,240 treasury shares, that is, 0.47% of the stated capital.

Comprehensive Income

Net comprehensive income in 2019 increased over 2018 by CZK 19.7 billion to CZK 32.8 billion. Net income decreased (CZK -6.4 billion) while other comprehensive income increased (CZK +26.1 billion). Other comprehensive income was positively affected, year-on-year, primarily by change in the fair value of cash flow hedging instruments (CZK +26.9 billion), which resulted from increase in the fair value of sales contracts for electricity supplies in 2020–2025 in relation to decreased market prices of electricity in 2019. Reclassification of cash flow hedges to profit and loss and assets increased year-on-year (CZK +5.3 billion). The associated deferred tax decreased other comprehensive income year-on-year (CZK -6.1 billion).

ČEZ, a. s., Electricity Generation

ČEZ's electricity generation increased by 3.5 TWh in 2019 over 2018 to 53.7 TWh. The increase was primarily due to 1.9 TWh increase in generation at the Počerady CCGT plant due to lower gas prices, as well as to 0.8 TWh increase in generation at coal-fired power plants, especially the Prunéřov II power plant, whose generation increased by 1.0 TWh primarily as a result of generator replacement outages in 2018. Nuclear power plants generated a total of 30.2 TWh in 2019, which is a year-on-year increase of 0.3 TWh; the Temelín power plant generated 0.1 TWh more and the Dukovany power plant generated 0.2 TWh more. Electricity generation at hydroelectric power plants increased by 0.3 TWh year-on-year due to better climatic conditions in 2019. Biomass electricity generation increased year-on-year, too, by 0.1 TWh.

Safety and Quality Management

Safety is CEZ Group's topmost priority, which employees are reminded of at regular intervals by means of internal communication tools. The Board of Directors of ČEZ fully accepts its responsibility for ensuring the safety and security of generating facilities and the protection of individuals and the public. In environmental protection, it proceeds in compliance with applicable law as well as Czechia's international commitments. CEZ Group's centrally managed internal regulations give priority to safety and security in all processes and activities.

The safety management system at CEZ Group is structured into safety segments according to risks prevailing in the pursuit of activities and with respect to strategic management. In accordance with rules defined in CEZ Group, safety management is divided into three segment safety management centers:

- Conventional energy
- Nuclear energy
- New energy

In accordance with the declared concern interest—CEZ Group Uniform Governance System—management systems are introduced to support corporate governance at companies that are certified by accredited certification bodies or audited by relevant independent bodies, as appropriate. The certification of individual companies within CEZ Group supports transparency and communication toward the general public and other stakeholders. Management systems are a tool for systematically reducing the risks of environmental disasters and serious work-related injuries. Established management systems include continuous improvement.

A quality management system according to ISO 9001 is introduced and certified at CEZ Group companies having direct contact with customers, namely ČEZ Energetické produkty, ČEZ ESCO, ČEZ Energetické služby, ČEZ Distribuce, ČEZ ENERGOSERVIS, MARTIA, SD - Kolejová doprava, and PRODECO.

An environmental management system according to ISO 14001 is introduced and certified at the following CEZ Group companies: ČEZ, a. s., Fossil and Hydro Generation Division; Dukovany Nuclear Power Plant and Temelín Nuclear Power Plant under the ČEZ, a. s., Nuclear Energy Division; Elektrárna Dětmarovice; Elektrárna Počeradý; Energotrans; ČEZ Energetické produkty; ČEZ ENERGOSERVIS; ČEZ Distribuce; ČEZ Energetické služby; Energocentrum Vítkovice; MARTIA; SD - Kolejová doprava; and PRODECO. Certified generating facilities accounted for approximately 97.6% of CEZ Group's installed capacity in Czechia as at December 31, 2019.

An energy management system according to ISO 50001 is introduced and certified at the following CEZ Group companies: ČEZ, Energotrans, Elektrárna Dětmarovice, Elektrárna Počeradý, ČEZ ENERGOSERVIS, Energetické centrum, ČEZ Distribuce, ČEZ Korporátní služby, ČEZ Energetické služby, and Energocentrum Vítkovice. Certified generating facilities accounted for approximately 97.6% of CEZ Group's installed capacity in Czechia as at December 31, 2019.

The following CEZ Group companies have an occupational safety and health management system in place and are certified either as a Safe Enterprise or according to OHSAS 18001: ČEZ, a. s., Fossil and Hydro Generation Division; Dukovany Nuclear Power Plant and Temelín Nuclear Power Plant under the ČEZ, a. s., Nuclear Energy Division; Elektrárna Dětmarovice; Elektrárna Počeradý; Energotrans; ČEZ Energetické produkty; ČEZ ENERGOSERVIS; ČEZ Distribuce; ČEZ Energetické služby; MARTIA; SD - Kolejová doprava; and PRODECO. Certified generating facilities accounted for approximately 97.0% of CEZ Group's installed capacity in Czechia as at December 31, 2019.

Fulfillment of obligations arising from our Safety and Environmental Protection Policy is reviewed regularly within CEZ Group through "Safety Topic of the Year" assessments. The safety topic of 2019 was "When selecting and assessing suppliers, we take into account their approach to safety and the environment".

Safety of Operated Nuclear Power Plants

ČEZ's nuclear power plants were operated in compliance with applicable nuclear energy legislation in 2019, fulfilling the conditions of all valid licenses. Their operation had a negligible impact on the environment and the populace. We continued implementing requirements set down in the new Atomic Energy Act and its implementing decrees.

Nuclear power plant safety enhancement plans were evaluated, updated, and implemented in relation to our Nuclear Safety Policy. The evaluation and updates take place every April and the 2019 evaluation showed that campaigns to enhance the safety of our nuclear power plants were executed on schedule. Both nuclear power plants carried out a qualitative upgrade (update) to their severe accident management guidelines (SAMGs) and enhanced the functions of the Standby Emergency Response Organization—communication with external entities.

Both nuclear power plants successfully passed an environmental audit in November, meaning that they meet international environmental protection standards.

A WANO Corporate Peer Review Follow-up took place at ČEZ, a. s., in November, focusing on an assessment of how ČEZ, a. s., handled both areas with potential for improvement and on the level of implementation of defined corrective actions from 2017. Noticeable improvement was observed in the implementation. There are still several opportunities for performance improvement.

At the end of the year, both power plants introduced full protection of their most important parts, or vital premises, such as control rooms and containments. Those may only be entered by ČEZ, a. s., employees and contractor employees that have been security-cleared by the National Security Authority; in addition, security elements are installed on the premises.

Nuclear Power Plant Safety Indicators in 2019

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

Note: As at March 16, 2020.

Dukovany Nuclear Power Plant

A WANO Peer Review Follow-up took place at the Dukovany NPP in February to review nine areas for improvement defined by a WANO review back in 2017. Room for improvement was identified in maintenance, human performance, and engineering. On a four-grade evaluation scale, two best grades of “A” were given for chemistry and engineering and seven very good grades of “B” were given for the remaining areas. WANO team members appreciated the change and noticeable progress that the power plant had made in the areas.

Standard equipment tests before the restoration of Unit 2 operation after refueling, performed in June, identified a chemistry deviation from expected values at steam generator 6. Taking a conservative approach, a decision was made to shut down the unit, check the condition of the equipment, and repair any defects as appropriate. The shutdown was also used to check steam generator 2. The performed checks showed thinning of the heat-transfer areas of several tubes, which were plugged and then checked using the bubble method and eddy currents. Technical preparation for and the actual execution of a repair of steam generator 6, including procedure validation and repair documentation, required an 87-day outage of Unit 2 due to the location of the leak.

Temelín Nuclear Power Plant

An unannounced exercise—call-up and gathering at a backup control center—took place in April. All members of the Standby Emergency Response Organization arrived to the premises of the České Budějovice backup emergency and support center within sixty minutes of the allowed ninety-minute limit.

A small fire occurred in the nonnuclear part of the power plant in late June. There were no injuries or damage to property. The event was reported to the Czech supervisory authorities as well as to Austrian authorities in accordance with the Melk Protocol. The power plant was inspected by 28 experts from 17 countries on July 17 to August 2. This was the very first time when a mission took place during an outage and was led by WANO's Paris center. The WANO team identified three power plant strengths and nine areas for improvement. Principal recommendations concerned leadership and risk management.

Unit 1 underwent unscheduled disconnection from the transmission system in November due to increased vibration at the turbine-generator unit. Electricity generation was restored and the unit was connected to the grid once the entire turbine-generator unit was balanced out and checked and diagnostics were run.

Unit 1 was disconnected from the transmission system at the end of December due to repair of electricity generator cooling in the nonnuclear part of the power plant. Connection and generation were restored on January 3, 2020.

Cybersecurity

ČEZ has been the administrator of a critical information infrastructure pursuant to the Cybersecurity Act (CSA), No. 181/2014 Sb., since 2016.

At the request of the Czech National Cyber and Information Security Agency, ČEZ underwent a process of reviewing the identification of critical information infrastructure and the identification of fundamental service information systems in 2019. During the process, the National Cyber and Information Security Agency designated most systems necessary for the safety, security, and control of operated generating facilities at ČEZ, in both electricity and heat generation, as critical information infrastructures or fundamental service information systems.

In relation to a warning against the use of software and hardware made by Huawei Technologies Co., Ltd., and ZTE Corporation, issued by the Czech National Cyber and Information Security Agency in December 2018 and stating that such use presents a security threat, ČEZ reviewed its risk analysis of protected systems and took appropriate measures in the first half of 2019. In May and June 2019, ČEZ underwent an inspection pursuant to CSA, performed by the National Cyber and Information Security Agency at the Dukovany Nuclear Power Plant site. In the final report, the inspection team stated that cybersecurity was handled at an appropriate level as required by CSA. Outcomes and recommendations from the inspection are addressed by ČEZ under its established management system.

ČEZ also duly honors its obligations concerning computer security pursuant to Act No. 263/2016 Sb., Atomic Energy Act. In this context, comprehensive documentation of computer security measures was prepared for both operated nuclear power plants and submitted to the State Office for Nuclear Safety in 2019.

Supplier Competence (Audit) and Assessment

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

There were 92 supplier audits conducted in 2019, including 25 audits conducted jointly with CEZ Group companies' principal contractors. By December 31, 2019, ČEZ had struck 5 companies off the List of Qualified Suppliers while it had 205 qualified suppliers of items relevant to nuclear safety and radiation protection pursuant to the requirements of SÚJB Decree No. 408/2016 Sb.

A total of 177 companies were assessed in 2019 under the supplier assessment system for supplies of spare parts and materials, services, and construction work having a relation to safety-relevant items.

A vibrant orange butterfly with black spots is perched on a green leaf. The background is a dense forest of various green plants, including ferns. An orange semi-transparent box is overlaid on the upper right portion of the image, containing white text.

Digitization in Distribution

Digitization, which means making more use of ICT infrastructure and technological applications in distribution, is an answer to growing demands placed on this sector. The development of renewables and electric mobility results in growing demands for active network management and the distribution service itself needs to better respond to the immediate situation. More and more customers also want to communicate with the distributor electronically.



ENERGY ECOSYSTEM



Czechia

Fundamental Policy Documents

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

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

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

The European Union's climate and energy policy targets for 2030 were incorporated into the Czech National Energy and Climate Plan in 2019; such plans were drawn up by all EU member states on the basis of Article 9 of the Regulation on the Governance of the Energy Union and Climate Action, which entered into force on December 24, 2018. The NCEP covers all five dimensions of the "Energy Union":

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

The European Commission published its assessment of the Czech plan in June 2019, stating that its target is less than the 23% resulting from Annex 2 to Regulation (EU) 2018/1999 of the European Parliament and of the Council of December 11, 2018, on the Governance of the Energy Union and Climate Action¹.

The NCEP was approved by the Czech government on January 13, 2020. It includes a raised target share of renewables in gross total energy consumption by 2030, amounting to 22% rather than 20.8% as planned originally. It cannot be excluded that the SEP will be updated in the wake of the adoption of the NCEP.

The NAP NE, as a follow-up document to the SEP, describes options for and risks to the future development of nuclear energy in Czechia. In 2019, the primary job of a task force established for the implementation of the NAP NE continued to be preparing background documents and analyses necessary for identifying which solution for the construction of new nuclear units is acceptable for the state, contractors, and the investor.

The NAP SG envisages gradual introduction of smart distribution grids and other measures in several stages to allow including more small generators and renewables in the electricity system. It is principally progressing on schedule. An update to it was started in late 2018 and approved by the government in the fall of 2019.

The NAP CM specifies requirements for the construction of filling and charging stations for natural gas vehicles and electric vehicles between 2020 and 2030. A key principle in the NAP CM is the principle of technology neutrality, that is, not focusing the public sector's support on just a single type of alternative fuels. The NAP CM can also be said to be progressing in line with expectations.

Coal Commission

The Czech government approved the creation of a Coal Commission as its advisory body on July 30, 2019. The Commission's objective was set to be providing objective and consensual, to the extent possible, outputs concerning future use of brown coal in Czechia. After its meeting held on January 13, 2020, it was announced that the Commission will prepare three scenarios for future departure from coal use in combustion facilities: a fast course would mean coal phaseout in 2030–2035; the middle course, in 2035–2045; and the slow course, in 2045–2050.

¹ https://ec.europa.eu/energy/sites/ener/files/documents/cz_swd_en.pdf, p. 6 [accessed January 14, 2020]

The Coal Commission should present all three scenarios by no later than the end of September 2020, including their impacts on industry, economy structure, the energy sector, and the environment. They should also include an analysis of the social impact on employment in regions affected by coal phaseout. The Commission will make recommendations to be considered by the Czech government.

Construction of New Nuclear Units

In the government-approved State Energy Policy and the follow-up National Action Plan for Nuclear Energy Development, the government declared its interest in further development of nuclear energy in Czechia. To this end, the government established a standing committee on the construction of new nuclear power plants in Czechia, chaired by the Czech prime minister, and appointed a government representative for nuclear energy matters. ČEZ experts participate in the preparation of new nuclear power plants within work groups under the government committee. Documents named “Procedure for the Preparation and Construction of New Nuclear Power Plants at Dukovany and Temelín” (EDU II NNPP and ETE II NNPP) and “Analysis of Selected Investment Models for the Construction of New Nuclear Power Plants and the Manner of Their Financing” were prepared. The priority is the preparation of a new nuclear power plant at the Dukovany site, where the operability period of existing nuclear units will end sooner than that of Temelín units. The committee came to the conclusion that the most advantageous construction investment model was construction by means of ČEZ subsidiaries. It was also agreed at the government committee level that an agreement covering regulatory and market risks will be made between the Czech state and ČEZ. Subsequently, negotiations started between state representatives and ČEZ about the terms and conditions of the agreement and a team was created within the government committee to coordinate negotiations with the European Commission. At its meeting held on July 8, 2019, the government then debated and approved a document aimed at creating the conditions for further advancement of the NNPP project, including the European Commission’s confirmation that the state aid complied with Union rules (notification). The standing committee on the construction of new nuclear power plants was presented a concrete construction program at its meeting held on November 13, 2019; the construction program assumes that a land use permit for the construction of a new unit at the Dukovany Nuclear Power Plant will be issued in late 2021, the unit contractor will be selected by

the end of 2022, and the construction of the Dukovany Nuclear Power Plant unit will begin in 2029.

CEZ Group continued with work on development of projects for the new nuclear power plants. Complete draft tender specifications were prepared for the selection of a power plant building contractor and a fuel contractor for both projects. The tender specifications will be further adjusted as needed, depending on the chosen business model and manner of contractor selection.

Dukovany New Nuclear Power Plant

An opinion on the EIA report was completed and a favorable opinion of the Czech Ministry of the Environment, valid for seven years, was issued on August 30, 2019, as part of the EIA procedure for the construction of one or two new units. The manner of fulfillment of individual conditions in the opinion is still being analyzed. Draft documentation for the issue of a siting approval was prepared as input for proceedings before the State Office for Nuclear Safety and a contract was signed with the preparer of documentation necessary for the initiation of land use proceedings. Support documents are being prepared for the incorporation of the Dukovany NNPP project in all levels of land use planning documentation. Geological and hydrogeological surveys of the intended construction site and its neighborhood continued and environmental surveys were carried out in a number of environmental compartments.

Temelín New Nuclear Power Plant

Necessary preparatory activities were carried out, in particular the implementation of conditions arising from the issued EIA opinion and the issued siting permit for new Temelín Units 3 and 4. Documentation is being prepared for filing an application for the extension of the validity of the EIA opinion, related and induced investments continued to be prepared and implemented, and collaboration with ČEPS continued. The State Office for Nuclear Safety was sent an update to the Initial Safety Analysis Report (a supporting document for the siting application for Temelín Units 3 and 4) according to the new Atomic Energy Act. Preparations were made for the creation of documentation for the land use proceeding as another step in the NNPP licensing procedure. Draft contents are being drawn up of individual chapters of documentation for the issue of a siting approval for the nuclear plant site.

Situation in the Wholesale Energy Market in Czechia

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

Official trading under the XBID project, or Cross-Border Intraday Coupling, started on November 19, 2019. On that date, fourteen previously coupled EU countries were joined by another seven countries. The project aims to create a solution for continuous intraday trading at pan-European level, increasing the overall efficiency of trading in the single intraday electricity market in the EU. Since the launch of the project, intraday cross-border transmission capacities at the Czech-German, Czech-Austrian, and Czech-Polish borders have been allocated only implicitly. Around 30 traders have been actively operating in the wholesale market for several years and there were four active electronic broker platforms with varying levels of liquidity in operation at the end of 2019. The day-ahead electricity market in Czechia is coupled with markets in Hungary, Slovakia, and Romania. Cross-border interconnector capacities were offered in a coordinated manner in 2019 by the Joint Allocation Office (JAO), transmission system operators' joint auction house, for all of Czechia's borders except the Czech-Slovak border. The capacity there is allocated on a daily basis along with traded electricity through spot power exchanges due to the market coupling arrangement.

ČEZ, a. s., reaffirmed its role as an active trader in the European context, and especially within Central and Southeast Europe, in 2019. Besides electricity, in which it trades in twenty countries, it also trades in natural gas, hard coal, oil products, and emission allowances. It provided ancillary services for the transmission system operator in Czechia. CEZ Group is an advocate of market liberalization and endeavors to contribute to increased market transparency through its activities. It also strives to further its positions through membership in professional associations such as Eurelectric, EFET, and IETA.

The principal trading channels for the forward market are the PXE platform at the EEX and the OTC market (broker platforms and bilateral contracts); organized short-term trading (OKO) arranged by OTE, a.s., has remained the principal trading channel for the spot market; and there is the new XBID platform for the intraday market. Ancillary services are purchased by the transmission system operator at auctions as a broad range of products for various time frames. The Czech market is one of Europe's most competitive markets in this segment, with independent producers outside of CEZ Group offering more than half of the necessary capacity of ancillary services. In terms of technical units, the share of ČEZ, a. s., in supplies of ancillary services in 2019 was 29%; the entire CEZ Group's share was 42% (a considerable increase over 2018).

Situation in the Retail Energy Market in Czechia

There are around 83 traders (traders with more than 100 service points registered with OTE, a.s.) actively involved in the retail market in electricity supplies to end-use customers and their number increased for the fourth year in a row. The number of (mostly residential) customers switching electricity suppliers peaked in 2012 in the wake of electricity market opening and then decreased every year until 2015. According to data provided by OTE, a.s., there were a total of 450,697 supplier switches at all voltage levels in 2019 (7.4% of service points switched electricity suppliers), which matches the 2012 figure, while the 2018 figure was 570,511 switches (9.7% of service points), which was an all-time high in the annual number of supplier switches.

With the fully liberalized and transparent wholesale electricity market in Czechia (functional PXE platform), the potential of other producers outside CEZ Group, and the transmission capacities of cross-border lines, more than half of electricity consumption in Czechia can be covered by producers other than ČEZ, a. s. While the overall average cross-border export capacity remained the same, the average wholesale price spread between Czechia and Germany increased from 1.5 EUR/MWh (difference between the OKO and EPEX spot markets) in 2018 to 2.5 EUR/MWh in 2019. Electricity was thus more expensive in Czechia again. The natural gas market in Czechia is also fully liberalized and operates on the same fundamental principles as the electricity market. Although it was liberalized later than the electricity market, the development of a competitive environment was much faster thanks to all key players' experience. The two markets exhibited a comparable level of competition in 2019. Mutual convergence of both markets is evident in the behavior of most active traders, who offer their customers both commodities. More and more customers have both electricity and natural gas supplied by the same supplier.

CEZ Group further reinforced its position as a major supplier of natural gas in 2019 through its member companies ČEZ Prodej and ČEZ ESCO. At the end of 2019, it supplied gas to 432,508 service points (as compared to 409,662 service points at the end of 2018), being the largest alternative supplier of natural gas in Czechia with a 15.3% market share (in terms of the number of service points).

Similarly to the electricity market, there are around 80 active traders (traders that have over 100 service points registered with OTE, a.s.) on the retail market in gas supplies to end-use customers. Their number increased for the fourth year in a row. There were 214,428 gas supplier switches in Czechia in 2019, approximately 19% less than in the previous year. Thus, 7.6% of service points switched their supplier of natural gas in 2019, which was 0.2 percentage points more than with electricity supplier switches.

Situation in Sales and Distribution

In electricity distribution, all prices are regulated by the Energy Regulatory Office. The Office issued price decisions stipulating prices of related service in the electricity sector and other regulated prices, stipulating prices of related service in the electricity sector for low-voltage grid customers, and specifying support for supported energy sources. There were 3,698,220 service points connected to the distribution network of ČEZ Distribuce as at December 31, 2019. As for renewable energy sources, photovoltaic power plants account for the largest number of facilities connected to ČEZ Distribuce's distribution network; there were 22,034 such plants with a total installed capacity of 1,044 MW as at December 31, 2019. The amount of electricity that flowed into the distribution network of ČEZ Distribuce, a. s., in 2019 was 44,524 GWh, that is, 1,476 GWh less year-on-year.

Economic Policy

The Czech economy kept growing in 2019, driven by increasing consumption in the household and government sectors, but it was affected by a previous slowdown in foreign demand growth. The Czech National Bank decided not to tighten its monetary policy and interest rates remained the same from May to the end of the year. However, demand for electricity, which is the main commodity sold by CEZ Group, is generally influenced by economic policy tools indirectly, through their effect on changes in gross domestic product, rather than directly. Moreover, demand for electricity as a widely consumed commodity only reacts to such changes to a limited extent.

Traditional Generation and Mining

Traditional Generation

Electricity Generation

Electricity generation by CEZ Group's generating facilities in Czechia amounted to 59,990 GWh in 2019, increasing by 1,713 GWh as compared to 2018, when it amounted to 58,278 GWh.

Nuclear power plants generated 30,245 GWh of electricity in 2019, 325 GWh more than in the previous year; the Dukovany Nuclear Power Plant generated 223 GWh more, primarily due to higher availability (83.8% in 2019 as compared to 82.4% in 2018), and the Temelín Nuclear Power Plant generated 102 GWh more due to a shortened outage of Unit 1 and higher availability in 2019 (83.1% as compared to 82.7% in 2018).

Coal-fired power plants (biomass excluded) generated 23,367 GWh of electricity, 985 GWh less than in 2018. The largest decrease in generation was at the Dětmarovice power plant, generating 841 GWh less due to unfavorable electricity prices and high prices of emission allowances and hard coal, and at the Počerady coal-fired power plant, generating 818 GWh less due to unfavorable electricity prices and a higher plant failure rate. In contrast, the Pruněřov II power plant generated 967 GWh more than in 2018 when it experienced unscheduled outages for generator replacement.

The Počerady II CCGT plant generated 3,698 GWh of electricity, 1,940 GWh more year-on-year due to favorable spot market prices of gas in 2019.

Generation from biomass amounted to 631 GWh, 100 GWh more year-on-year. This was due to increased generation at the Hodonín power plant, which generated 50.4 GWh more thanks to completed engineering modifications that allowed using biomass as primary fuel in both of its boilers, and the Poříčí power plant, which generated 50.1 GWh more than in 2018 when there was a boiler outage for necessary environmental upgrades.

Generation by large hydroelectric power plants was 2,047 GWh, that is, 333 GWh more year-on-year due to better climatic conditions in 2019.

Heat Generation and Sales

CEZ Group's facilities in Czechia supplied 17,071 TJ of heat to customers in 2019, which was an increase of 421 TJ as compared to 2018. ČEZ Teplárenská, a member of CEZ Group, supplies heat to customers in 34 cities in the Ústí nad Labem, Karlovy Vary, Central Bohemia, Pardubice, Hradec Králové, Moravia-Silesia, and Southern Moravia Regions. The company increased its heat supplies to customers year-on-year primarily due to acquisitions of new heat consumption sites. It supplied heat to approximately 130,000 households in 2019. Energotrans's main customer for heat was Pražská teplárenská, a company supplying heat to Prague and Neratovice. The amount delivered was positively affected, year-on-year, by a colder period in the first months of 2019 and the resulting higher demand for heat supply among customers.

Capital Construction

Nuclear Energy—Existing Facilities

At the Dukovany and Temelín nuclear power plants, work continued on projects focusing on the enhancement of nuclear safety and necessary plant renovation and on projects related to generation modernization, stabilization, safety, and efficiency. Capital expenditures necessitated by conditions for operation extension were also made at Dukovany.

Preparatory work, selection procedures, and implementation were also underway for projects aimed to fulfill legislative requirements arising from the amended Atomic Energy Act. A major capital investment project for supplying heat from the Temelín Nuclear Power Plant to the regional capital of České Budějovice continues in the Southern Bohemia Region.

Conventional Energy

Preparatory, designing, and implementing work continued on projects related to plant renovation and operational safety maximization in 2019. As regards coal-fired power plants and heating plants, this primarily involved projects to enable operating the facilities after 2020, when new BAT emission limits (applied to integrated permits issued to polluters) will enter into force. All coal-fired facilities continued with intense testing of techniques to reduce mercury concentrations in flue gases, which depend on individual technical conditions and the type of fuel used. Work carried out in 2019 included an environmental upgrade to Unit 4 at the Ledvice power plant and Unit 4 at the Dětmarovice power plant and plant renovation work on Unit 3 at the Počerady power plant. New desulfurization plant was completed at the Mělník I power plant. In addition, preparations continued for specific projects related to scheduled overhauls of facilities that are planned to be operated in the long term (most importantly, projects to be implemented at the Tušimice power plant in 2021 and 2022). Implementation of measures aimed at reducing the content of mercury in atmospheric emissions also continued at coal-fired power plants.

Installed Capacity

Installed capacity at traditional generating facilities in Czechia amounted to 12,922 MW. A year-on-year decrease of 220 MW was due to the termination of the license of the coal-fired Ledvice II power plant on November 15, 2019.

List of Traditional Generating Facilities in Czechia as at December 31, 2019

Nuclear Power Plants

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned
Dukovany	ČEZ	4× 510	1985–1987 renovated in 2009, 2010, 2011, 2012
Temelín	ČEZ	2× 1,125	2002–2003
Nuclear power plants, total		4,290.0	

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

Facility	Owner	Type of Fuel	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned
1. CCGT Power Plants				
Počerady II	ČEZ	Gas	2× 284.75 1× 275.4	2014
CCGT Power Plants			844.9	
2. Cogeneration units and boiler plants				
Husinec u Řeže cogeneration unit	ÚJV Řež	Gas	1× 0.190	1997
Husinec u Řeže cogeneration unit	ÚJV Řež	Gas	1× 0.175	2009
Cogeneration units and boiler plants			0.4	
CCGT power plants, gas-fired and cogeneration units and boiler plants, total			845.3	

Coal-Fired Power Plants and Heating Plants

Facility	Owner	Type of Fuel	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned	Desulfurized Since
1. Coal-Fired Power Plants					
Dětmárovice	Elektrárna Dětmárovice	Hard coal, brown coal	4× 200	1975–1976	1998
Ledvice III	ČEZ	Brown coal	1× 110	1968	1998
Ledvice IV	ČEZ	Brown coal	1× 660	2017	¹⁾
Mělník II	ČEZ	Brown coal	2× 110	1971	1998
Mělník III	ČEZ	Brown coal	1× 500	1981	1998
Počerady	Elektrárna Počerady	Brown coal	5× 200	1970–1971 1977	1994, 1996
Pruněřov I	ČEZ	Brown coal	4× 110	1967–1968	1995
Pruněřov II	ČEZ	Brown coal	3× 250	1981–1982 comprehensive retrofit ²⁾ 2012–2016	1996
Tušimice II	ČEZ	Brown coal	4× 200	1974–1975 comprehensive retrofit 2007–2012	1997
Coal-fired power plants, total			5,280.0		
2. Heating Plants					
Dvůr Králové nad Labem	ČEZ	Brown coal	1× 3.5 1× 3.8	1955 2011	1997
Hodonín	ČEZ	Brown coal, biomass	1× 50 1× 57	1954–1958	1996–1997
Mělník I	Energotrans	Brown coal	4× 60	1959–1961	1995
Otín u Jindřichova Hradce	Energetické centrum	Biomass	1× 5.6	2008	
Poříčí II	ČEZ	Hard coal, brown coal, biomass	3× 55	1957–1958	1996, 1998
Trmice	ČEZ	Brown coal	2× 20 3× 16 1× 1	1970 2013	1997
Heating plants, total			613.9		
Coal-fired power plants and heating plants, total			5,893.9		

¹⁾ Ledvice IV plant has complied with SO_x limits since commissioning.

²⁾ Comprehensive renewal of units B23–B25.

Hydroelectric Power Plants

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned
1. Impoundment and Run-of-River Hydroelectric Power Plants			
Kamýk	ČEZ	4× 10	1961
Lipno I	ČEZ	2× 60	1959
Orlík	ČEZ	4× 91	1961–1962
Slapy	ČEZ	3× 48	1954–1955
Štěchovice I	ČEZ	2× 11.25	1943–1944
Vrané	ČEZ	2× 6.94	1936
Impoundment and run-of-river hydroelectric power plants, total		704.4	
2. Small Hydroelectric Power Plants			
Dlouhé Stráně II	ČEZ	1× 0.163	2000
Hněvkovice	ČEZ	2× 4.8	1992
Kořensko I	ČEZ	2× 1.9	1992
Kořensko II	ČEZ	1× 0.94	2000
Lipno II	ČEZ	1× 1.5	1957
Mohelno	ČEZ	1× 1.2 1× 0.56	1977 1999
Želina	ČEZ	2× 0.315 2× 0.015	1994 2017
Small hydroelectric power plants, total		18.4	
3. Pumped-Storage Hydroelectric Power Plants			
Dalešice	ČEZ	3× 120 1× 115	1978
Dlouhé Stráně I	ČEZ	2× 325	1996
Štěchovice II	ČEZ	1× 45	1947–1949 renovated in 1996
Pumped-storage hydroelectric power plants, total		1,170.0	
Hydroelectric power plants, total		1,892.8	

Traditional sources in Czechia, total		12,922.0	
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Počerady Site

ČEZ, a. s., did not exercise its right to withdraw from the sale of the Počerady power plant by December 31, 2019, as economic conditions for the operation of coal-fired facilities keep worsening. The power plant will be handed over to the Seven Energy group on January 2, 2024.

ČEZ still owns and will own a CCGT plant at the Počerady site and will also keep the ownership of shared facilities such as a water feeder. This makes it still possible to construct a new gas-fired plant with a capacity of up to 800 MW at the site in the future.

Fuel

Nuclear Fuel

Fuel for the Dukovany Nuclear Power Plant is sourced under a long-term contract effective until 2028 (including an option) with Russian company TVEL, which not only fabricates the fuel but also provides conversion and enrichment services as well as some of the base raw material (uranium). At present, the fuel is used at an increased 105% output in a full five-year fuel cycle thanks to the latest fuel innovation (Gd-2M+) supplied since 2014. A license for using such fuel with higher enrichment (4.76%) was obtained in 2019 and the fuel will be delivered for the first time in 2020. This fuel allows introducing more economical 16-month refueling cycles. A new type of fuel (PK3+) is being developed to further increase the utilization of uranium. Concurrently with the above activities, a project is undertaken for further utilization of design margins and possible increase of thermal power to a level of 107%.

The Temelín Nuclear Power Plant also continued to operate with TVEL fuel in both units based on a new long-term fuel contract. The TVSA-T fuel facilitated switching to operation with an increased output of 104% in a four-year fuel cycle and has the potential to enable safe operation of the units in a partial work cycle of five years. A second loading of an advanced type of fuel with increased uranium content and enhanced structural rigidity (TVSA-T mod2) was loaded into Unit 2 in 2019, allowing further increase in the efficiency of fuel utilization. A selection procedure was started for fuel procurement in the period following the termination of delivery under the existing contract with TVEL.

In order to create the conditions for the diversification of nuclear fuel deliveries and ensure a competitive environment, 6 fuel assemblies made by an alternative contractor, Westinghouse Electric Sweden, were delivered and loaded to Unit 1 in 2019, following the completion of development and licensing.

For the production of nuclear fuel, both raw uranium and its processing (conversion and enrichment services) were procured under long-term contracts, either by purchases from foreign suppliers or by direct fuel deliveries from a fuel producer. As the commercial extraction of uranium in Czechia was discontinued by DIAMO, domestically produced uranium is no longer purchased. However, the processing of its inventory possessed by ČEZ, a. s., continued, providing some of the uranium needed by the Dukovany Nuclear Power Plant in 2019. A smooth transition, under a contract with a foreign uranium producer, will provide approximately 50% of the uranium needed by the Dukovany Nuclear Power Plant until 2025. All demand for uranium and conversion and enrichment services for the nuclear power plants operated by ČEZ, a. s., has been covered by contracts until 2022. Some contracts were renewed in 2019 to last until 2025.

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

Solid Fossil Fuels and Sorbents

The highest share of solid fuels supplied to CEZ Group's coal-fired power plants in Czechia in 2019 consisted of brown coal, in the total amount of 21,052 thousand tons (98.3% of coal supplied). The top suppliers of brown thermal coal to ČEZ in 2019 included Severočeské doly, Vršanská uhelná, and Sokolovská uhelná. The principal amount of 15,063 thousand tons (71.6%) was supplied by Severočeské doly, a member of CEZ Group.

Long-term coal supply contracts have been made with Severočeské doly (in effect until 2052—sales precontract), Vršanská uhelná (until 2062 and/or the exhaustion of the Vršany mine), and Sokolovská uhelná (until 2025).

The amount of hard coal supplied to CEZ Group's power plants in Czechia was 357 thousand tons. Of that, 67 thousand tons (18.8%) were supplied by OKD; the remaining 290 thousand tons (81.2%) were imported from abroad. One-year sales contracts are made for hard coal deliveries.

Sorbents for flue gas desulfurization at CEZ Group's coal-fired power plants in Czechia are delivered under long-term contracts. Sorbent deliveries amounted to 965 thousand tons in 2019.

Biomass

Biomass consumption within CEZ Group in Czechia totaled approximately 735.6 thousand tons in 2019. Biomass was burnt at the Hodonín power plant (approximately 404.9 thousand tons), and Poříčí power plant (approximately 284.4 thousand tons). Energetické centrum used phytomass for its heating plant in Otín near Jindřichův Hradec (51.3 thousand tons).

Natural Gas

Natural gas deliveries to ČEZ, a. s., were made under an annual contract with ČEZ Prodej, a.s., and amounted to 360 GWh in 2019.

Natural gas is used as fuel for the operation of gas-fired boiler plants and also for the startup and stabilization of CEZ Group's generating facilities. It is used in the Prunéřov, Dětmárovice, Počeradý, Tušimice, Temelín, and Ledvice power plants and in the Dvůr Králové nad Labem heating plant. Natural gas for the Počeradý II CCGT plant is purchased on the wholesale market and its 2019 consumption was 6.5 TWh.

Outlook for 2020

Coal-Fired and Gas-Fired Power Plants

Electricity generation by conventional coal-fired power plants is estimated at 24.0 TWh in 2020. Utmost attention will be paid to the completion of environmental measures at the Mělník I power plant, the commencement of construction of a new DeNOx system at the Trmice heating plant, and the preparation of and commercial arrangements for another round of environmental measures for 2021, in which new emission limits will enter into force.

The Počerady CCGT plant estimates its generation at 4.2 TWh; it has also prepared an extensive overhaul for the fall of 2020, during which its capacity will be increased by approximately 40 MW by utilizing design margins.

Installed capacity should decrease in 2020 because the license of Dětmarovice power plant Unit 1 was terminated on January 1, 2020 (-200 MW), and the Pruněřov I power plant is planned to be decommissioned on June 30, 2020 (-440 MW). The Mělník II power plant will be put on standby.

Hydroelectric Power Plants

Hydroelectric power plants are estimated to generate approximately 2 TWh. Their actual generation will depend on hydrological conditions in Czechia, especially in the Vltava River Cascade.

Major repairs are expected at the Štěchovice II, Kamýk, and Slapy power plants.

Nuclear Power Plants

Nuclear facilities are estimated to generate 30.13 TWh of electricity in 2020. The availability of nuclear power plants is affected by scheduled outages related not only to refueling and the performance of scheduled maintenance but also activities aimed at continual upgrades and enhancement of the operational efficiency of the two plants.

Heat Generation Outlook

Heat supplies to customers from traditional facilities in Czechia are estimated at approximately 17,600 TJ in 2020. The actual amount will primarily depend on climatic conditions.

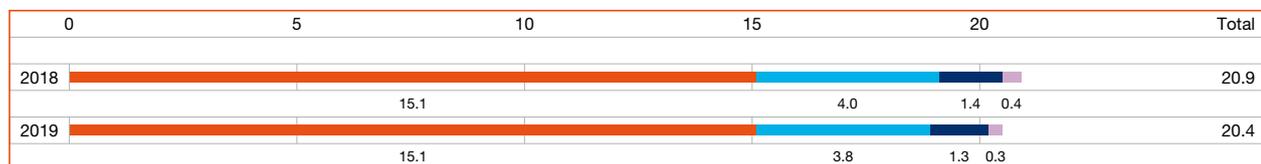
Mining

Severočeské doly

Coal Mining and Sales

Extraction, treatment, and sales of brown coal are the core business of Severočeské doly, which maintained its position as the largest Czech brown coal mining company in terms of coal production volume in 2019. Since a majority of its production is intended for consumption within CEZ Group, Severočeské doly is one of the smaller players in the free coal market. Coal is extracted in the Nástup Tušimice Mines and the Bílina Mine. The Bílina Mine, operating in the Teplice-Bílina area, extracts coal with a high calorific value and low content of harmful substances. It supplies thermal coal primarily to the Ledvice, Mělník, and Poříčí power plants and the Trmice heating plant. Its 2019 production was 8.8 million tons of coal. An important item in the company's portfolio is the Bílina sized coal, of which it supplied 1.8 million tons. The Nástup Tušimice Mines extract brown coal in the westernmost part of the Ústí nad Labem Region between the communities of Černovice, Spořice, Droužkovice, and Březno. Their 2019 production was 11.7 million tons of coal. Most of the production was delivered to local power plants at Pruněřov and Tušimice.

Coal Sales, by Customer (Millions of Tons)



- Members of CEZ Group
- Power plants and heating plants outside CEZ Group (over 50 MW)
- Other dealers' networks, including plants outside of CEZ Group 50 MW or under
- Export

Severočeské doly sold a total of 20.4 million tons of fuel in 2019, registering a year-on-year decrease of 0.5 million tons. The decrease mostly concerned sales to customers outside CEZ Group due to customer attrition and warmer weather.

Capital Construction

The corporate capital program focuses primarily on projects making provisions for extraction in the Bílina Mine. The structure of capital projects consists primarily of deliveries, renovations, and upgrades of mining equipment and dressing and crushing plants and construction of stabilization measures and water management structures.

Outlook for 2020

Severočeské doly plans to produce 20.7 million tons of coal in 2020. Delivering the planned amount is made possible primarily by higher planned demand from CEZ Group as compared to 2019.

LOMY MOŘINA

The company's core business consists of the quarrying and processing of construction aggregate and high-percentage limestones utilized in flue-gas desulfurization (FGD) systems. The company is a major supplier for FGD systems at ČEZ coal-fired power plants, to which it supplies 600–800 thousand tons of limestone per year, covering approximately 70% of their consumption. The share was approximately 71% in 2019, with limestone supplies to ČEZ power plants totaling approximately 680 thousand tons.

The estimate for 2020 is approximately 730 thousand tons. Customers purchasing the company's other important commodity, construction aggregate, whose deliveries are estimated at approximately 200 thousand tons in 2020, are entities outside CEZ Group. Verified limestone reserves allow sustained, long-term extraction operations.

Zinnwaldite Exploration

ČEZ is considering joining a lithium extraction project at Cinovec. The current developer of the project is European Metals Holdings Limited (EMH), which holds a 100% stake in Geomet, the holder of an exclusive license for exploration for zinnwaldite, a lithium-containing mineral.

Renewable Generation

Electricity Generation

Electricity generation by hydroelectric, photovoltaic, and wind facilities operated by ČEZ OZ uzavřený investiční fond in Czechia totaled 345 GWh in 2019, 23 GW more than in 2018. The year-on-year increase in generation was primarily due to better hydrological conditions for generation at hydroelectric power plants than in 2018.

ČEZ Energo, s.r.o., which was included among fully consolidated CEZ Group companies on July 1, 2018, increased its cogeneration unit and boiler plant generation by 170 GWh in 2019. In contrast, generation by Energo centrum Vítkovice, a. s., decreased by 55 GWh year-on-year because the facility was put out of operation at the end of 2018. Exceptional use of the facility was only made in January 2019.

Heat Generation and Sales

CEZ Group's renewable generation facilities in Czechia supplied 1,793 TJ of heat to customers in 2019, as compared to 1,085 TJ supplied in 2018. The increase of 708 TJ was primarily due to the construction of new generating facilities of ČEZ Energo in 2019.

Installed Capacity

The installed capacity of renewable generating facilities in Czechia reached 391 MW, increasing by 14 MW year-on-year. This was due to the commissioning of new cogeneration units and boiler plants operated by ČEZ Energo.

List of Renewable Generation Facilities in Czechia as at December 31, 2019

Cogeneration Units and Boiler Plants

Facility	Owner	Type of Fuel	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned
Cogeneration units and boiler plants, total	ČEZ Energo	Gas	109.8	2000–2019

Heating Plants

Facility	Owner	Type of Fuel	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned
Vitkovice	Energocentrum Vitkovice	Hard coal	2× 16 1× 25 1× 22	1983–1995
Heating plants, total			79.0	

Hydroelectric Power Plants

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned
1. Impoundment and Run-of-River Hydroelectric Power Plants			
Střekov	ČEZ OZ uzavřený investiční fond ¹⁾	3× 6.5	1936
Impoundment and Run-of-River Hydroelectric Power Plants, total		19.5	
2. Small Hydroelectric Power Plants			
Brno-Kníničky	ČEZ OZ uzavřený investiční fond ¹⁾	1× 3.528	1941
Brno-Komiň	ČEZ OZ uzavřený investiční fond ¹⁾	1× 0.106 1× 0.140	1923 renovated in 2008
Čeňkova Pila	ČEZ OZ uzavřený investiční fond ¹⁾	1× 0.096	1912
Černé jezero	ČEZ OZ uzavřený investiční fond ¹⁾	1× 1.5 1× 0.04 1× 0.37	1930 2004 2005
Hradec Králové	ČEZ OZ uzavřený investiční fond ¹⁾	3× 0.25	1926
Hracholusky	ČEZ OZ uzavřený investiční fond ¹⁾	1× 3.038	1964
Les Království	ČEZ OZ uzavřený investiční fond ¹⁾	2× 1.105	1923 renovated in 2005
Mělník	ČEZ OZ uzavřený investiční fond ¹⁾	1× 0.590	2010
Obříství	ČEZ OZ uzavřený investiční fond ¹⁾	2× 1.679	1995
Pardubice	ČEZ OZ uzavřený investiční fond ¹⁾	1× 1.998	1978 renovated in 2012
Pastviny	ČEZ OZ uzavřený investiční fond ¹⁾	1× 3	1938 renovated in 2003
Plzeň-Bukovec	ČEZ OZ uzavřený investiční fond ¹⁾	2× 0.315	2007
Prácheň	ČEZ OZ uzavřený investiční fond ¹⁾	1× 9.75	1953 renovated in 2001
Předměřice nad Labem	ČEZ OZ uzavřený investiční fond ¹⁾	1× 2.6	1953 renovated in 2009
Přelouč	ČEZ OZ uzavřený investiční fond ¹⁾	2× 0.68 2× 0.49	1927 renovated in 2005
Spálov	ČEZ OZ uzavřený investiční fond ¹⁾	2× 1.2	1926 renovated in 1999
Spytihněv	ČEZ OZ uzavřený investiční fond ¹⁾	2× 2	1951 renovated in 2009
Vydra	ČEZ OZ uzavřený investiční fond ¹⁾	2× 3.2	1939
Small hydroelectric power plants, total		48.8	
Hydroelectric power plants, total		68.3	

Photovoltaic Power Plants

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned
Bežerovice	ČEZ OZ uzavřený investiční fond ¹⁾	3.013	2009
Buštěhrad	ČEZ OZ uzavřený investiční fond ¹⁾	2.396	2010
Čekanice u Tábora	ČEZ OZ uzavřený investiční fond ¹⁾	4.48	2009
Hrušovany nad Jevišovkou	ČEZ OZ uzavřený investiční fond ¹⁾	3.802	2009
Chýnov u Tábora	ČEZ OZ uzavřený investiční fond ¹⁾	2.009	2009
Pánov	ČEZ OZ uzavřený investiční fond ¹⁾	2.134	2010
Přelouč	ČEZ OZ uzavřený investiční fond ¹⁾	0.021	2009
Palsko	ČEZ OZ uzavřený investiční fond ¹⁾	55.762	2010
Ševětín	ČEZ OZ uzavřený investiční fond ¹⁾	29.902	2010
Vranovská Ves	ČEZ OZ uzavřený investiční fond ¹⁾	16.033	2010
Žabčice	ČEZ OZ uzavřený investiční fond ¹⁾	5.6	2009
Photovoltaic power plants, total		125.2	

Wind Power Plants

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned
Janov	ČEZ OZ uzavřený investiční fond ¹⁾	2× 2	2009
Věžnice	ČEZ OZ uzavřený investiční fond ¹⁾	2× 2.08	2009
Wind power plants, total		8.2	

Biogas Plants

Facility	Owner	Type of Fuel	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned
Číčov Biogas Plant	ČEZ OZ uzavřený investiční fond ¹⁾	Biogas	1× 0.526	2011
Biogas plants, total			0.5	

Renewables sources in Czechia, total	391.0
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¹⁾ Generation license holder is ČEZ Obnovitelné zdroje.

Capital Construction

Only minor capital projects were implemented at the power plants of ČEZ OZ uzavřený investiční fond.

Outlook for 2020

Renewable generation by facilities operated by ČEZ OZ uzavřený investiční fond in 2020 is estimated at 350 GWh, which would mean a year-on-year increase of 5 GWh. Hydroelectric power plants will account for the highest increase in generation, as their generation is estimated at 211 GWh, 14 GWh more than in 2019. Generation by photovoltaic power plants is estimated at 126 GWh, 10 GWh less than in 2019. Wind park generation is estimated at 9 GWh, 1 GWh less than in 2019. ČEZ Energo's cogeneration units are estimated to generate 332 GWh of electricity, which would mean a year-on-year increase of 26 GWh.

Trading in Electricity, Natural Gas, and Other Energy Commodities

Trading in electricity and other energy commodities in each European country where CEZ Group operates is organized centrally by the parent company ČEZ.

CEZ Group Production Position Arrangements

These involve the following activities:

- Selling electricity generated by corporate plants on wholesale markets, including active control
- Selling ancillary services provided by CEZ Group's plants
- Procuring emission allowances for internal use

ČEZ sold electricity and purchased emission allowances in 2019 for generation in 2020–2025 by means of, most importantly, standard products (annual, quarterly, monthly) in the OTC market or on exchanges. It also sold electricity on spot exchanges and intraday platforms. In wholesale markets, it made hedges for future sales of electricity generated by corporate plants, hedges for future provisioning of electricity for end-use customers, and purchases of electricity in case of corporate plant outages. ČEZ was also the provider of ancillary services for the transmission system operator in Czechia.

In 2019, ČEZ continued trading as part of its active dispatch, which includes intraday trading optimization of CEZ Group's production positions across European electricity markets, including optimization outside working hours. Active dispatch includes trading operations motivated by the utilization of the flexibility of CEZ Group's generating facilities. Like any market participant, ČEZ is a balance responsible party that is responsible for any imbalance and its financial settlement with the market operator. ČEZ, a. s., seeks to minimize the cost of imbalances caused by unplanned outages of generating facilities or inaccurate predictions through active dispatch, reserve planning, and dispatch control of the Company's generating facilities.

Trading in Electricity and Natural Gas for Sale

CEZ Group purchases electricity and natural gas in the wholesale market for reselling to its end-use customers.

Proprietary Trading in Energy Commodities

The main purpose of proprietary trading is to make an additional profit by taking advantage of arbitrage opportunities or other forms of speculative trading on wholesale markets. Proprietary trading involves mainly commodities that are traditional for ČEZ, a. s., such as electricity or emission allowances, which are traded both in OTC markets and on energy exchanges, for example, at the European Energy Exchange (EEX) in Leipzig. Other traded commodities included natural gas in the form of futures products on the Intercontinental Exchange (ICE) in London, the European EEX, and other trading platforms. Last but not least, ČEZ trades in hard coal using futures products on the ICE in London and the OTC market in commodity coal swaps. In 2019, it also traded in options with electricity, gas, and EUAs as their underlying assets and also in hard coal and oil with financial settlement.

There are specific risk management frameworks for all trading and dealing activities, which define allowed products, time frames, counterparties, and especially market and credit rules and limits on the basis of stop-loss orders (closing a position when a predefined loss is made), value at risk, current credit exposure, and future credit exposure. Adherence to the limits is reviewed daily and any excesses are dealt with in accordance with the applicable risk management framework.

In addition, proprietary trading has been regulated by the European Union since 2011 as a result of wholesale market regulation (see External Conditions in the Energy Sector—Regulation of Wholesale Markets in Electricity and Natural Gas).

Distribution

Electricity Distribution

Electricity in approximately 5/8 of Czechia is distributed by ČEZ Distribuce, which arranged for 35,863 GWh of electricity to be supplied to customers in 2019. The year-on-year decrease of 117 GWh was due to a 286 GWh decrease in demand for electricity at the medium- and high- voltage levels. In contrast, consumption at the low-voltage level increased by 169 GWh year-on-year due to an increase in the number of service points and customers' switches to higher-consumption tariffs. The greatest portion of electricity supplied to the distribution grid in 2019 was electricity from the network of ČEPS, accounting for 64.6% (28,743 GWh), which was 1,005 GWh more than in the previous year. In electricity distribution, all prices are regulated by the Energy Regulatory Office. There were almost 3.7 million service points connected to the distribution grid of ČEZ Distribuce as at December 31, 2019.

Customer Service

A new portal Bez štávy ("No Power", available at bezstavy.cz) was launched in January 2019 to allow customers to simply check the current condition of electricity supply to a specific service point. After entering an address or having their location automatically determined using GPS, customers can find out online whether a service point is experiencing a scheduled outage or an already reported power failure (in which case the customer will be informed of the estimated time of power restoration) or whether this is a new power failure that they can report instantly. The portal has been used by more than 120,000 customers since its launch. In order to improve services for calling customers, the call center uses new technology that allows, among other things, reacting more flexibly to operational occurrences in the distribution system. Callers are promptly informed of current failures in the distribution system using modern text-to-speech tools. Additional technical consulting centers (for contact with customers) were opened in 2019 in Hradec Králové (January), Pardubice (February), and Kolín and Liberec (November). They are used by customers that prefer personal contact or customers dealing with more complex issues that need to consult the matter in person. The centers handled more than 60,000 customers' distribution-related requests in 2019.

A Crisis Information System for municipalities serves to inform mayors and members of crisis management boards about estimated power restoration times during distribution system emergencies. The system was used to send approximately 53,500 informative text messages during 6 emergencies in 2019. At the moment, 90% of all municipalities located in the distribution area of ČEZ Distribuce are registered in the system.

Capital Construction

The principal objective of capital expenditure on power system renovation and development is improving the quality, reliability, and safety of electricity supply. Capital expenditures in 2019 went mostly into the renovation of distribution grids at all voltage levels, transformer substation reconstructions, and transformer and electricity meter renovations. A significant portion of capital expenditure was made on distribution system development, both to meet customers' increasing requirements for connection to the distribution system and to prepare for new trends in the energy sector by investing in digitization and smart technologies. The capital expenditures were mostly aimed at adding metering equipment to distribution substations, installing remotely controlled elements in medium-voltage grids, and continuing the construction of fiber-optic infrastructure development projects.

Outlook for 2020

ČEZ Distribuce estimates its 2020 electricity supplies to customers at 36.3 TWh. Priority areas in distribution include safe and reliable operation of the distribution system and implementation of key investment measures related to the integration of decentral facilities and implementation of new technologies and smart grid elements. ČEZ Distribuce continues implementing its strategy for fiber-optic infrastructure development in order to ensure long-term development of advanced technologies in distribution grid management, in synergy with preparations for a higher level of grid automation. In respect of processes, the company concentrates primarily on increasing the level of process digitization and automation, both towards customers and inside the company, with the aim of improving the speed and efficiency of such processes.

Sales of Commodities and Energy Services

Sales of Electricity and Natural Gas

In 2019, CEZ Group's offer for end-use customers in Czechia included:

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

Sales to end-use customers in 2019 amounted to 16,292 GWh of electricity and 5,124 GWh of natural gas.

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

ČEZ Prodej kept the price for its customers stable for the better part of 2019 despite increased purchase prices of electricity.

This had a positive effect on its portfolio balance for both commodities. Following price adjustments at the beginning of the year, the company was finally forced to factor in the increased purchase price of electricity in November 2019. Because of developments in the energy market, all major competitors reacted in a similar way in the second half of 2019. CEZ Group's offering thus remains competitive not only in unfixed but also in primarily fixed products for both commodities.

Due to growing demand for supply of environmentally sustainable energy, CEZ Group created a new Green Electricity product in 2019, for which it guarantees its customers that their annual consumption of electricity will be covered by electricity generated from renewable sources, in the form of certificates of purchase origin. For example, electricity generation by the Vltava River Cascade and by a Czech biomass-fired heating plant was chosen for these purposes in 2019.

Corporate, municipal, and public authority customers are supplied with electricity and gas by ČEZ ESCO so that all of their energy needs, from commodity supply to energy services, are handled in a comprehensive manner by a single partner within CEZ Group. ČEZ ESCO supplies the commodity to approximately 23,000 customers in this manner.

Sales of Decentralized Energy Services and Energy Solutions

Energy services and new energy solutions for industrial energy customers, public authority customers, commercial properties, businesses, and municipalities are provided by CEZ Group through ČEZ ESCO, a company delivering energy savings, decentralized sources, lighting, and other energy products. It offers solutions with emphasis on new technologies, efficient use of energy, and integrated product offers. It also develops commercial products and services for electric mobility (electricity-powered vehicles and related infrastructure) and the Smart City concept with emphasis on healthy buildings, especially schools, and smart office (combining a photovoltaic installation and battery storage).

The company relies on the experience and quality service portfolio of its subsidiaries. Their number increased in 2019 through the acquisition of HA.EM OSTRAVA, s.r.o., a company providing engineering, implementation, and maintenance services to industrial customers.

More than 5.5 thousand business transactions were completed in 2019.

Additional measures were taken for the service model and performance management in order to accelerate the process of making a contract with a customer, the customer portfolio was newly segmented—Businesses and Municipalities versus Corporate—in order to maximize business opportunities, and emphasis was put on measuring customer satisfaction for both commodity and noncommodity products. The company also focused on the efficiency of its processes and on integrating and improving the coordination of subsidiaries in the ČEZ ESCO group.

Sales of Other Products and Services

Following its successful acquisition, TENAUR, a company engaged in building systems and renewable energy sources, was integrated into CEZ Group under the auspices of ČEZ Prodej and kept developing. It opened three new branch offices in Sviadnov, Roudnice nad Labem, and Cheb in 2019. This acquisition made CEZ Group a major supplier in the heat pump market, competing for retail market leadership with over 350 installations.

Sales and installations of photovoltaic systems began growing dynamically following an innovation of the product portfolio and change in the selling process; thus, ČEZ Prodej carried out more than 500 installations in 2019 (more than threefold increase year-on-year).

ČEZ Prodej remains one of leading providers of repair and maintenance services for gas equipment in Czechia. The company considerably increased the speed of service delivery to the customer in 2019. Customer satisfaction with the product increased to as high as 86% at the same time. Also, the ČEZ Card service was discontinued.

Outlook for 2020

ČEZ Prodej is expecting an increase in electricity supplied to end-use customers in 2020 as compared to 2019. This will be achieved primarily thanks to two factors. One is minimizing customer attrition and reinforcing customer acquisition. The other is reducing the ratio of distribution losses to the amount supplied to customers and a resulting increase in the amount allocated for supply to end-use customers. At the same time, ČEZ Prodej was forced to adjust the price level of its products for residential and commercial retail customers due to an ongoing trend of increasing electricity prices on commodity exchanges. Consequently, price adjustments were made for households that use electricity to heat water and commercial retail customers on January 1, 2020.

As regards natural gas, there will be a positive effect of acquisitions made in 2019 as well as of estimated portfolio growth in 2020.

ČEZ Prodej will thus reinforce its market position as the largest alternative supplier of natural gas in Czechia. Because of developments in natural gas prices on the exchange, the company is not considering increasing the prices of the commodity for its customers yet.

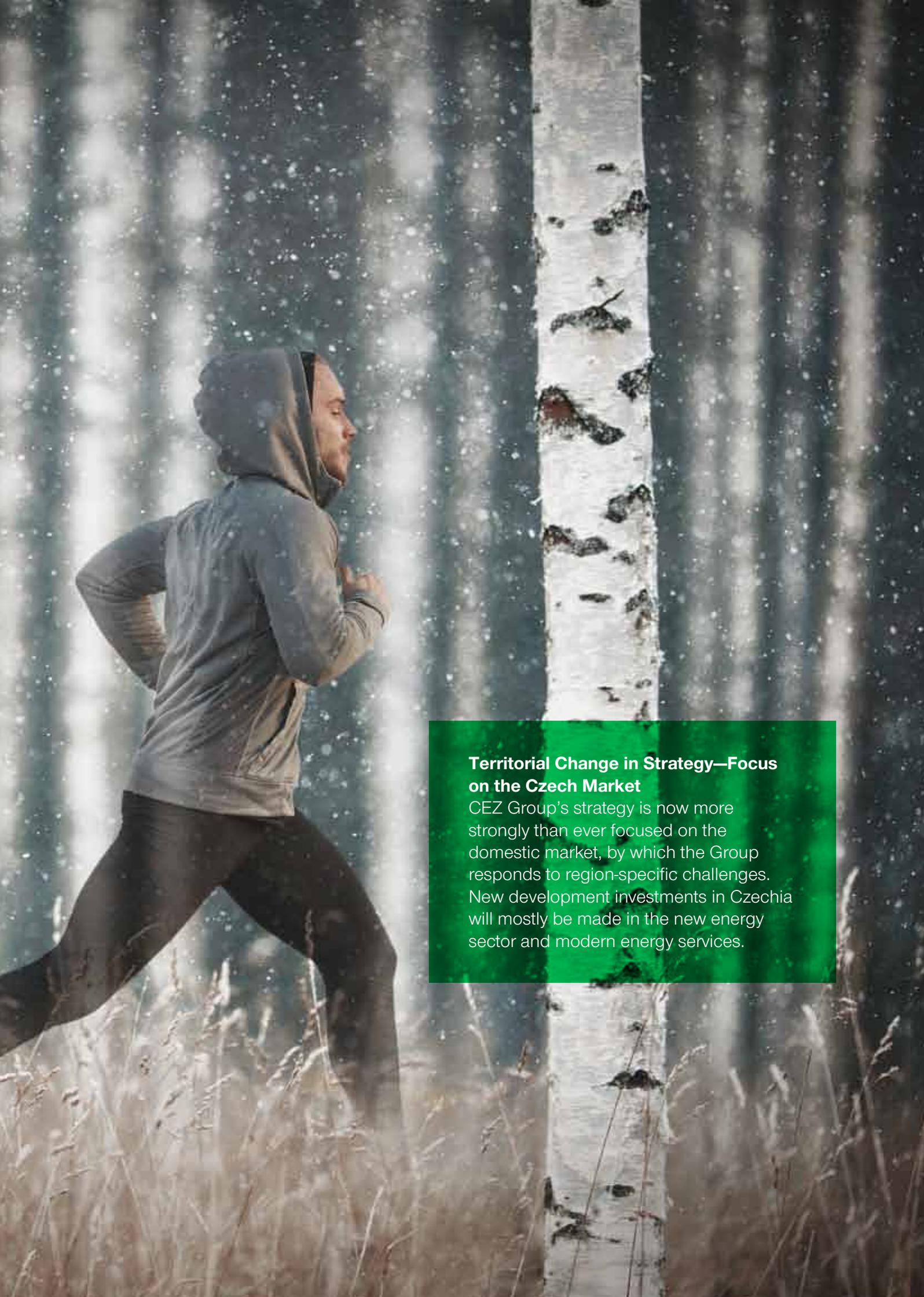
As regards technology implementation, ČEZ Prodej is expecting to open another two branch offices to get near to covering the whole of Czechia using its own capacities. It also expects further growth in photovoltaic installations and heat pumps.

As regards energy services, ČEZ ESCO intends to further enhance its capabilities in smart and integrated products in 2020. Its main strategic interests for the coming period consist of energy savings and the construction and reconstruction of building systems, air conditioning, and lighting. The company will continue developing the smart cities concept (including projects for smart schools and offices) and electric mobility and will newly focus on building information modeling (BIM), IoT (technology enabling connected devices to connect to the cloud) for municipalities, and a new Photovoltaics for CZK 1 project as a service that is installed at ČEZ ESCO's expense with no need for the customer's own funding.



CHALLENGES PUSH US FORWARD





Territorial Change in Strategy—Focus on the Czech Market

CEZ Group's strategy is now more strongly than ever focused on the domestic market, by which the Group responds to region-specific challenges. New development investments in Czechia will mostly be made in the new energy sector and modern energy services.

Germany

Business Environment

Germany keeps striving for goals set in the Energiewende, whose focal point is ensuring sustainable energy supplies and creating additional economic value. To succeed, Germany's Energiewende and climate protection policy require purposeful, efficient, and market-oriented construction of renewables synchronized with transmission grid development. The share of renewables in gross electricity consumption has been growing continually: from about 7% in 2000 to 43%¹⁾ in 2019.

In November 2019, Germany passed a climate protection law aiming to ensure that national targets in the field are met by 2030. At the same time, it defined a legal objective of climate neutrality by 2050 and binding targets for annual emission reduction in the period of 2020–2030 for the sectors of energy, industry, construction building, transportation, agriculture, and waste to make up for the missed emission reduction target for 2020. Compliance with the targets will be evaluated annually for each sector and if noncompliance is identified, the responsible ministry will have to come up with a proposal for immediate corrective action that will subsequently be decided upon by the federal government. A carbon tax of 25 EUR/t CO₂ will be introduced in the transportation and heating sectors in 2021 and increased over time to reach 55 EUR/t CO₂ in 2025. The measure targets fuel suppliers.

A key element for meeting climate goals in the energy industry is progress in renewable generation and controlled phaseout of coal-fired electricity generation by 2038 in line with recommendations made by the Commission on Growth, Structural Change, and Employment. A law setting down the phaseout schedule for individual coal-fired power plant units was approved by the federal government in January 2020 and is expected to be passed by the parliament (Bundestag) in mid-2020. Federal government representatives and the prime ministers of federal states also agreed in January 2020 on a plan to possibly terminate electricity generation at coal-fired generating facilities in 2035 and replace them with gas-fired facilities in the respective locations.

The federal government's goal is to achieve a 65% share of renewable sources in electricity consumption in 2030. Originally, it was intended to achieve a RES share of at least 40%–45% of total electricity consumption in 2025, a 55%–60% share by 2035, and an 80% RES share by 2050. The new 2030 target and the plan to achieve climate neutrality by 2050 represent rather fundamentally increased ambitions.

A concept of minimum distances from populated places, which was presented at the end of 2019 and should be respected by new wind projects in the future, has faced considerable criticism since the very beginning because it might substantially hinder the achievement of RES energy goals and prevent further construction of onshore wind projects. First, it was proposed to change the land use planning law so as to enforce a minimum distance of 1,000m everywhere, with federal states being able to set lower limits for a limited time. According to the new proposal, individual federal states should actively decide whether they want to implement the 1,000m rule, assuming responsibility for the identification of areas for wind turbine construction. Municipalities will gain a financial interest in the operation of wind turbines within the area of their competence. Both regulations are still subject to debate.

The system of subsidies for renewables has been based on regularly held auctions since 2015 (photovoltaics) and 2017 (wind), in which the lowest bid for the purchase price of electricity is the determining criterion for receiving support. Auctions held in 2019 comprised four regular and two extraordinary auctions for the construction of onshore wind turbines with a total capacity of 3,800 MW (however, support was granted for just 1,843 MW due to a limited number of eligible projects and a complicated situation with licensing procedures, which are often halted by legal actions and result in lawsuits with citizens' initiatives) and one mixed auction for the construction of onshore wind and solar facilities (support was granted to projects with a total capacity of 203 MW).

On September 17, the European Commission approved E.ON's takeover of some of the assets of Innogy (RWE), worth EUR 43 billion (over CZK 1 trillion). Following transaction completion, the E.ON group should be mostly engaged in distribution and electricity and gas retail. Innogy will concentrate on electricity generation, including renewable generation, and wholesale.

¹⁾ www.agora-energiewende.de/fileadmin2/Projekte/2019/Jahresauswertung_2019/171_A-EW_Jahresauswertung_2019_WEB.pdf [accessed February 26, 2020]

CEZ Group Operations

Based on its updated strategy, CEZ Group, as regards renewables abroad, continues developing its existing portfolio of wind projects with the aim of achieving maximum return on invested funds.

In 2019, CEZ Group was developing, in collaboration with local partners, wind projects in Germany with a planned installed capacity of approximately 305.5 MW. Some projects are nearing the stage of filing an environmental permit application pursuant to the German air pollution protection act (BImSchG-G).

In the second quarter of 2019, the Holt Holding transaction was settled (the partner's name was later changed to RUPR Beteiligungen GmbH), consisting in the acquisition of a 50% share in a joint venture founded for the purpose of developing three wind projects with a planned capacity of up to 112.5 MW.

Electricity Generation

CEZ Group's wind power plants in Germany generated 285 GWh of electricity in 2019, as compared to 266 GWh in 2018.

Installed Capacity

As at December 31, 2019, CEZ Group companies owned onshore parks with ten wind farms in Germany, consisting of a total of 53 wind turbines with an installed capacity of 133.5 MW.

List of Generating Facilities in Germany as at December 31, 2019

Wind Power Plants

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned
Fohren-Linden	CEZ Erneuerbare Energien Beteiligungs	12.8	2016
Mengeringhausen	CEZ Windparks Luv	12.0	2016
Naundorf	CEZ Windparks Luv	6.0	2015
Baben Erweiterung	CEZ Windparks Luv	9.2	2015
Gremersdorf	CEZ Windparks Luv	6.9	2016
Cheinitz-Zethlingen	CEZ Windparks Lee	13.8	2016
Frauenmark III	CEZ Windparks Lee	2.3	2016
Zagelsdorf	CEZ Windparks Lee	7.5	2016
Badow	CEZ Windparks Nordwind	27.6	2015
Lettweiler Höhe	BANDRA Mobiliengesellschaft	17.7	2014
Lettweiler Höhe	CASANO Mobiliengesellschaft	17.7	2014
Wind power plants, total		133.5	

Sales of Energy Service Commodities

CEZ Group's German operations focus primarily on the provision of multitechnology services (technologies in buildings) for electrical and mechanical building systems through the Elevion group. The Elevion group enhanced its competence in HVAC (heating, ventilation, and air conditioning) in January by acquiring a 100% stake in En.plus, a company operating in Berlin, Frankfurt am Main, Magdeburg, or Potsdam. Another January acquisition was a 100% stake in H & R Elektromontagen, a company focusing on the installation of electrical equipment. Yet another January acquisition was a 100% stake in GBM Gesellschaft für Büromanagement, a company focusing on work with information and data technology, technical services, and the operation of data centers (the company was later wound up). In May, Elevion successfully completed a significant acquisition of a 100% stake in the HERMOS group, whose competences consist in automation and IT solutions for industry, the energy sector, the environment, buildings, and healthcare. HERMOS provides solutions consisting of engineering, switchboard manufacture, software for automation systems and IT systems, and aftersales service. Today, the HERMOS group employs over 500 people, mostly at its headquarters in Mistelgau near Bayreuth. In May, D-I-E Elektro, a member of the Elevion group, concluded the acquisition of a 100% stake in FEA Automation. The Chemnitz-based company focuses on the technical planning and designing and operation and maintenance of fully automated building systems. In June, En.Plus concluded the acquisition of a 100% stake in Kälteanlagenbau Schröder. This helped increase its capacities around Magdeburg, which is home to the company focusing primarily on the design, installation, and subsequent operation of HVAC, including cooling systems. ETS Efficient Technical Solutions concluded two acquisitions in 2019. In June, it acquired a 100% stake in Detlef Walther, a Wernburg-based company engaged in building systems. In September, it acquired a 100% stake in Elektro-Technik-Pfisterer, a Plattling, Bavaria-based company that offers its customers technical planning, consultancy, and maintenance services. CEZ Group in Germany also acquired a new company through the Kofler Energies group. The acquisition of GWE Wärme- und Energietechnik GmbH & Co. KG, based in Osterode, was completed in December. The company offers its customers services for the planning, construction, and optimization of cogeneration units.

Outlook for 2020

Electricity generation by CEZ Group wind parks in Germany is planned to be 314 GWh in 2020.

CEZ Group wants to focus—through the Elevion and Kofler Energies groups—on energy and mechanical building systems as well as on decentral energy supplies or deliveries of heating, ventilation, and air-conditioning equipment.

Poland

Business Environment in the Energy Sector

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

The government made nonstandard interventions in late 2018 and early 2019, aiming to freeze the escalation of prices, especially for households.

An amendment to the excise duty act came into effect on January 1, 2019, lowering the base rate of excise duty on electricity and freezing electricity prices at the level of June 2018. One of its objectives was to halt the escalation of electricity prices in the tariffs and price lists of commercial companies that sell electricity to final consumers and to create a specialized fund to cover the differences and losses arising from the price freeze for sellers. Following consultations with the European Commission, which requested liberalization of the whole energy market segment, the European Commission's approval was agreed on with a view to the goal of alleviating the impacts of transforming the Polish energy sector into a low-emission one. An amendment entering into effect in June 2019 then introduced a new compensation model.

The settlement of the first half of 2019 was carried out pursuant to an act of December 28, 2018, which meant that commercial companies were obligated to offer all consumers electricity prices at the level of June 30, 2018. In exchange, they could apply for price difference compensation.

In the second half of 2019, prices were frozen just for households, micro- and small enterprises, and some public sector entities, such as hospitals. Medium-sized and large enterprises could be offered market prices of electricity by commercial companies. In this case, medium-sized and large enterprises could ask for compensation under allowed *de minimis* aid. The amount of such aid was limited. It can be expected that the government will do its best to keep energy prices for end-use consumers (households) unchanged in 2020. In contrast, preserving the energy price freeze mechanism for enterprises is not expected.

Poland also commenced work on implementing Directive (EU) 2019/944 of the European Parliament and of the Council of June 5, 2019, on common rules for the internal market for electricity, under which energy suppliers are entitled to freely determine the price at which they supply electricity to consumers (including households). However, member states are obligated by the directive to protect households that are affected by energy poverty; preferably, their tools should be social policy or other means but not public interventions in the price setting for the supply of electricity. Additionally, by way of derogation, they can apply public interventions in the price setting for the supply of electricity to such customers but these must be limited in time and proportionate as regards their beneficiaries. They must also not result in additional costs that discriminate against market participants.

Capacity Market

Capacity market mechanisms are aimed at creating investment incentives, in particular for coal-fired and gas-fired power plants, which can then serve as a backup in case there is a lack of electricity in the grid. They involve paying operators for keeping their power plants on standby to be able to quickly start supplying electricity to the grid. Capacity market auctions took place in December 2019. CEZ Chorzów took part in the main auction for electricity supply in 2024 and its offer was successful. Due to rules arising from EU regulations, the December auction was the last one that allowed participation of units with emissivity greater than 550g CO₂/kWh. The regulations exclude coal-fired generating units from participation in the capacity market.

Cogeneration Support

A new act on support for electricity cogeneration entered into force in January 2019. In April, the European Commission approved the Polish program of support for high-efficiency cogeneration, which was subsequently launched. The new system aims to create an incentive to construct new cogeneration units or at least modernize existing ones.

Renewables

An amendment to the Renewable Energy Sources Act, adopted by the Polish government in late June 2019, aims to clear the way for further development of RES, including wind energy. Auctions for renewable energy sources took place in November and December 2019. Europe's largest 2.5 GW auction was for wind energy and photovoltaics over 1 MW, approximately 0.7 GW was for photovoltaics, and 0.4 GW was for biomass. ČEZ participated in the auction with its wind projects and succeeded with its Krasin project with an installed capacity of 35.2 MW. Under the Polish regulatory authority's conditions, it will have to be connected to the grid within 33 months of the auction date.

Energy Policy

The Ministry of Energy published an updated proposal for the Polish Energy Policy until 2040. It assumes an increase in total installed capacity but a decrease in the share of coal-fired power plants from an estimated value of 58% in 2020 to 19% in 2040. In terms of generation, the share of coal-fired power plants should decrease from 69% to 28% over the same period. Poland also expects to start using nuclear energy—the technology and general contractor should be selected in 2021.

CEZ Group Operations

Traditional Electricity and Heat Generation

CEZ Group's power plants in Poland generated 2,443 GWh of electricity in 2019, which was a decrease of 379 GWh in a year-on-year comparison. Coal-fired power plants generated 2,438 GWh and the Borek Szlachecki small hydroelectric power plant generated 5 GWh. The Skawinka small hydroelectric power plant did not generate any electricity because it was decommissioned and excluded from installed capacity in 2018 due to generator breakdown.

The Chorzów and Skawina power plants in Poland generated 5,366 TJ of heat in 2019, which was 280 TJ less than in 2018, primarily due to temperature conditions.

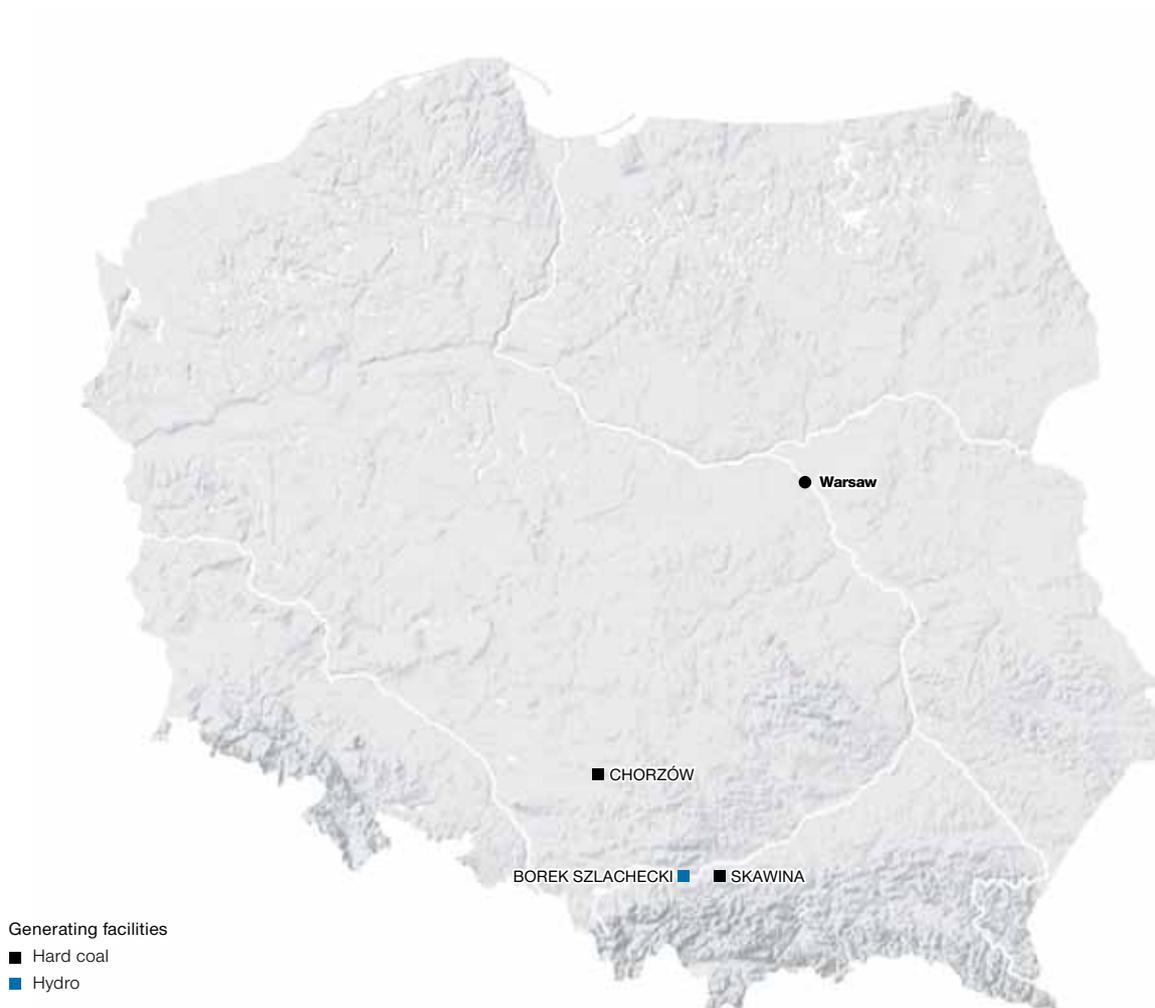
Capital Construction

Most of capital expenditure was made in order to make generating facilities compliant with environmental requirements.

Installed Capacity

As at December 31, 2019, CEZ Group companies in Poland owned power plants with an installed capacity of 569.3 MW: 568.4 MW in coal-fired power plants and 0.9 MW in hydroelectric power plants; the installed capacity thus remained unchanged year-on-year. The capacity decreased already in November 2018 by 111.6 MW due to the planned shutdown of one 110 MW unit at the Skawina power plant and by 1.6 MW at the Skawinka hydroelectric power plant. A new small hydroelectric power plant, Skawinka 2 with a capacity of 920 kW, is planned to be put into operation on June 1, 2020.

Location of Generating Facilities in Poland



List of Generating Facilities in Poland as at December 31, 2019

Coal-Fired Power Plants

Facility	Owner	Type of Fuel	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned	Desulfurized Since
Chorzów	CEZ Chorzów	Hard coal, biomass	2× 119.2	2003	¹⁾
Skawina	CEZ Skawina	Hard coal, biomass	3× 110	1957	2008
Coal-fired power plants, total			568.4		

¹⁾ Chorzów has complied with SO_x limits since commissioning.

Small Hydroelectric Power Plants

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned
Skawina/Borek Szlachecki	CEZ Skawina	1× 0.885	2013
Small hydroelectric power plants, total		0.9	

Solid Fossil Fuels and Sorbents

The Skawina and Chorzów power plants consumed a total of 1,307 thousand tons of hard coal in 2019, which was purchased from mining companies in the vicinity of the power plant. The Chorzów power plant purchases coal under a multiyear contract with Polska Grupa Górnicza S.A. The Skawina power plant purchased coal from PG Silesia Sp. z o.o. (multiyear and one-year contract), Jastrzębska Spółka Węglowa S.A. (one-year contract), and Polska Grupa Górnicza S.A. (multiyear contract) in 2019. Polish power plants also burnt biomass in 2019; the Chorzów power plant consumed 304 thousand tons, the Skawina power plant burnt 47 thousand tons of biomass.

Outlook for 2020

The gross estimate of 2020 electricity generation at CEZ Group's Polish power plants is 2.5 TWh, heat generation is planned at approximately 5.8 thousand TJ. Estimated sales of natural gas are at 0.47 TWh in 2020. Capital expenditure will be primarily on boiler repairs at the Skawina power plant.

Sales of Commodities and Energy Services

Sales of Electricity and Natural Gas

Large and commercial retail customers were supplied with 1.8 TWh of electricity in 2019, as compared to 2.7 TWh in 2018. Customers were also supplied with 0.9 TWh of natural gas in 2019, about the same as in 2018.

Sales—ESCO Services

In August, CEZ Group acquired a 76% stake in Polish company EUROKLIMAT with an option to purchase a further stake up to 100%. EUROKLIMAT, a company with twenty years of experience in the market, delivers comprehensive solutions for sanitary and electrical installations. It offers heating, ventilation, and air-conditioning systems, water and sewage systems, electrical systems, as well as control elements or equipment automation. It provides installation, maintenance, and design services in collaboration with leading global manufacturers of air-conditioning, cooling, and ventilation equipment. It operates throughout Poland, having offices in Poznań, Wrocław, Gdańsk, and Warsaw.

Outlook for 2020

The total amount of electricity supplied in 2020 is estimated at 0.3 TWh. The estimated amount of natural gas supplies is 0.4 TWh. CEZ Group keeps monitoring the Polish market in order to identify potential future investment opportunities in the segment of ESCO services. A divestment process will start for Polish assets in 2020 in line with the updated strategy.

France

Business Environment

The Energy and Climate Act, determining the course of the country's decarbonization, was published in the Official Journal on November 9, 2019, with immediate effect. The regulation sets climate targets including reducing carbon emissions to net zero by 2050 and decreasing the share of nuclear energy in the energy mix to 50% by 2035. It also orders shutting down the four remaining coal-fired power plants and reducing the share of fossil fuels in energy consumption by 40% by 2030. The act was originally intended to only adjust some targets set in the 2015 Energy Transition Act but was expanded during the debates to include a number of other topics, including energy-efficient building renovations, additional environmental reporting tools, antifraud activities, and climate policy management. The adoption of the act is a step toward the approval of a multiyear energy program (PPE) for 2019–2028, the principal tool for the strategic management of energy transformation and detailing of targets for individual energy sectors. An updated version of the PPE was published on January 15, 2020, followed by a month-long public consultation. Its targets for renewable electricity are almost identical to the previous announcement of November 2018; the final version should be known in the second quarter of 2020. The PPE is expected to provide a strong impetus for the development of the solar and wind sectors. The installed capacity of photovoltaic power plants should increase to 35.1–44.0 GW by 2028 (from 9.4 GW in 2019); the installed capacity of onshore wind farms should increase to 33.2–34.7 GW by 2028 (from 16.5 GW in 2019). The 2023 targets for offshore wind farms were slightly reduced (2.4 GW) while the expectations for 2028 are up to 5.2–6.2 GW¹⁾.

Nuclear power plants should generate just 50% of the country's electricity by 2035 (they generate 75% at present)—two reactors will be shut down at Fessenheim in 2020 (one unit was disconnected from the grid on February 22, the other unit should follow on June 30), to be followed by another 4 to 6 reactors by 2030. Overall, 14 reactors should be shut down by 2035.

Competition-based support for renewable electricity generation has been implemented for solar facilities since 2016 and for large onshore wind farms since 2017. Producers are thus directly exposed to market signals, having revenue from direct sales of electricity in the market while being protected by a compensatory premium paid up to a reference amount.

Three auctions for determining the amount of support for the construction of onshore wind turbines were held in 2019.

¹⁾ Data for 2019 is preliminary; data sources: www.rte-france.com/sites/default/files/synthese_bilanelectrique_2019_0.pdf; <https://bilan-electrique-2019.rte-france.com/synthese-les-faits-marquants-de-2019/> [accessed March 11, 2020].

CEZ Group Operations

Capital Construction

CEZ Group made progress in the development of its portfolio of nine wind farms in 2019. However, the start of commercial generation was postponed until 2021 due to insolvency of the supplier of turbines for the Aschères-le-Marché wind farm with an installed capacity of 13.6 MW. Four other projects have already been issued construction and operating licenses. After the licenses become effective, negotiations over contracts for individual services will begin.

In January 2019, CEZ Group acquired additional onshore wind farm projects in France, comprising eight projects in an advanced stage of development with a potential total installed capacity of up to 119 MW. Two of the projects have already been issued construction and operating licenses, which have not become effective yet.

Other Activities

There are two companies operating in the country that have been acquired by CEZ Group's investment fund Inven Capital for its portfolio. Cosmo Tech, based in Lyon, specializes in the development of a software platform for the optimization of decision-making processes in the management of critical infrastructures and processes. Its solution combines human and artificial intelligence to offer alternative views of the future development of complex environments, improving and accelerating businesses' decision-making processes. Thanks to Cosmo Tech, for example, automaker Groupe Renault was able to create a digital twin of its organizational structure including production lines and identify key points in the manufacturing process and relations among them. In early 2019, Cosmo Tech became a finalist of the "10 000 startups pour changer le monde" (10,000 World-Changing Startups) award in a competition of the most innovative startups organized by BNP Paribas and La Tribune.

VU LOG, based in Nice, is a global leader in the provision of technology for mobility sharing in cities, involving green cars, motor scooters, and scooters. In May, it announced the beginning of cooperation with automaker Groupe Renault, consisting in the manufacture of sharing-ready vehicles. In late June, automaker Volkswagen put the biggest yet fleet of shared cars consisting solely of electric vehicles (1,500 e-Golfs) into operation under the name of WeShare in the German capital of Berlin. They are shared by means of a technological solution provided by VU LOG. Expansion to additional European cities is planned for 2020.

Outlook for 2020

We expect continued construction at Aschères-le-Marché in 2020. Necessary construction and operating licenses for another project should come into effect in the second quarter, allowing us to commence negotiations over all contractor services and preparations for the obtaining of a final investment decision for the wind farm construction.

Romania

Business Environment

The liberalization of the energy market in Romania was completed in the past. For business-sector customers, it took place in 2013; for residential customers, it occurred on January 1, 2018. All consumers of electricity are now entitled to choose their supplier in the free market.

Renewable generation in Romania is supported through green certificates. On the basis of a government ordinance, new rules governing support for renewable generation entered into force on March 31, 2017. The new legal rules extended the tradability of green certificates issued on or after April 1, 2017, from one year until March 31, 2032. Another change was that the price of green certificates was fixed, and the period of tradability of previously deferred certificates as well as the period for which such certificates will be reallocated were extended to eight years starting from January 1, 2018.

Government regulation No. 114/2018 on business activities of licensed entities was published on December 29, 2018. It increased the fee paid to the regulatory authority, ANRE, from 0.1% to 2% of the turnover of licensed companies (with the exception of sales and trading companies, which pay 2% of their gross margin); reintroduced regulated electricity tariffs for contracts with residential customers, including regulated electricity prices for manufacturers; set the maximum price of gas supplies for residential customers; and extended the validity of monopoly tax until December 31, 2021. The fee was factored into distribution tariffs valid from March 1, 2019.

Government regulation No. 19/2019, passed on March 28, 2019, amended regulation No. 114/2018 and, among other things, factored WACC of 6.9% in the regulatory period of 2019–2023 (instead of the previously applicable 5.66%) into gas and electricity distribution and transmission tariffs. The increase entered into effect on July 1, 2019. The regulation also set the priority of gas sales at a regulated price so as to primarily cover all gas consumption by households and heat producers in the period from May 1, 2019, to February 28, 2022. According to the European Commission, this constitutes obstacles to the free movement of goods within the common market, so it initiated an infringement procedure (procédure d'infraction) against Romania.

Regulation No. 251/2019 concerning another change to the fee paid to ANRE was published in the Official Journal on December 30, 2019. The new regulation reinstates the levels applicable prior to government regulation No. 114/2018, namely 0.2% for distribution companies and 0.1% for other companies in 2020. This regulation became valid by the adoption of government regulation No. 1/2020 only. Government regulation No. 1/2020 amending government regulations adopted by the preceding government Nos. 114/2018 and 19/2019 was published on January 9, 2020.

CEZ Group's Operations

Renewable Electricity Generation

Support for generation at the Fântânele and Cogeaalac wind parks continued in compliance with applicable law in 2019. The wind parks were entitled to participate in the renewable generation support program and get green certificates for the electricity they generate. The allocation was 1 green certificate for 1 MWh in 2019 and will remain the same for generation in 2020.

The Fântânele and Cogeaalac wind parks generated 1,185 GWh of electricity in 2019, which was a year-on-year increase of 80 GWh. The higher generation was primarily due to better weather conditions. Small hydroelectric power plants operated by TMK Hydroenergy Power S.R.L. at Reșița generated 66 GWh of electricity, which was a year-on-year decrease of 17 GWh due to worse hydrological conditions than in the previous year.

Capital Construction

Capital expenditures in 2019 went primarily into the renovation of individual turbine components at the Fântânele and Cogeaalac wind parks. Minor capital expenditures at the hydroelectric power plant of TMK Hydroenergy Power S.R.L. were primarily made on repairs of water channels.

Installed Capacity

As at December 31, 2019, CEZ Group had an installed capacity of 622 MW in Romania, which remained unchanged year-on-year.

List of Generating Facilities in Romania as at December 31, 2019

Hydroelectric Power Plants—Reșița Site

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned
Breazova	TMK Hydroenergy Power	0.656	1977, renovated in 2013
Crainicel 1	TMK Hydroenergy Power	4.160	1950, renovated in 2013
Crainicel 2	TMK Hydroenergy Power	9.200	1997, renovated in 2013
Grebla	TMK Hydroenergy Power	7.968	1970, renovated in 2013
Small hydroelectric power plants, total		21.984	

Wind Power Plants

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned
Cogeaalac	Ovidiu Development	252.5	2012
Fântânele	Tomis Team, M.W. Team Invest	347.5	2010
Wind power plants, total		600.0	

Electricity Distribution

A new five-year regulatory period began on January 1, 2019. The key change was WACC reduction from 7.7% to 5.66% + 1% for new investments; new ambitious loss reduction plans were formulated, especially for the amount of losses to be achieved at the low-voltage level by 2023; and a minimum level was set for regulatory investment write-offs.

The new regulatory parameters were already factored into tariffs applicable from January 1, 2019. The tariffs increased twice in 2019. The first increase came into effect on March 1, 2019, and factored in the increase in the fee paid to ANRE from 0.1% to 2% of licensed activity turnover, which was approved based on the government regulation of December 29, 2018. The second increase in distribution tariffs was approved by ANRE with effect from July 1, 2019. This adjusted final prices to factor in an increase in the indicator of return on distribution assets (WACC), decided on by the regulatory authority already on May 23, 2019, based on the government regulation adjusting WACC from 5.66% to 6.9%.

On December 16, 2019, the Romanian regulatory authority approved new distribution tariffs effective from January 1, 2020.

The Romanian distribution company's tariffs increased by more than 7% at all voltage levels. Another minor adjustment was made to the tariffs by the regulatory authority in January 2020. This change adjusted the tariffs to factor in a decrease in distribution costs due to another change of the licensed activity turnover fee paid to ANRE, which was decreased from 2% to 0.2% by government regulation 1/2020. Even after this adjustment, the 2020 tariffs are higher year-on-year by more than 5% on average.

Distribuție Energie Oltenia S.A. distributed a total of 6,810 GWh of electricity to end-use customers in 2019, which was a slight year-on-year decrease of 17 GWh.

Capital Construction

Capital expenditures on distribution in 2019 were primarily aimed at improving the parameters of the distribution grid at all voltage levels and at exchanges of electricity meters.

Sales of Commodities and Energy Services

Sales of Electricity and Natural Gas

CEZ Vanzare sold 3,708 GWh of electricity to end-use customers in 2019, which is a year-on-year increase of 283 GWh. The higher sales were primarily due to increased power supplies to commercial medium-voltage customers and high-voltage customers.

CEZ Vanzare delivered 1,170 GWh of natural gas to its end-use customers in 2019. Compared to 1,086 GWh in the previous year, slightly increased amounts were delivered to both corporate and residential customers.

Sales—ESCO Services

CEZ Group provides ESCO services in Romania through its subsidiary High-Tech Clima specializing in the installation of air conditioning, ventilation, and heating systems.

Outlook for 2020

CEZ Group estimates electricity generation at the Fântânele and Cogeaalac wind parks at 1.3 TWh in 2020. The Reșița hydroelectric power plant system should generate 0.1 TWh of electricity.

The amount of electricity distributed to end-use customers in 2020 is estimated at 7.1 TWh. Electricity sales to end-use customers are estimated at 3.6 TWh.

High-Tech Clima expects to achieve further growth in the services it offers in 2020. CEZ Group will monitor the Romanian ESCO service market in order to identify potential investment opportunities.

Divestment of Generation and Distribution Assets

A sale of Romanian assets was initiated transparently by publishing a request for letters of interest in the Financial Times, Hospodářské noviny, and other media on September 9, 2019. Based on the published request, 34 investors expressed interest in CEZ Group's Romanian assets.

All interested parties that met the conditions for participation in the selling process were sent documents needed to prepare and submit indicative offers, starting the first stage of the selling process.

Offers from 19 investors were received by the deadline for indicative offers, which was set to December 2, 2019. All indicative offers were carefully evaluated and investors whose offers were found the most interesting were invited to the second stage of the selling process.

The second stage of the selling process began on January 27, 2020, and will end by submitting binding offers in the first half of 2020.

Bulgaria

Business Environment

Corporate and residential low-voltage customers have been able to choose a supplier of electricity at unregulated prices since April 2016. However, these customers largely keep their protected customer status and are generally supplied with energy at regulated prices set by the regulatory authority—the Energy and Water Regulatory Commission (EWRC).

New rules for electricity metering entered into force on May 1, 2019. The most significant changes include distributors' authorization to directly bill customers for illegally consumed electricity and distributors' obligation to check electricity meters every 3 months.

The Energy Act obligates electricity generators with an installed capacity of 1–4 MW to sell generated electricity on the IBEX exchange starting from July 1, 2019; previously, such electricity was purchased by NEK. The state will compensate generators for any difference between the market price and the guaranteed purchase price. This measure is expected to increase the exchange's liquidity.

Bulgaria was the last country in Europe to lift its tax on electricity exports and imports. It introduced a fee for access to the grid for all generators.

Efforts continued to increase the interconnectedness of electricity markets in Southeast Europe. In September, the day-ahead electricity market operated by the IBEX exchange was coupled with the day-ahead market in electricity at the Romanian border. The day-ahead electricity market is also planned to be coupled with other markets in Europe in the second half of 2020.

CEZ Group Operations

Renewable Electricity Generation

The Oreshets photovoltaic power plant generated 6.4 GWh of electricity in 2019, which was a year-on-year increase of 5%. No capital expenditure on the Bulgarian generation assets was made in 2019.

Installed Capacity

CEZ Group's installed capacity in Bulgaria amounted to 5.0 MW as at December 31, 2019, remaining unchanged year-on-year.

List of CEZ Group Renewables in Bulgaria as at December 31, 2019

Photovoltaic Power Plants

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned
Oreshets	Free Energy Project Oreshets	5.0	2012
Photovoltaic power plants, total		5.0	

Electricity Distribution

On July 1, 2019, Bulgarian regulatory authority EWRC issued a price decision effective from July 1, 2019, to June 30, 2020. The regulatory authority still refuses to recognize the actual amount of technological losses in the grid.

In Bulgaria, electricity is distributed by CEZ Razpredelenie Bulgaria, which distributed a total of 9,426 GWh of electricity to end-use customers in 2019, or 115 GWh less year-on-year.

Capital Construction

Capital expenditure in 2019 went primarily to improving distribution grid quality, replacing electric meters, critical infrastructure in Sofia, and new connections to the distribution grid. Furthermore, capital expenditure was used for mandatory buyouts of distribution assets.

Sales of Commodities and Energy Services

Electricity Sales

CEZ Elektro Bulgaria sold a total of 6,270 GWh of electricity to end-use customers in 2019, which is a year-on-year increase of 151 GWh. CEZ Trade Bulgaria sold 4,207 GWh of electricity to end-use customers in the free market in 2019, or 239 GWh less year-on-year. The decrease was primarily due to a temporary lack of liquidity at the beginning of 2019 and some customers' return to the regulated market associated with it. This effect was eliminated during the course of 2019.

Sales—ESCO Services

CEZ ESCO Bulgaria was established in Bulgaria in 2017. The company implements energy projects for end-use customers in the Bulgarian market. Eighteen projects for energy savings were signed before the end of 2019.

Outlook for 2020

For 2020, the amount of electricity generated is estimated at 6.2 GWh and the amount of electricity supplied to CEZ Elektro Bulgaria's customers is estimated at 5.9 TWh. Active operations will continue in the market. We estimate that the amount of electricity supplied by CEZ Trade Bulgaria in 2020 will increase slightly year-on-year.

The implementation of energy-saving ESCO projects will continue, primarily in photovoltaics, lighting, and HVAC.

International Arbitration

Following a number of interventions by Bulgarian authorities injuring ČEZ companies' business in Bulgaria, ČEZ commenced international investment arbitration back in 2016 against the Republic of Bulgaria under the Energy Charter Treaty on grounds of investment nonprotection.

Divestment of Assets

An agreement for the sale of Bulgarian assets was made with Inercom on February 23, 2018, as part of a transparent selling process. The sale concerns seven companies: CEZ Bulgaria, CEZ Elektro Bulgaria, CEZ Razpredelenie Bulgaria, CEZ Trade Bulgaria, CEZ ICT Bulgaria, Free Energy Project Oreshets, and Bara Group.

After more than a year of its signing, the sales agreement with Inercom was terminated on April 15, 2019, because the Bulgarian state's actions frustrated the fulfillment of conditions precedent and thus the performance of the agreement.

Following rejection by the KZK, ČEZ initiated simultaneous talks with other prospective buyers of its Bulgarian assets. ČEZ received two new binding offers—from Eurohold and India Power—in the resumed selection procedure and assessed Eurohold's offer as the better of the two. Furthermore, the offer was in general more advantageous than the terms and conditions of the terminated agreement with Inercom.

Having been debated and approved by the company's governance bodies, an agreement for the sale of CEZ Group's Bulgarian assets was made with Eurohold on June 20, 2019. The settlement of the transaction was also subject to approval by the KZK and the Bulgarian energy regulatory authority.

Eurohold submitted an application for the authorization of a concentration of undertakings to the KZK on August 2, 2019. The KZK initiated an authorization proceeding in respect of the concentration of undertakings as late as on October 3, 2019, more than two months after the application was submitted, whereby the standard period of 25 business days for issuing its decision commenced. However, the KZK suspended the proceeding on the same day and requested additional information. As soon as it was provided with the additional information, the KZK issued a decision ordering an in-depth investigation of the case, extending the standard time limit for issuing its decision by an additional four months. Using procedural measures, the KZK managed to extend the time limit for issuing its decision until March 16, 2020.

However, the KZK surprisingly took its decision on the transaction as early as on October 24, 2019, disapproving the transaction. Reasons given by the KZK for its decision included an allegation that the concentration would allow the merged group to make use of its significant position in the Bulgarian markets in insurance (where the Eurohold group operates) and electricity trading (where CEZ Group operates). Specifically, according to the KZK, insurance products necessary for operations in the electricity market might be provided on favorable terms within the merged group, giving it an advantage over other market participants.

Having analyzed the reasoning—with ČEZ considering the decision legally irrelevant—and the steps taken by the KZK, both ČEZ and Eurohold decided to file an administrative action with the administrative court in Sofia, which CEZ Group did on November 7, 2019, and Eurohold did on November 11, 2019. The first hearing was held on March 9, 2020. The case was adjourned and will continue on April 6, 2020.

The arbitration claim was not sold off and the arbitration is still carried on by ČEZ, a. s.

Other Countries

Turkey

Business Environment

Turkey's internal political situation in 2019 was affected by local government elections in March, in which the president's ruling party, AK Parti, won overall but failed especially in large cities (Ankara, Izmir, Istanbul). What followed was a decision to repeat the elections in Istanbul, Turkey's major economic hub, in which the opposition candidate scored a clear-cut victory. Turkey's military got actively involved in operations in Syria and Libya. Because of this, among other things, there is continued tension in relations with the U.S. over the country's armament program, which augments the volatility of the local currency and a negative view of the environment among foreign investors. As concerns the energy sector, full liberalization has not been completed yet, electricity and gas prices continue to be tampered with, and there is continued politicization of the distribution and retail business.

Turkey's economy is gradually recovering from a currency crisis in the summer of 2018 and its GDP is growing moderately year-on-year (at 0.6% according to Anadolu Ajansı's forecast from late February 2020), while the inflation rate was reduced significantly to around 12%. Its economic growth was driven by industry and agriculture. The turning point was contributed to by fiscal stimuli and credit expansion support by the central bank, which, however, can raise concerns about the recurrence of inflation in the future. The depreciation of the Turkish lira, which was driven by worsened perception of risks associated with the country's economic policy and increased political tensions resulting from the course of its international relations as well as the government's pursuit of low interest rates in 2018, slowed down and the Turkish lira weakened by just about 11% over the course of 2019. The exchange rate was 5.9 TRY/USD at December 31, 2019, while the all-year low was about 6.2 TRY/USD (May 9, 2019). These changes in the lira exchange rate negatively affect the performance of Turkish companies that are funded with loans denominated in a foreign currency. However, high debt in foreign currencies is a general problem faced by many companies in Turkey, impeding their further investments.

Credit rating agencies unanimously give Turkey speculative-grade ratings (Moody's: B1 with a negative outlook, Standard & Poor's: B+ with a stable outlook).

CEZ Group Operations

Traditional and Renewable Electricity Generation

Generation by the Erzin CCGT power plant amounted to 2,822 GWh, as compared to 3,833 GWh in 2018. The year-on-year decrease was due to lower demand in the market influenced by higher generation at hydroelectric power plants. Akenerji hydroelectric power plants generated 968 GWh of electricity in 2019, which was an increase of 185 GWh year-on-year. The Ayyıldız RES wind farm's generation decreased by 2 GWh year-on-year, totaling 86 GWh for the entire year. Capital expenditure in 2019 was directed, in particular, to overhauls at the Erzin power plant and hydroelectric power plants.

Installed Capacity

List of Generating Facilities Co-Owned by CEZ Group in Turkey as at December 31, 2019

Gas-Fired Power Plant

Facility	Owner	Type of Fuel	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned
Erzin	Akenerji Elektrik Üretim	Natural gas	2× 292.09 1× 319.82	2014
Gas-fired power plants, total			904.0	

Hydroelectric Power Plants

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned
Bulam	Akenerji Elektrik Üretim	2× 3.515	2010
Burç Bendi	Akenerji Elektrik Üretim	3× 9.11	2010
Feko I	Akenerji Elektrik Üretim	2× 14.7	2012
Feko II	Akenerji Elektrik Üretim	2× 34.79	2010
Gökkaya	Akenerji Elektrik Üretim	2× 14.27	2012
Himmetli	Akenerji Elektrik Üretim	2× 13.49	2012
Uluabat	Akenerji Elektrik Üretim	2× 50	2010
Hydroelectric power plants, total		288.9	

Wind Power Plant

Facility	Owner	Installed Capacity (MW) as at Dec 31, 2019	Year Commissioned
Ayyıldız RES	Akenerji Elektrik Üretim	5× 3 4× 3.3	2009 2016
Wind power plants, total		28.2	

Note: The Turkish companies are consolidated using the equity method; consequently, neither their generation nor their installed capacity are included in CEZ Group's aggregate figures.

Electricity Distribution

Electricity is distributed in Turkey by regulated regional distribution companies. One of them is Sakarya Elektrik Dağıtım A.Ş. (SEDAŞ), controlled by ČEZ and its Turkish partner AKKÖK. The amount of electricity distributed to end-use customers in 2019 was 9,524 GWh, decreasing by 202 GWh year-on-year due to declining demand, affected by the economic situation in the country. TRY 92 million was invested in distribution in 2019. The investments were primarily aimed at increasing grid capacity and efficiency.

Electricity Sales

Sakarya Elektrik Perakende Satış A.Ş. (SEPAŞ), a sales company selling electricity to end-use customers mostly in the SEDAŞ distribution area, sold 10,798 GWh of electricity in 2019. A decrease in comparison with 2018 (13,681 GWh) was due to the economic situation in the country and, most importantly, the collapse of the market of eligible customers, of whom SEPAŞ acquired a high number in 2018. The market recovered only slowly in 2019 and SEPAŞ was not very competitive in it because it focused on cash flow management and requested most of its customers to pay in advance.

Outlook for 2020

Electricity generation at CEZ Group power plants in Turkey is estimated at 4.1 TWh, the amount of distributed electricity is estimated at 10 TWh, and sales to end-use customers are estimated at 9.4 TWh in 2020.

Slovakia

Sales of Commodities and Energy Services

Sales of Electricity and Gas

Electricity and natural gas were supplied to corporate and municipal customers in 2019. Total electricity supplies amounted to 1,375 GWh, which was 575 GWh less than in 2018. The decrease in amount was primarily due to a highly competitive environment and a business policy based on conservative pricing and the standardization of risk-reducing contract terms. Natural gas supplies amounted to 2,577 GWh in 2019, increasing by 17% year-on-year.

ESCO Sales

CEZ Group actively offered Czech companies' energy services in the country in 2019, with a specific profiling of the products offered and customers largely based on experience and synergies from Czechia. It also provided district heating services (Prešov, Nové Zámky, Partizánske) and local distribution system operation services (Kysucké Nové Mesto, Partizánske, Trnava) through its Slovak subsidiaries. It acquired e-Dome, a company providing energy solutions.

Outlook for 2020

The amount of electricity supplied to the segments of large and retail customers in 2020 is estimated at 0.5 TWh and natural gas supplies are estimated at 2.2 TWh. The year-on-year decrease in the amount of supplies is due to the competitive environment in the end-use customer market and the corporate strategy, which ensures profitability in this supply segment. CEZ Group wants to build on an ongoing trend of successfully performed contracts, development, and expansion within its Slovak subsidiaries, primarily energy performance contracting (EPC) projects and projects for the construction and operation of energy facilities. In addition, CEZ Group concentrates on further growth through acquisitions in the field of comprehensive energy solutions.

New Nuclear Power Plant in Preparation at Jaslovské Bohunice

ČEZ Bohunice owns a 49% stake in Jadrová energetická spoločnosť Slovenska, a company established for the purpose of constructing a new nuclear power plant at Bohunice. A project business plan specifying necessary activities in the preparation of the project in the years to come has been discussed and approved. Activities were underway in relation to a change in the Atomic Energy Act and the preparation of a new Building Act. The nuclear energy supervisory authority was communicated with during the preparation of documentation for the siting of a new nuclear power plant according to the Atomic Energy Act. In addition, necessary design activities were undertaken to maintain the value of the project and keep the Final EIA Opinion in force.

Hungary

Sales of Commodities and Energy Services

Electricity Sales

CEZ Magyarország Kft. (CEZ Hungary Ltd.) sold 1,520 GWh of electricity to end-use customers in Hungary in 2019, which was a year-on-year increase of 68 GWh.

ESCO services

CEZ Group operates in Hungary through the Elevion group, which holds a 100% stake in ETS Engineering in Hungary. ETS Engineering concentrates primarily on German companies operating in the Hungarian automotive industry.

Outlook for 2020

The total amount supplied in 2020 is estimated at a level similar to that of 2019. Proactive market activities will continue in order to increase the market share.

CEZ Group does not plan any significant expansion of ESCO activities in Hungary.

A minor portion of CEZ Group's activities takes place in other countries:

Italy

The SYNECO group, based in South Tyrol, was acquired by the German Kofler Energies group in July 2019. It provides a broad range of energy services to its customers—from planning and consultancy to subsequent operation and maintenance. BUDRIO, a company owned by the group, based near Bologna, focuses on designing and building biogas projects.

CEZ Group keeps monitoring the northern Italy market in order to identify potential future investment opportunities in the segment of ESCO services.

Austria

One of the companies in the newly acquired SYNECO group operates in Tyrol, serving customers from Austria, Germany, and Switzerland. It offers them services relating to, in particular, energy efficiency, operational energy management, as well as the implementation of energy management systems and energy audits. As a complementary service, it provides engineering solutions for more efficient and structured mapping of operational and energy processes.

Netherlands

CEZ Group operates in the wholesale market in electricity and natural gas (with both physical and financial settlement) in the Netherlands. Its local subsidiaries pursue holding, financial, or management activities.

Serbia

CEZ Group operates in the wholesale market in electricity and one of its design companies is active in the HVAC sector in Serbia.

China

A member company of the German Elevion group operates in the country.

Malaysia

HERMOS SDN. BHD, a member of the German Elevion group, operates in the country. HERMOS SDN. BHD is engaged in building automation and facility management.

Ukraine

CEZ Group operations in Ukraine have been discontinued; the existing subsidiary CEZ Ukraine LLC is in liquidation.



Optimum Generation Portfolio Utilization

CEZ Group wants to manage its nuclear power plants and coal-fired power plants in mining regions efficiently and prepare the conditions for the construction of a new nuclear power plant at Dukovany. By doing so, it will enhance energy security and contribute to generation portfolio decarbonization in Czechia.



MASTERS OF EFFICIENCY



Research, Development, and Innovation

CEZ Group companies' operating expenses on research and development were CZK 960.6 million in 2019. Its companies (especially Centrum výzkumu Řež, s.r.o.) also received research and development subsidies amounting to almost CZK 478.4 million. ČEZ expenses also include a reactor vessel material surveillance program (CZK 208.9 million), which is aimed at obtaining information on the current state of reactor pressure vessels and providing an objective basis for predicting their useful life.

CEZ Group Companies' Research and Development Expenses and Subsidies Received in 2019 (CZK Millions)

Company	Research and Development Costs	Of Which Subsidized
ČEZ	290.4	0.1
Centrum výzkumu Řež	453.1	376.5
ČEZ Distribuce	28.6	8.0
ČEZ Energetické produkty	11.0	4.3
ČEZ Solární	2.4	1.7
ENESA	2.8	1.9
OSC	1.3	0.7
PRODECO	2.0	–
ÚJV Řež	382.1	83.7
Ústav aplikované mechaniky Brno	4.9	1.5
Elimination of intragroup costs	(218.0)	–
Total	960.6	478.4

ČEZ

An established system of central coordination of research and development at CEZ Group allows carrying out key research and development activities in the optimum form of projects set up across CEZ Group, making purposeful use of Group synergies and available resources. Emphasis is put on fields and topics with high application potential as well as on activities lessening the environmental impacts of CEZ Group's operations. Research and development activities naturally reflect current and anticipated trends in the energy sector.

International Collaborations and Technology Platforms

ČEZ is a member of the Electric Power Research Institute (EPRI) in the nuclear energy segment and selected conventional energy programs (Boiler Life and Availability Improvement, Materials and Repair, Steam Turbines). ČEZ's participation in the EPRI nuclear sector allows utilizing a huge range of information, often unavailable from other sources, from fuel reliability, material corrosion, and safety aspects to new nuclear technologies. There was a transfer of the EPRI's know-how concerning welding procedures for alternative repairs of outlived steam piping in 2019. Testing alternative welding procedures is virtually impossible in ČEZ's operating conditions for reasons of time. Membership of VGB PowerTech focuses on conventional energy and partly on renewables. ČEZ participates in selected research activities within the framework of international cooperation under the auspices of the OECD NEA.

ČEZ is also a member of several European technology platforms. This includes, in particular, participation in the Sustainable Nuclear Energy Technology Platform (SNETP), the NUGENIA association (focusing on research and development related to Generation II and III nuclear reactors), or the ESNII industrial initiative focusing on promising concepts of Generation IV nuclear reactors. In Czechia, ČEZ is strongly involved in the "Sustainable Energy for the Czech Republic" technology platform (TPUE), which specializes in the development of an energy research and development environment and intensification of collaboration at international level as well as between industry and the research sector. A ČEZ representative has been the Chairman of the Executive Committee for a long time. ČEZ is also a member of the Czech Membrane Platform, where it receives information about the capabilities of modern membrane processes, such as those for water treatment and flue-gas cleaning.

Nuclear Power

The final stage of implementation has been reached by a multilateral project investigating high burnup of VVER fuel rods (in which five partners participated; irradiation was carried out in a reactor in Halden), which generated important results for safety assessment, including the validation of simulation codes. Well underway is a six-year project testing zirconium alloy nuclear fuel cladding, with irradiated samples this year; mechanical and microstructural analyses were performed. Project results will improve the accuracy of thermomechanical computational models for fuel rods and the description of the behavior of structural parts of fuel. A project is carried out to test nuclear fuel components, analyzing the condition of cladding with high estimated burnup rates and prolonged presence in the reactor core, in abnormal operation, and under simulated accident conditions. Completion was reached by a project focusing on chemical stabilization of water in the Dukovany nuclear power plant's cooling circuits, which proved the feasibility of increasing its operating concentration to ensure full functionality of cooling circuits in periods when there is a lack of raw water and required limits are difficult to comply with.

Nonnuclear Power

A current topic is research into methods and approaches for further reducing pollutants, especially mercury, from coal-fired plants. Mercury occurs in fuel and emissions at very low concentrations and exhibits complex behavior depending on many factors.

Therefore, many alternative methods for mercury removal are tested, such as sorption or catalytic oxidation. A pilot unit has been installed for these purposes at the Tušimice power plant. An advanced stage of implementation was reached in the testing of the use of spectrometric sensors for a more efficient control of the combustion process in a boiler to achieve lower emissions. A pilot project is undertaken in a 60 MW boiler at the Mělník site. The project builds on experiments carried out in previous years using camera, laser, ultrasonic, and pyrometric methods.

A current topic is research into energy storage—batteries, storage in heat, or storage in hydrogen. Czechia's largest battery storage facility with 4 MW installed capacity and 2.8 MWh storage capacity was put into operation in late 2019; it is installed in a unit with an existing 200 MW turbine generator at the Tušimice power plant. The battery storage will serve both to store energy and to test various modes of providing ancillary services. This project is undertaken in close collaboration with ČEPS. There are also several pilot projects underway for the integration of fast charging stations with storage batteries, aimed at addressing estimated future restrictions for power input at individual sites.

Projects Supported by Public Funds (National and EU)

ČEZ has long participated in projects supported by public funds, especially projects run by the Technology Agency of the Czech Republic (TACR). ČEZ does not usually receive financial assistance under TACR projects but rather supports them as an industrial partner and ensures the applicability of their outcomes. ČEZ participates in projects under the Theta, Epsilon, and Competence Centers programs.

The eight-year CESEN (Center for Efficient and Reliable Energy) project, coordinated by VZÚ Plzeň, was completed in 2019.

The Center covered a broad range of activities with particular focus on conventional power; ČEZ and Doosan Škoda Plzeň were its most important industrial partners. The implementation of the National Center for Energy (NCE) project started at the beginning of the year; the project is supported under the TACR National Competence Centers program. The purpose of National Competence Centers is to establish closer cooperation between research and industry in fields that have been defined as important to national economy and competitiveness. The NCE assembles 24 participants, of which nine are research organizations (including four technical universities). The total amount of funds in the NCE project exceeds CZK 250 million. Additional CEZ Group members participating in the project are ČEZ Distribuce and, on the part of research organizations, Centrum výzkumu Řež and VZÚ Plzeň. Addressed topics with ČEZ's participation include, for example, research on and testing of new diagnostic methods, development of surface treatments for conventional and nuclear plant components, preparation of composite binders for nuclear power applications, as well as matters concerning the development of remote distance measurement for wind power applications, energy storage in heat, hydrogen generation and usage, or analysis of the feasibility of using Li-ion vehicle batteries for stationary purposes.

ČEZ also participates in the McSAFE project under the EU's Horizon 2020 framework program, which aims to develop more accurate numerical models for a reactor core, which will result in better utilization of nuclear fuel and safer operation.

Centrum výzkumu Řež (Řež Research Center)

The Řež Research Center is a research organization focusing on research, development, and innovation in the energy sector, in particular nuclear energy. The backbone of the company's research infrastructure consists of two research nuclear reactors (LVR-15 and LR-0) and a set of laboratories and experimental facilities (nondestructive testing laboratories; material, chemical, and microstructural laboratories; nuclear fusion research facilities; nuclear fuel cycle laboratories; and experimental technology loops).

SUSEN Project

Successful execution of the large SUSEN (Sustainable Energy) capital investment project considerably expanded the Řež Research Center's research infrastructure; the project was supported under the Research and Development for Innovation operational program and partially under the follow-up Research, Development, and Education program. The SUSEN project allowed the Řež Research Center to build a comprehensive set of research and development infrastructures for nuclear and nonnuclear power and related fields, such as research into energy storage or hydrogen technology. Some of the infrastructures are unique at European level and some even globally, which allows the Řež Research Center to successfully participate in cutting-edge research projects under strong consortia of European research organizations or tender for interesting research and development contracts from the world's leading firms. More milestones for the SUSEN project's sustainability were reached and the conditions for fulfilling all sustainability parameters were created in 2019.

International Collaborations

The Řež Research Center is a member of a number of international organizations such as the European Energy Research Alliance (EERA), European Nuclear Education Network Association (ENEN), European Technical Safety Organisation Network (ETSON), and NUGENIA. It successfully participates in projects of many international teams and consortia supported under the EU's Horizon 2020 framework program. In 2019, 12 projects were dealt with under the Horizon 2020 program. They primarily focused on the properties and degradation of materials for Generation IV reactors, modern thermodynamic circuits (with supercritical CO₂), research into severe accidents (core melt behavior and properties), and research on the behavior of construction and building materials to ensure a long-term useful life of power plants (aging of concrete, etc.).

Collaboration under intergovernmental agreements between Czechia and the U.S. continued in the form of research and development work in the field of small modular reactors. The Řež Research Center continued with the preparation of its own concept design for a small modular reactor (Energy Well) based on high-temperature fluoride salts, supported primarily by funds from TACR programs. Collaboration with Japanese industrial partners involved commercial research projects studying melt behavior and the physical properties of corium (Mitsubishi Heavy Industries) and radiation aging of concrete and aggregates (a consortium of Japanese companies and institutes—Kajima, Mitsubishi Research Institute, Nagoya University). In the field of fusion research, research work continued under the EUROfusion transnational project and, in collaboration with Fusion for Energy, tests were completed for the commissioning of HELCZA, a facility designed primarily for the testing of first wall panels for the ITER thermonuclear reactor.

National Projects

Ongoing projects supported by the TACR and the Czech Science Foundation in 2019 included research and development projects for deep geological storage of radioactive waste and spent nuclear fuel and research into materials for Generation IV reactors; several new projects were successfully applied for, aimed primarily at the development and testing of promising materials for the energy sector. The Řež Research Center is in charge of the Plant Efficiency, Reliability, and Safety section under the new National Energy Center project.

ČEZ Distribuce

ČEZ Distribuce was actively engaged in the execution of applied research, experimental development, and innovation programs, including programs organized by the TACR. The ES4G project (Theta program, TACR) aims to develop and test methods that will be capable of optimizing energy flows in order to improve energy performance in the operation of a grid with a maximum share of renewables and to improve energy security in a given agglomeration. ČEZ Distribuce's participation in the National Center for Energy project focuses on new energy network elements and technologies and research into secure communications technologies for smart communications networks in the energy sector. Extensive measurements took place in selected locations in 2019 in order to verify the availability of LPWAN (low-power wide-area network) technologies. Activities under the INTERFLEX project (part of the Horizon 2020 framework program) included implementation work on the installation of charging points and testing of inverters at photovoltaic facilities with and without storage. The aim was to test the effect of rapid charging of electric vehicles on possible deterioration in some electricity quality parameters and to tackle voltage stabilization issues in medium- and low-voltage distribution grids with a high proportion of renewables and dispersed generation. The activities also included testing broadband over power lines (BPL) Internet communications in medium- and low-voltage cable systems.

ČEZ Energetické produkty

The company participates in and keeps implementing projects supported by national public funds (TACR, Ministry of Industry and Trade). The projects focus on the use of coal combustion products, maximizing the efficiency of such use and seeking new opportunities for using such products. All research is conducted with a view to making the whole energy industry more environmentally friendly and economical.

There are four projects in total. Under a project for the optimization of manufacturing processes for construction materials using a high content of fly ash, work continued on adjustments in the manufacture of clinker-free binder based on calcium sulfate fly ash. Road panels made from the binder were used to build a test service road section at the site of the Prunéřov power plant. Under a project for the extension of cement-concrete pavement using mineral additives and mixed cements, samples of concrete with the addition of high-temperature fly ashes were manufactured and tested for suitability for use in the construction of waterworks. A project focusing on the use of zeolites and zeolite composites to reduce emissions rated coal combustion products to check their suitability for subsequent manufacture of synthetic zeolites. Under a fourth project to evaluate options for reusing landfilled fly ash from coal-fired power plants, field research using deep core holes was conducted at the Počerady power plant site. Another study conducted under the project aimed to design and test technology for the magnetic separation of excavated material.

ČEZ Solární (ČEZ ESCO Group)

Together with ČEZ Distribuce and international partners, the company successfully completed a part of the European INTERFLEX demonstration project (part of Horizon 2020) in 2019.

ENESA (ČEZ ESCO Group)

In previous years, ENESA developed its own smart add-on for building technology control systems for the purposes of energy management for EPC (energy performance contracting) projects under the brand name of OPERETA. The system can use weather forecasts, data from a room occupancy information system, and specified engineering properties of the building envelop to automatically calculate and set heating or cooling curves for individual rooms, including a schedule factoring in necessary ramp-up times. Today, the system ensures comfort and provides considerable savings, for example, at the National Theater and the Prague Congress Center. Work on the development of a unified Design and Build methodology for construction project procurement, which ENESA is also taking an active part in, advanced to a new stage. Step by step, model procedures and model contractual clauses are being prepared and an information web portal is being created, intended primarily for building customers that want to build economically and with respect to building life cycle cost savings. Activities under the European QUANTUM project (Horizon 2020) were completed in 2019; the project aims to apply quality management to the entire life cycle of buildings in order to reduce CO₂ emissions and improve the indoor environment.

OSC

OSC continues with a development project aiming to support the training of nuclear power plant control room operators on a simulator using automatic data collection from training scenarios involving abnormal and emergency conditions.

PRODECO

The company's research and development activities consist in the development of more efficient, safer, and more environmentally friendly solutions in mining, transportation, and dressing technology for open-pit coal extraction. In 2019, it continued with the development and testing of a new coal crushing method using a spiked-roller crusher and the development of technology for coal dust utilization and processing. The company is developing an environmentally friendly belt conveyor solution to eliminate noise and dust formation. Projects for excavator ballistic protection and for the development of drum and disc balancing equipment were completed during the course of the year.

ÚJV Řež

ÚJV Řež focuses on services and research for operators and manufacturers of power installations, especially nuclear power plants, on the processing, storage, and disposal of radioactive waste, and on diagnostic radiopharmaceuticals for positron emission tomography. It participated in several dozen projects supported by public funds in 2019.

International Projects

ÚJV Řež is a leading Czech researcher of projects under the Horizon 2020 framework program, under which it participated in a total of fifteen projects. For example, it conducted research into cement-based materials and their barrier function (Cebama project), development of an in-vessel melt retention strategy for severe accidents (IVMR project), and development of a supercritical CO₂ heat removal system (sCO₂ HeRo project). It was also engaged in the INCEFA PLUS project aimed at increasing nuclear power plant safety by incorporating the uncertainties of environmental effects into material fatigue assessment. The SOTERIA project completed in 2019 concerned assessment of the long-term operation of light-water reactors with respect to radiation effects on reactor pressure vessel materials.

ÚJV Řež is also active in the Visegrád Initiative for Nuclear Cooperation (VINCO) and a number of other programs. ÚJV Řež actively participated in projects organized by the International Atomic Energy Agency (IAEA) and the Organisation for Economic Co-operation and Development/Nuclear Energy Agency (OECD/NEA) aimed to enhance the safety of nuclear power plants with VVER reactors.

National Projects

In 2019, ÚJV Řež undertook 22 projects supported with national public funds provided, for example, by the TACR, Ministry of Industry and Trade, or Ministry of the Interior. Projects supported by the Ministry of Industry and Trade included, for example, research and development of advanced technologies for enhancing the efficiency of operational components for nuclear power plants using advanced robot technologies with intuitive positioning programming and research into materials for low-emission multipurpose machines—swap body carriers with a hydrogen-powered range extender. Projects supported under the Theta program included, for example, development of a reversible alkaline fuel cell.

Ústav aplikované mechaniky Brno

The company worked on several projects supported by the TACR in 2019. The projects focus on the reliability and durability of building structures in nuclear power and on materials engineering. ÚAM Brno is also part of the research team undertaking a project named Mechatronics and Smart Technologies for Mechanical Engineering, supported under the National Competence Center program.

Investments in New Technologies

Inven Capital

Inven Capital, SICAV, a.s., is a joint-stock company with variable capital that manages two subfunds: Inven Capital—Subfund A and Inven Capital—Subfund B. The holder of founder's shares in Inven Capital, SICAV, a.s., is ČEZ, a. s., investment shares of Subfund A are held by CEZ Group, and investment shares of Subfund B are held by the European Investment Bank.

Inven Capital focuses on investments in clean-tech startups in later stages of growth whose business model has been proven by sales and having considerable growth potential. Since its establishment, Inven Capital has invested in ten companies (five German, two French, two Israeli, and one Czech) and in Environmental Technologies Fund 2 in the U.K.

In February 2019, Inven Capital sold off the first company from its portfolio. It was **sonnen**, a German company that was also Inven Capital's first investment back in 2015. Inven Capital, together with other shareholders, sold its share in this company to the Royal Dutch Shell group, which has recently been reinforcing its position in decentralized energy and electric mobility. In addition to being a leader in smart battery systems for household electricity storage, **sonnen** is also a pioneer in innovative energy services, such as **sonnenCommunity**.

Inven Capital's current portfolio consists of the following companies:

- **SunFire**—a manufacturer of fuel cells that can convert fuel into electricity and heat but also turn electricity back into hydrogen and other gases (power-to-gas)
- **tado**—a European leader offering smart temperature control for households based on the user's location and habits
- **Cloud&Heat Technologies**—the designer, vendor, and operator of the most energy- and cost-efficient distributed data centers deploying water-cooled servers whose waste heat is used to heat buildings and hot water
- **VU LOG**—a global leader in the provision of technology for mobility sharing in cities, involving green cars, motor scooters, and scooters
- **Cosmo Tech**—the vendor of a software platform for complex system modeling, providing key information for decision-making optimization in the management of critical infrastructures and processes
- **Driivz**—the vendor of a software platform for electric vehicle charging station management, including energy management (charging optimization)
- **CyberX** —the vendor of a software platform providing comprehensive solutions for industrial cybersecurity
- **NeuronSW**—a technology firm that developed a comprehensive solution for sound analysis enabling prediction of machinery failures
- **Zolar**—its online configurator allows purchasing a photovoltaic system with batteries over the Internet based on requirements specified by customer; in addition, it provides the installation of these systems through external installation contractors consolidated in its digital platform

Promoting Innovation

ČEZ, a. s., is a founding member of the I2US cooperation platform, associating primarily innovative, mutually noncompeting utilities. The I2US platform attempts to accelerate innovation to exploit business opportunities and address the needs of customers as well as the energy sector itself. Its main collaboration tool is sharing innovation opportunities and experience from the implementation of new services, products, business models, and methods for cooperation with partners. Within the Company Roadshow innovation group, which it is a member of, ČEZ, a. s., promotes the culture of innovation across leading companies in Czechia and participates in the development of a network that aims to integrate innovation as an integral part of any company. Company Roadshow is a platform where prominent and leading innovative companies meet to share innovation know-how.

ČEZ created a Test Center in 2019 to obtain first-hand information on the features and capabilities of a technology to facilitate decision-making on its commercial deployment within CEZ Group. The Test Center's objective is to speed up the launches of services and products built on new technologies and reduce risks associated with guarantees given for and customer experience with newly introduced products and services.

Innovation Projects

Electric Mobility in Czechia

Charging Stations

As concerns the construction and operation of a public charging network, CEZ Group continued expanding its network of public fast charging stations in line with its strategy to become a leader in public charging. As at December 31, 2019, it operated a total of 188 charging stations in Czechia, comprising 129 fast charging (DC) stations and 59 standard charging (AC) stations. Together they supplied 1,964 MWh of electricity to electric vehicle batteries in 2019. In total, EVs stopped by chargers 153,612 times to recharge. An ultrafast charging station was installed as part of a pilot project in one location; when electricity storage is added to the site, it will provide charging power of 175 kW. The development continues to receive significant aid under two projects funded by the Connecting Europe Facility (CEF), a program aimed at supporting the construction of fast charging station near major TEN-T (Trans-European Transport Network) roads. One of the projects (EV Fast Charging Backbone Network Central Europe), under which 42 fast charging stations were built and one site was fitted with three fast charging stations, a photovoltaic system, and battery electricity storage, was completed on schedule and a final report will be drawn up and submitted to the European Commission in 2020. The other project is currently underway. ČEZ successfully applied for subsidies for two projects under the Transportation II operational program. One was submitted under the second call of a program for a backbone network of DC fast charging stations, during which 125 stations should be built throughout Czechia; the other was submitted under a call for a complementary network of AC charging stations, allowing the construction of another 127 standard charging stations. The total amount of subsidies for the projects can be over CZK 100 million, which is approximately 60%–70% of the value of the projects. ČEZ has already applied for the payment of the subsidies for both projects and begun executing the projects; 8 fast charging stations supported by the above-mentioned program were already in operation at the end of 2019.

Two public charging stations put into operation in the parking lot of the Dukovany Nuclear Power Plant in December 2019 are unique in respect of the origin of electricity for recharging, which is solely nuclear.

ČEZ continues to support the operation of two electric buses in the locality between the BB Center where its corporate headquarters are located and the Budějovická metro station in Prague. During their three years in operation, the two electric buses have covered over 150,000 km and transported more than two million passengers. ČEZ also continues to support the operation of electric buses under the Vrchlabí Smart Region project.

In November 2019, ČEZ announced changes in payments for public charging taking effect from March 2020, associated with the implementation of a new supervisory IT system, which will be operated using the platform made by Israeli company Drivz.

Offer for Households and Sole Proprietors

ČEZ Prodej began selling electric mobility as a comprehensive service in 2019. Together with a purchased vehicle, it offers a wall box, a check of sufficient electrical installation robustness for home charging, and a chip for charging at public stations. It also provides advantageous credit to fund the purchase of an electric car. ČEZ Prodej offers three brands of vehicles and a range of household charging appliances and charging cables. It intends to expand its offer over time to include additional innovative services for electric mobility.

Offer for Large Customers

ČEZ ESCO continued offering a comprehensive range of electric mobility products. In addition to consultancy on subsidies, funding, and individual technologies, the offer included, most importantly, linking a charging solution to the overall energy situation in the locality or building in question. This gives more and more prominence to linkage between electric mobility and other ESCO activities, especially measurement and control systems but also photovoltaic systems and newly, in particular, battery storage.

At the same time, offers of electric vehicles were partially cut down as CEZ Group prefers to offer electric vehicles in combination with other products as part of a broader electric mobility solution.

Electric Mobility in Romania

CEZ Romania owned two electric vehicles and operated two charging stations—one in Pitești and one in Craiova—in 2019. CEZ Group customers can use them to recharge their electric vehicles for free. In contradiction to the original intent, a new charging station prototype allowing SMS payments, developed in 2017, was not installed outside the ČEZ distribution area for legal reasons. A new charging station with free usage was put into operation on a ČEZ site at the Fântânele and Cogeaalac wind farms.

The further course of electric mobility in Romania will be determined according to electric mobility development in Romania.

CEZ Group Donorship

The donorship area forms a part of CEZ Group's Sustainable Development Strategy—Energy for the Future and forms an integral part of all CEZ Group activities. Through corporate donorship and sponsorship, it has long been supporting projects in its area, for example in the field of education, culture, sports, environmental protection, and community life.

Donorship

CEZ Group together with the ČEZ Foundation belong among the largest corporate donors in Czechia. Their comprehensive approach to donorship activities is regularly highly valued by independent experts. Employees are involved in corporate donorship, too. They participated in an annual charitable collection named Granting Wishes, Thinking about Others for the thirteenth time in 2019. The ČEZ Foundation doubled the collected amount. Financial support totaling CZK 6.3 million was provided to 104 people who faced a difficult situation in their lives due to severe illness or injury. In addition, CEZ Group employees bought products worth CZK 0.8 million at sheltered workshops' bazaars. CEZ Group involves the general public in making decisions on project support using the EPP—Move to Help mobile app. Thanks to the app, the Foundation supported 341 projects with CZK 25 million in 2019 alone. The app has been used by 447,000 users since its launch in May 2015.

Financial Donorship

Financial Donations by CEZ Group Companies (CZK Millions)

	To ČEZ Foundation	Direct Donations	Total
ČEZ, a. s.	35.5	74.4	109.9
Other fully consolidated CEZ Group companies	143.4	96.1	239.5
CEZ Group, total	178.9	170.5	349.4

In the context of CEZ Group's long-term priority of Being a Good Partner financial donations primarily focus on support for regional development. Companies also contribute to projects focusing on social, cultural, sporting, educational, and environmental protection areas.

Direct Financial Donations by ČEZ, a. s., by Area

Area	CZK Millions	%
● Municipal infrastructure and regional development	34.6	46.5
● Culture and environment	2.8	3.8
● Education, science, and youth care	1.8	2.4
● Sport	8.4	11.3
● People in need and people with disabilities	26.8	36.0
Total	74.4	100.0



List of Entities Supported by ČEZ

For a file with a list of entities supported by ČEZ in 2019 and the form of support, refer to www.cez.cz/dary.

ČEZ Foundation

Financial Contributions by CEZ Group Companies to ČEZ Foundation (CZK Millions)

ČEZ	35.5
ČEZ Distribuce	100.0
ČEZ ESCO	3.0
ČEZ ICT Services	0.6
ČEZ Prodej	24.8
Severočeské doly	15.0
Total	178.9

ČEZ Foundation Activities

Over its seventeen-year history, the ČEZ Foundation (www.nadacecez.cz) has provided more than 10,700 foundation contributions totaling CZK 2.71 billion. In 2019, it supported 1,049 public benefit projects with CZK 170.44 million under programs responding to society's current needs.

These were regularly opened grant programs and other foundation activities:

Orange Playgrounds—support for building and renewing children's playgrounds and sports fields.

Support for Regions—support for activities that help improve the life of local people in municipalities throughout Czechia, particularly those concerning health care, children and youth, social work, science and education, protection of human health and human rights, culture, and the environment.

Trees—support for planting rows of trees, primarily new and renewed avenues of trees and roadside trees.

Orange Crosswalk—support for lighting at crosswalks.

Employee Grants—support for nonprofit organizations that employees from CEZ Group companies in Czechia volunteer at.

Granting Wishes—a joint charity project of CEZ Group employees and the ČEZ Foundation. Financial support was provided to people who faced difficult situations in their lives.

Orange Classroom—schools received teaching aids and equipment that help improve the quality and attractiveness of technical subjects for their participation in mathematics and physics Olympiads and other competitions.

Significant support for the engagement of the general public in the Foundation's activities was achieved by:

EPP—Move to Help mobile app—by being physically active, its users generated points for offered nonprofit projects, which then received financial support from the ČEZ Foundation.

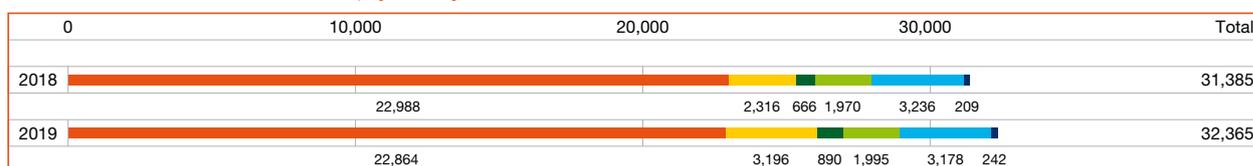
Orange Bike—one-minute charity rides on specially outfitted stationary bicycles to support local nonprofit organizations offered to visitors of cultural, social, and sports events.

Human Resources

Headcount Changes

As at December 31, 2019, CEZ Group employed 32,365 people, which was a year-on-year increase of 980 employees. The increase was largely due to the inclusion of new foreign companies in the consolidated CEZ Group; conversely, the number decreased slightly in Czechia.

Workforce Headcount as at December 31, by Country



- Czechia
- Germany
- Poland
- Romania
- Bulgaria
- Other countries

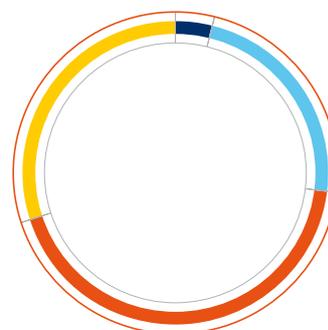
Employee Structure as at December 31, 2019, by Age

	%
● 24 years and under	3
● 25–29 years	10
● 30–39 years	18
● 40–49 years	31
● 50–59 years	26
● 60 years or more	11
Total	100



Employee Structure as at December 31, 2019, by Educational Attainment

	%
● Primary	4
● Lower secondary	23
● Secondary	43
● Tertiary	31
Total	100



Training Program

The line of business and strategic objectives, including ensuring safe and reliable operation of nuclear power plants of CEZ Group, place high demands on the expertise, skills, and experience of its employees. For their ongoing development, the training program focuses on:

- Training to meet qualification requirements in accordance with legislative requirements
- Training to acquire necessary knowledge and skills beyond the required qualifications
- Continually developing a portfolio of in-class, e-learning, and combined training courses
- Tailor-made programs, such as the Management Growth Program—People Development Forum (a joint platform of CEZ Group top management for discussing development and career opportunities of individual program participants)
- Working with talents and successors
- Implementing graduate and trainee programs: ČEZ Potentials trainee program for talented university graduates has been taking place for 16 years already
- Developing leadership for managers
- Other forms of development: internal and external mentoring, internal coaching, support for key knowledge and experience sharing (knowledge management), regular work with internal lecturers

Welfare Policy

Welfare policy at CEZ Group consists of a wide range of activities and benefits, both monetary and nonmonetary, provided to employees under internal documents and collective agreements negotiated between employers and labor unions. Employees earn wages in accordance with CEZ Group's long-term financial performance and its position in the labor market. In accordance with the above-mentioned documents, CEZ Group companies in Czechia provide employees with a defined range of benefits such as a shortened 37.5-hour workweek, paid vacation extended to five weeks, eligibility to paid leave beyond the statutory scope, or an opportunity to use various types of flexible working hours, including telecommuting. CEZ Group companies also provide an extra wide range of perquisites such as personal accounts intended primarily for recreation and leisure-time activities; health care, including preventive health programs (Health Days); contributions to supplemental pension plans, life insurance, and employee meal plans; special bonuses for jubilees and on retirement; and nonrecurrent social assistance provided in case of emergency. Employees can take two sick days with salary compensation at 65% of their average pay in 2020. Care for preschool children is provided in kindergartens in selected localities. Last but not least, CEZ Group companies take care of their retired employees (CEZ GROUP SENIORS Endowment Fund, Pensioners' Clubs). The fundamental principles of CEZ Group's remuneration and welfare policy in Czechia apply to acquisitions abroad as well.

Relations with Labor Unions

There were a total of 27 local labor organizations operating at ČEZ in 2019, organizing more than 1,400 employees. Selected major subsidiaries of CEZ Group in Czechia had 42 local labor organizations, organizing more than 3,000 of their employees. Of those 42 labor organizations, 31 collaborated under four regional associations. The above-mentioned labor organizations are members of the ECHO Labor Union, the Czech Union of Power Industry Employees (CUPIE), the KOVO Trade Union, and the Energy and Mining Industry Labor Union (EMILU). ČEZ is a member of the Czech Association of Energy Sector Employers, which negotiates a higher-level collective agreement with CUPIE and ECHO. Amendment No. 3 to a master collective agreement for the period of 2017–2020 was made in 2019, extending the master agreement until 2023.

Regular meetings were held between the employer and labor union representatives in 2019 in order to provide information to labor unions and to discuss organizational changes and other topics specified by the Labor Code and the collective agreement. Collective agreements at ČEZ and selected significant subsidiaries are made for until the end of 2022. Collective bargaining in 2019 concerned amendments to all collective agreements in force, dealing primarily with wages, salaries, and benefits. The collective bargaining culminated in the signing of Amendment No. 19 to the collective agreement at ČEZ, a. s., and the signing of amendments to collective agreements at selected major subsidiaries.

Sixteen labor unions operated within the Severočeské doly group. Severočeské doly and its subsidiaries PRODECO, Revitrans, and SD - Kolejová doprava have collective agreements effective until December 31, 2020.

The union membership rate in Poland is greater than 50%.

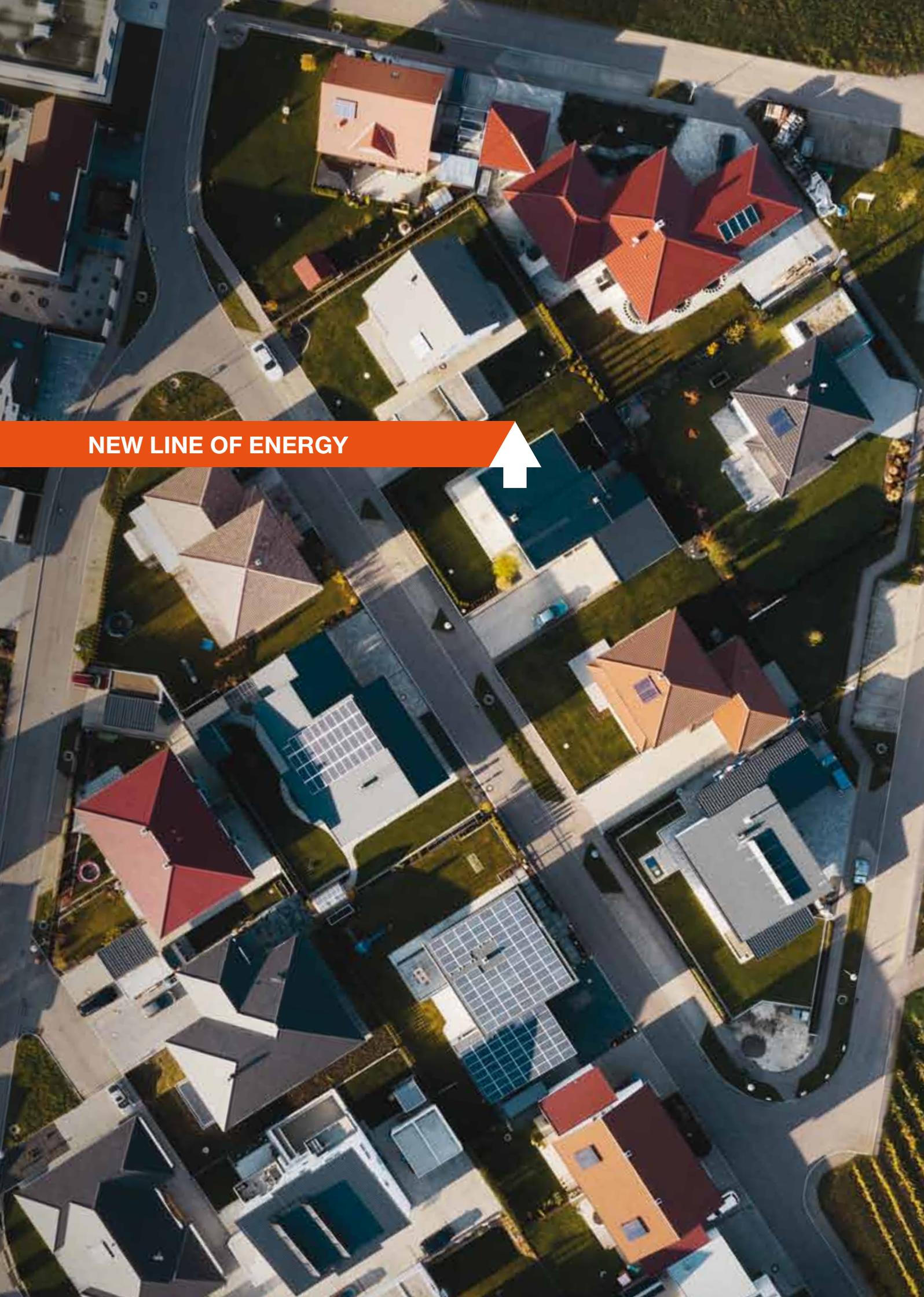
The collective agreement for CEZ Chorzów is in force until the end of 2022 and the collective agreement for employees at CEZ Skawina is in force until 2021.

The union membership rate in Bulgaria exceeds 60%. CEZ Razpredelenie Bulgaria, CEZ Bulgaria, and CEZ Elektro Bulgaria have collective agreements effective until December 31, 2021.

The union membership rate in Romania is greater than 80%. Collective agreements are in effect as follows: at CEZ Vanzare and CEZ Romania, until December 31, 2020; at Distribuție Energie Oltenia, until April 5, 2021; and at TMK Hydroenergy Power, until December 31, 2021.

In Germany, collective agreements in effect at Elevion group companies are derived from a collective agreement made with members of the German Trade Union Confederation. Collective agreements are made for a fixed term or for an indefinite period of time with a two-month cancellation period.

A European Works Council has been operating within CEZ Group since 2007 and was joined by an employee representative from Slovakia in 2019. At the end of 2019, the European Works Council consisted of 27 employee representatives from Czechia, Poland, Bulgaria, Romania, Germany, and Slovakia. Two meetings that took place in 2019 dealt with the topics related in particular to CEZ Group's strategy, the Group's financial results, and the activities of CEZ Group on foreign markets.



NEW LINE OF ENERGY





New Energy Sector in Czechia

CEZ Group wants to take advantage of conditions arising from the energy and climate plan and cover all areas associated with the development of renewable energy sources in Czechia. The use of renewable resources in Czechia is limited to some extent by its natural conditions; however, CEZ Group allows its customers to take advantage of their potential by installing roof-top photovoltaic systems.

Environmental Protection

Climate Protection

CEZ Group is aware of risks associated with climate change and supports efforts to reduce the environmental impacts of electricity generation at coal-fired power plants. It spent more than CZK 100 billion on power plant desulfurization, denitrification, and efficiency enhancement and shut down 1,965 MW of installed capacity as long ago as in the 1990s. In 2015, it made a commitment to generate electricity without CO₂ emissions no later than by 2050 in accordance with the conclusions of the Paris climate conference. More than 55% of electricity generated by CEZ Group in 2019 originated from zero-emission sources. As further steps to achieving its target, the less efficient coal-fired power plants that have not undergone comprehensive renovation will be phased out. A number of power plants also achieve greater efficiency by generating and supplying heat for heating purposes alongside electricity. By 2025, the installed capacity of coal-fired power plants will decrease by nearly 50% and coal extraction will decrease by approximately 1–2 million tons as compared to 2018. CEZ Group has an ambition to become a major player in renewables. It currently operates 742 MW of wind turbines and 130 MW of photovoltaic installations. It also has 212 MW of wind turbines in the development stage and 13.6 MW under construction in France, 305.5 MW in the development stage in Germany, and 39.2 MW ready for construction in Poland. CEZ Group's updated strategy assumes that it will play a major role in the development of renewables in Czechia. CEZ Group also focuses its activities on reducing energy consumption and offers its customers comprehensive solutions for achieving savings in the operation of their buildings.

CEZ Group Emission Intensity

	Unit	2018	2019	2019/2018 Index (%)
CO ₂ emission intensity of electricity produced	t CO ₂ /MWh	0.39	0.36	93.3
CO ₂ emission intensity, including emissions from biomass, of electricity produced	t CO ₂ /MWh	0.40	0.38	95.2
CO ₂ emission intensity of electricity and heat produced	t CO ₂ /MWh	0.38	0.36	94.9
CO ₂ emission intensity, including emissions from biomass, of electricity and heat produced	t CO ₂ /MWh	0.40	0.38	96.0

There was a year-on-year decrease in both the absolute amount of released CO₂ and the emission intensity of electricity generation, which reduced from 0.39 to 0.36 t CO₂/MWh, that is, by almost 6.7%.

Greenhouse Gas Emission Allowances

Czechia

Czechia, along with eight other member states of the European Union, is exempted from the obligation to allocate greenhouse gas emission allowances for electricity generation solely at auctions from 2013 on. Allowances for heat generation in Czechia in 2019 were allocated in February 2019. Under the derogation, CEZ Group was allocated 69.6 million tons of emission allowances for electricity generation in Czechia in 2013–2020 in exchange for investments in greenhouse gas emission reduction. The investments must be greater than the value of the free emission allowances allocated under the derogations, calculated from their market prices in the previous year. Based on funds invested in clean, environmentally friendly technologies in the previous year, the conditions for the allocation of emission allowances worth approximately CZK 0.919 billion to CEZ Group plants were fulfilled in 2019. Due to an administrative delay, the allowances are expected to be allocated in H1 2020.

Poland

Poland is also one of the member states of the European Union allowed to temporarily allocate a portion of emission allowances for electricity generation for free in 2013–2019, retroactively against investments made and approved under the National Investment Plan, which should result in the modernization and gradual decarbonization of electricity generation. Allowances for heat generation at the Skawina and Chorzów power plants were allocated in February 2019; the total allocation was 109,541 emission allowances. Only the Skawina plant is eligible to be allocated emission allowances for electricity generation. Emission allowances are allocated according to a plant's emission entitlement in the current year resulting from investments made in the previous year.

Air Protection

Czechia

The generation of electricity and heat from fossil sources, and the extraction of such fossil sources, are associated with emissions of pollutants to the air. Dust particles are emitted during brown coal extraction. The combustion of fossil fuels results, in particular, in emissions of sulfur dioxide, nitrogen oxides, carbon monoxide, and particulate matter. Reducing the emissions of such substances is CEZ Group's priority; emission reduction equipment is installed at combustion facilities operated by CEZ Group and its efficiency is continually improved as best available techniques develop.

To reduce emissions of sulfur dioxide, most facilities use a highly efficient flue-gas desulfurization method based on wet limestone scrubbing; smaller facilities use a semi-dry method in which pollutants from flue gases are absorbed on lime suspension particles and particles of the resulting product are then dried by the heat in the flue gases.

Sulfur oxides from fluidized bed boilers are captured directly in the combustion chamber by dosing limestone to the furnace. Sulfur dioxide emissions are also reduced by replacing fossil fuels with biomass combustion in some combustion units, especially fluidized bed boilers. Particulate matter is captured by electrostatic precipitators or bag filters with separation efficiency exceeding 99%.

Nitrogen oxides emissions are reduced either directly by primary measures in the combustion process, or by means of reduction techniques using ammonia water or urea.

A newly monitored pollutant emitted to the air is mercury. Much attention is paid to the development of techniques for capturing this pollutant at CEZ Group facilities; technology installation will start at generating facilities in 2020 and appropriate measures will be taken over time at all brown coal-fired facilities in Czechia until 2024.

Reduction in the emissions of sulfur dioxide was greatly helped by the completion of a new desulfurization system at the Mělník I power plant in 2019. Further emission reduction resulted from the commissioning of a new gas-fired boiler plant at Vítkovice, which replaced three coal-fired units. A newly completed gas-fired boiler house at the Trmice heating plant will allow making environmental upgrades to the heating plant's coal-fired units without heat supply restrictions. Environmental upgrades to gas-fired boiler plants operated by ČEZ Teplárenská, a.s., continued in 2019, replacing existing boiler plants with new ones featuring lower NO_x emission parameters. Emission limits were met at all CEZ Group coal-fired power plants, ČEZ's cumulative emission ceiling was not exceeded, and all other technical conditions for operation relating to air protection, as imposed on the facilities in the operating licenses granted by competent administrative authorities, were fulfilled in 2019. Emissions from coal-fired power plants are subject to continual monitoring of air quality near coal-fired power plants and coal mines. Pollution measurement data is included in the ISKO database run at national level by the Czech Hydrometeorological Institute.

CEZ Group monitors the impact of coal-fired power plant and heating plant operations on air pollution on a long-term and systematic basis using its own air pollution measurement network. Monitoring was carried out in 2019 at ten pollution monitoring stations located near coal-fired power plants and heating plants, which measure gaseous pollutants (SO₂, NO_x) and, most importantly, particulate matter of different sizes (PM₁₀ and PM_{2.5}). The public is kept informed about the results of pollution monitoring by means of a website. Monitoring stations are located in municipalities affected by mine operations, providing continuous measurement of dust pollution, especially suspended PM₁₀ particles, with remote data transmission, operated by an independent accredited laboratory. The results of the measurement are provided to the affected municipalities and governmental agencies in the form of data reports at regular monthly intervals. Coal storage sites are closely monitored to prevent and eliminate spontaneous heating (mixing of coal dust with water vapor can lead to self-combustion).

Poland

The Skawina and Chorzów power plants did not exceed the pollutant emission limits specified in their licenses in 2019. A DeNOx project, which will greatly help reduce NO_x emissions, was successfully completed at the Skawina power plant.

Water Protection

Czechia

CEZ Group's generating facilities could not operate without water. Surface water is used for various purposes at CEZ Group's power plants and heating plants, mostly to cool steam after its passage through a turbine in order to increase electricity generation efficiency. Used water is recycled at generating facilities depending on its quality so as to minimize the amount of surface water withdrawn. Groundwater is only used to a minimum extent at CEZ Group. It is mostly for the production of drinking water; a negligible amount is used for other purposes.

Water protection is ensured through compliance with operating regulations and regular checks of preventive measures aimed at preventing releases of harmful substances to surface water, groundwater, and the rock environment. A facility's impact on water is assessed through regular monitoring of discharged wastewater and groundwater monitoring, which allow identifying any undesirable condition in a timely manner.

Reduced flow rates in water streams in 2019, due to a lack of precipitation, resulted in limited generation by the Hodonín heating plant, where one generating unit was shut down for approximately six weeks in the summer because of a lack of cooling water.

Several tens of liters of turbine oil spilled to the Elbe at the Mělník 3 power plant in August 2019 as a result of two concurrent breakdowns in the cooling circuit. As soon as the accident was reported, a sorption boom was installed at the discharge hole through which the turbine oil leaked to the river to capture residual pollution. According to available information, no fish or other animals perished during the accident.

Severočeské doly commenced the construction of a mine water pretreatment plant in 2019; after it is completed in 2020, the plant will ensure greater reliability in the quality of discharged mine water even with extreme rainfall.

Fauna Protection and Support

Czechia

CEZ Group has been addressing avian electrocution protection since the 1990s. Its objective is to prevent birds from being injured or killed by perching on power lines. Protection devices are usually installed on the support structures of medium-voltage power lines. Most often, they are plastic sheaths that are pulled over insulators. Another method for protecting birds on power lines is using protective crossarms that prevent birds from perching on the line and getting their live parts in contact with a grounded tower structure. CEZ Group took another step in avian electrocution protection. Another 19,593 support structures (towers) for medium-voltage power lines became safe for birds in 2019, increasing the share of safe support structures owned by ČEZ Distribuce to 60%. Almost CZK 210 million was expended on the aforementioned measures in 2006–2019.

Storks' nests are removed from support structures for distribution system lines and transferred to safer places in collaboration with the Czech Society for Ornithology. The support structure is then fitted with a protection device preventing storks from perching on it again.

CEZ Group places permanent emphasis on environmental care and protection in the vicinity of its sites. For example, trees were planted in the safeguard zone of the Heraltice water source near the Dukovany Nuclear Power Plant as a demonstration project to demonstrate new approaches to the remediation of areas cleared by calamities based on a recommendation prepared jointly by experts from the Forestry and Game Management Research Institute, Mendel University in Brno, and the Czech University of Life Sciences in Prague.

There were continued activities to support the nesting of the peregrine falcon at the sites of most coal-fired power plants and heating plants as well as at nuclear power plants. Facilities owned by ČEZ were found to host seven pairs of peregrine falcons and one solitary individual (female). The record-making seven pairs were successful and reared at least 19 young in 2019. Three facilities remained unoccupied. Since the first falcon nest box in Czechia was installed at a cooling tower walkway at the Tušimice power plant in 2011, 84 young falcons were reared on tall power plant structures, stacks, or cooling towers. Nesting conditions also continued to be created for sand martins, which are found at the disposal sites of some coal-fired power plants. A population of the critically endangered *Hipparchia* butterfly was found at a reclaimed waste pond of the Tušimice power plant in previous years. To maintain suitable conditions for preserving the species population, sheep and goat grazing continued at the site, arranged in cooperation with the regional authority and a private farmer and started as an experiment in 2016, which, according to an entomologist, positively contributes to the protection of the butterfly population.

The functionality of mounds for lizard breeding was monitored at the site of the Bílina Mine. Just like in 2018, the mounds were proven to be functional especially for insects and smaller vertebrates. Repeated checks were also carried out on small ponds that were built for amphibian breeding in areas of conservation measures in order to increase their biodiversity. Nine new small ponds for amphibian breeding and two insect habitats were built. To conserve populations of protected *Phengaris* butterfly species, meadows were purposefully mowed in order to create a permanently suitable environment for these species. Two major operations were carried out due to prolonged drought—removal and relocation of amphibians from five concentration ponds to a large waterlogged retention reservoir near Mariánské Radčice and rescue and transfer of amphibians from relocation ponds. The presence of critically endangered *Hipparchia* butterflies was confirmed in restored areas at the Radovesice waste dump, on the basis of which changes were made to the schedule of restoration work and an entomologist prepared a methodology for the maintenance of the areas.

Five new ponds for amphibian breeding, 22 new stone mounds with a decaying core for reptile breeding, and six insect habitats were successfully built at the site of the Nástup Tušimice Mines in 2019. Ornithologists repeatedly confirmed the permanent presence of valuable bird species at the site, such as the tawny pipit, the northern wheatear, or the ortolan bunting.

It can be stated that the Bílina Mine and the Nástup Tušimice Mines continually comply with the conditions for further mining activities imposed on them in order to maintain and develop biodiversity. In 2020, much continued attention will be paid to earthworks with respect to protecting birds nesting on the ground.

Germany

Wind parks comply with stringent requirements for the protection of birds and bats, as documented by environmental impact assessment (EIA). In the first years of operation, monitoring of the actual impact on birds and bats is carried out, and any negative impact will be eliminated by adjusting the operating modes.

Romania

Distribution line poles were fitted with 99 stork nests. Insulators were installed on low- and medium-voltage lines.

Bulgaria

Adjustments were made to five positioned stork nests as required by authorities in order to make them safer both for the birds and for the power grid. In addition, the installation of insulators in power lines continued.

Noise Protection

Czechia

Noise sources are not only power plants and heating plants but also open-pit mines, especially the operation of turbine-generator units, cooling systems, long-distance belt conveyors, and large-scale mining machinery. CEZ Group facilities meet health limits for noise in compliance with the law and the conditions in relevant licenses. An exemption from noise limits was granted for the operation of the Vítkovice and Poříčí heating plants and the Mělník power plant based on an assessment concluding that noise had been reduced to an acceptable level and did not pose a risk to human health.

Germany

Monitoring at wind parks confirmed compliance with noise limits.

Poland

The Skawina and Chorzów power plants met the required noise limits. Noise from the Chorzów power plant is just below the permitted limit in the nighttime, as confirmed by another measurement in 2019, so fuel is not transported into the boiler area of the power plant at night.

Romania

Noise generated by wind farms is monitored regularly. No violation of noise limits was found.

Bulgaria

CEZ Razpredelenie Bulgaria performed 12 noise measurements in collaboration with the local sanitation authority in Sofia. Once noise reduction measures were taken, subsequent measurements confirmed compliance with the standards. An official protocol documenting the observance of the noise limits was issued.

Environmental Effects Concerning the Use of Assets

In the context of legislation and targets advanced by both Czechia and the European Union, declared to fight climate change, it cannot be completely excluded that the business use of some assets or groups of assets will be more difficult in the future. CEZ Group has identified the following potential sources of restrictions:

- Increasingly ambitious climate targets—The European Commission published the European Green Deal in 2019, which, among other things, increases the target for reduction in greenhouse gas emissions. The stepped-up decarbonization effort will act as a long-term growth stimulus for the price of CO₂ allowances. This puts especially older, less efficient coal-fired power plants and heating plants under huge economic pressure.
- Establishment of the Coal Commission—This advisory body to the Czech government, created on the pattern of Germany, will assess future need for brown coal in Czechia and options for departure from its use in combustion facilities as early as in September 2020.
- Stricter emission limits—BAT Conclusions entering into force in August 2021 will not only include stricter limits for a number of previously monitored substances (NO_x, SO_x, particulate matter) but also introduce new, very strict limits for mercury. ČEZ keeps making environmental upgrades to its power plants to prepare them for new limits as much as possible. Meeting the tightened limits will require capital expenditure of billions of CZK and will also result in increased variable expenses for coal-fired plants.

Water Consumption and Emissions

CEZ Group Water Consumption and Emissions

	Unit	2018	2019	2019/2018 Index (%)
Total water consumption	thousands m ³	758,157	640,670	84.5
Of which: Surface water	thousands m ³	752,361	634,948	84.4
Groundwater	thousands m ³	372	388	104.4
Drinking water from public water utilities	thousands m ³	5,358	5,241	97.8
Water from industrial water piping	thousands m ³	66	92	139.5
Emissions and specific emissions of air pollutants				
Particulate matters	tons	1,589	1,575	99.1
Sulfur dioxide	tons	25,677	21,008	81.8
Nitrogen oxides	tons	24,851	23,040	92.7
Carbon dioxide from fossil fuel combustion	tons	26,802,633	26,070,966	97.3
Carbon dioxide from biomass combustion	tons	1,048,267	1,343,775	128.2

Changes in CEZ Group Ownership Interests

2019

Czechia

- January 1—ŠKODA PRAHA Invest s.r.o. ceased to exist through a merger by acquisition with ŠKODA PRAHA a.s.
- January 1—EVČ s.r.o. ceased to exist through a merger by acquisition with ENESA, a.s.
- January 1—A stake was acquired in ITX MEDIA a.s.; its sole shareholder is ČEZ Teplárenská, a.s.
- January 2—A 100% stake was acquired in Caverion Česká republika s.r.o. (now KART TZB, spol. s r.o.); its sole member is KART, spol. s r.o.
- January 23—Nuclear Safety & Technology Centre s.r.o. v likvidaci (in liquidation) was struck off the Commercial Register
- April 26—CEZ Group sold off its stake in EASY POWER s.r.o.
- June 28—A 100% stake was acquired in HA.EM OSTRAVA, s.r.o.; its sole member is ČEZ Energetické služby, s.r.o.
- July 23—The stake of ČEZ ESCO, a.s., in ČEZ LDS, s.r.o., was increased to 100%
- August 1—A merger by acquisition took place between ČEZ Teplárenská, a.s., as the acquiring company, and its wholly-owned subsidiaries AYIN, s.r.o., and ITX MEDIA a.s.
- August 22—Telco Infrastructure, s.r.o., was established by Telco Pro Services, a.s., as its sole member
- October 1—ČEZ Bytové domy, s.r.o., ceased to exist through a merger by acquisition with ČEZ Solární, s.r.o.
- October 1—Domat Holding s.r.o. ceased to exist through a merger by acquisition with Domat Control System s.r.o.
- December 1—REN Development s.r.o. ceased to exist through a merger by acquisition with ČEZ Obnovitelné zdroje, s.r.o.

France

- January 15—A stake was acquired in Ferme éolienne de Feuillade et Souffrignac SAS, Ferme éolienne du Blessonnier SAS, Ferme éolienne de Saugon SAS, Ferme éolienne de Genouillé SAS, Ferme éolienne d'Allas-Nieul SAS, Ferme éolienne de la Petite Valade SAS, Ferme éolienne des Besses SAS, and Ferme éolienne de Nueil-sous-Faye SAS; the holder of 100% stakes in all these companies is CEZ France SAS
- February 5—Ferme Eolienne de Saint-Aulaye SAS ceased to exist without liquidation

Italy

- July 11—A 100% stake in SYNECO ENERGY SERVICE S.R.L., SYNECO GROUP S.R.L., and SYNECO PROJECT S.R.L. was acquired through KOFLENER ENERGIES ITALIA SRL
- July 11—A 70% stake was acquired in BUDRIO GFE 312 SOCIETA' AGRICOLA S.R.L. through SYNECO PROJECT S.R.L.

Malaysia

- May 15—Hermos SDN. BHD was acquired in connection with the acquisition of German company Hermos AG

Germany

- January 7—CEZ Erneuerbare Energien Beteiligungs II GmbH acquired a 50% stake in Windpark Bad Berleburg GmbH & Co. KG; the remaining 50% is held by BayWa r.e. Wind GmbH
- January 7—Elektro-Decker GmbH (a member of the Elevion group) acquired a 100% stake in H & R Elektromontagen GmbH
- January 9—Elevion GmbH acquired a 100% stake in GBM Gesellschaft für Büromanagement mbH
- January 9—CEZ Erneuerbare Energien Beteiligungs II GmbH acquired a 50% stake in Windpark Berka GmbH & Co. KG; the remaining 50% is held by BayWa r.e. Wind GmbH
- January 25—Elevion GmbH acquired a 100% stake in En.plus GmbH
- February 5—Kirschbaum & Rohrlack GmbH ceased to exist through a merger with ETS Efficient Technical Solutions GmbH; the merger record date is June 1, 2018
- February 28—Inven Capital, SICAV, a.s., sold off its stake in sonnen Holding GmbH
- March 20—HAU.S GmbH ceased to exist through a merger with ETS Efficient Technical Solutions GmbH; the merger record date is January 1, 2019
- April 11—A 50% stake in Socrates JVCo Verwaltungs GmbH was acquired through CEZ Erneuerbare Energien Beteiligungs II GmbH; the remaining 50% was held by H. und H. Holt Holding GmbH
- April 30—A 50% stake in Socrates Windprojekt GmbH & Co. KG was acquired through CEZ Erneuerbare Energien Beteiligungs II GmbH; the remaining 50% was held by H. und H. Holt Holding GmbH
- April 30—A 100% stake in Socrates SPV General Partner GmbH was acquired through CEZ Erneuerbare Energien Beteiligungs II GmbH; the sole member of the company is Socrates Windprojekt GmbH & Co. KG
- April 30—Windpark Palmphohl GmbH & Co. KG and Windpark Soeste GmbH & Co. KG were acquired through Socrates Windprojekt GmbH & Co. KG
- May 15—Elevion GmbH acquired a 100% stake in Hermos AG and its subsidiaries and sub-subsidiaries Hermos Systems GmbH, Hermos Gesellschaft für Steuer-, Meß- und Regeltechnik mbH, and HERMOS International GmbH
- May 15—Elevion GmbH acquired a 100% stake in Hermos Schaltanlagen GmbH
- May 15—Elevion, through Hermos AG, acquired a 40% stake in Hermos Gesellschaft für Automatisierungstechnik GmbH (the company was acquired as part of the transaction involving HERMOS group companies; it is currently in liquidation)
- May 16—D-I-E Elektro AG (a member of the Elevion group) acquired a 100% stake in FEA Automation GmbH
- June 3—Windpark Harrenstetter Heide GmbH & Co. KG was acquired through Socrates Windprojekt GmbH & Co. KG
- June 21—ETS Efficient Technical Solutions GmbH (a member of the Elevion group) acquired a 100% stake in Detlef Walther GmbH
- June 24—En.plus GmbH (a member of the Elevion group) acquired a 100% stake in Kälteanlagenbau Schröder GmbH
- September 6—ETS Efficient Technical Solutions GmbH (a member of the Elevion group) acquired a 100% stake in Elektro-Technik-Pfisterer-GmbH
- December 13—CEZ ESCO I GmbH was renamed to Elevion Deutschland Holding GmbH
- December 17 and December 19—CEZ ESCO II GmbH acquired 100% stakes in GWE Verwaltungs GmbH and GWE Wärme-und Energietechnik GmbH & Co. KG, respectively
- December 30—GBM Gesellschaft für Büromanagement mbH ceased to exist through a merger with Elevion GmbH; the merger record date is July 1, 2019

Poland

- May 15—Hermos sp. z o.o. was acquired in connection with the acquisition of German company Hermos AG
- August 30—A 76% stake was acquired in Euroklimat sp. z o.o.
- September 30—CEZ Trade Polska sp. z o.o. ceased to exist through a merger by acquisition with CEZ Polska sp. z o.o.

Austria

- July 12—A 100% stake was acquired in SYNECO tec GmbH

Slovakia

- February 26—SERVISKOMFORT s.r.o. was renamed to ČEZ SERVIS, s.r.o.
- May 13—A 51% stake in e-Dome a. s. was acquired through ČEZ ESCO, a.s.
- May 20—Bytkomfort, s.r.o., sold off its stake in Bytkomfort - BA, a.s.

Turkey

- December 12—AK-EL Yalova Elektrik Üretim A.S. ceased to exist through a merger with its parent company Akenerji Elektrik Üretim A. S.

2020 until the Annual Report Closing Date**Czechia**

- January 1—Energocentrum Vítkovice, a. s., ceased to exist through a merger by acquisition with ČEZ Energetické služby, s.r.o.
- January 16—AZ KLIMA a.s. sold off its stake in AZ VENT s.r.o.

Netherlands

- January 1—CEZ New Energy Investments B.V. was split into CEZ ESCO International B.V. and CEZ RES International B.V.; each company also established its branch in Czechia

Legal and Other Proceedings Involving CEZ Group Companies

Legal Proceedings

Czechia

ČEZ, a. s.

1. Minority shareholders carry on a lawsuit against ČEZ, a. s., and Severočeské doly a.s., based on an action filed in 2006, seeking declaratory judgment on the adequacy of consideration in compulsory sale of corporate securities. Should the plaintiffs win, the total additional payment could be in the order of hundreds of millions of CZK. The case is heard at first instance. The outcome of the proceeding is impossible to predict.
2. Ultra Plus Holding Limited carried on a lawsuit against ČEZ, a. s., based on an action filed in August 2010, seeking the payment of an amount in excess of CZK 196 million plus interest and costs on grounds of alleged abuse of a dominant position in determining the purchase price of brown coal (lignite) deliveries and the amount of the maximum discount for faulty performance. The court of first instance dismissed the action. The proceeding in the plaintiff's appeal before a court of second instance was finally dismissed at the end of 2019. The case is closed with final effect.
3. ČEZ, a. s., carries on a lawsuit against the Appellate Financial Directorate based on an administrative action brought against the decision of the Specialized Tax Office imposing a fine of CZK 150 million for violating the Prices Act in the payment of the price of brown thermal coal supplied by Sokolovská uhelná, právní nástupce, a.s., in 2010, 2012, and 2013. The administrative court admitted the action. The case is heard by the Supreme Administrative Court based on a cassation appeal filed by the Appellate Financial Directorate (however, the Appellate Financial Directorate rescinded the fine imposing decision based on the legal opinion of the court of first instance). The outcome of the proceeding is impossible to predict.
4. Lesy České republiky, s.p., carries on 29 lawsuits against ČEZ, a. s., and some of its subsidiaries based on actions filed since 1997. The issue in dispute is a claim for compensation for loss caused by the operations of ČEZ, a. s., and its subsidiaries in forest stands in 1997 and 1999–2015. The total amount of damages claimed is CZK 281 million plus interest and costs. The outcome of the proceedings is impossible to predict.
5. In an insolvency proceeding against PLP a.s., Teplárna Trmice, a.s., the legal predecessor of ČEZ Teplárenská, a.s., submitted claims totaling CZK 220 million. The enterprise of the debtor, PLP a.s., was realized for USD 10 million and the proceeds were rendered to the secured creditor in July 2013. The amount of settlement for ČEZ Teplárenská, a.s., in the insolvency proceeding in question is still nil. The outcome of the proceeding is impossible to predict.
6. ČEZ, a. s., carries on a lawsuit against ŠKODA JS a.s., based on an action filed in 2016, seeking payment of a total of CZK 2,759 million plus interest and costs. The issue in dispute is damages for lost profits due to wrongly performed radiographic inspections of welded joints at the Dukovany Nuclear Power Plant and the Temelín Nuclear Power Plant. The amount originally claimed was CZK 611 million plus interest and costs back in 2016 but, after negotiations over an out-of-court settlement of the dispute failed, a motion was filed to extend the action to a total of CZK 2,759 million in February 2020. The amount currently claimed includes full damages for lost profits. The case is heard at first instance. The outcome of the proceeding is impossible to predict.
7. Eleven tenants of apartments carried on a declaratory judgment suit against CIB RENT PÍSNICE s.r.o., concerning title to properties in the cadastral district of Písnice, based on an action filed in 2017. ČEZ, a. s., is an intervenor in the proceeding on grounds of its past title to the properties. The plaintiffs claimed that the owner of the properties was the Czech Republic. The court of first instance dismissed the action. The appellate court upheld the judgment of the court of first instance; in respect of the costs of proceedings, the appellate court returned the case to the court of first instance. The court of first instance gave a new ruling on the cost of proceedings and the amount of awarded costs of proceedings was changed by the appellate court on the basis of filed appeals. The case is closed with final effect.

8. ČEZ, a. s., carried on two lawsuits against the Appellate Financial Directorate based on administrative actions filed against decisions of the Appellate Financial Directorate concerning interest on tax authority misconduct in relation to a refunded overpayment of gift tax on emission allowances for 2011 and 2012. The administrative court rescinded the disputed decision of the Appellate Financial Directorate. The Appellate Financial Directorate filed cassation appeals against the administrative court's rulings with the Supreme Administrative Court. During the cassation appeal proceedings, the Appellate Financial Directorate issued decisions in August 2018 awarding ČEZ, a. s., interest on tax authority misconduct in 2011 and 2012 but only for the periods after additional payment assessments; the cassation appeal proceedings are concluded. ČEZ, a. s., filed two analogous actions as the successor of Teplárna Trmice, a.s. Those actions were admitted in December 2019 and the matter was returned to the Appellate Financial Directorate for a new decision.
9. ČEZ, a. s., carries on two lawsuits against the Appellate Financial Directorate based on administrative actions filed against the Appellate Financial Directorate's decisions by which the Appellate Financial Directorate awarded ČEZ, a. s., interest on tax authority misconduct in 2011 and 2012 but only for the periods after additional payment assessments. ČEZ, a. s., believes that there was an error in law in the assessment of the periods for which ČEZ, a. s., is entitled to claim interest on tax authority misconduct. The proceedings are pending before an administrative court. The outcomes of the proceedings are impossible to predict.
- ČEZ Distribuce, a. s.**
10. SPR a.s., carries on a lawsuit against ČEZ Distribuce, a. s., based on an action filed in May 2013, seeking payment of CZK 213 million plus interest and costs. The matter in dispute is the existence of loss alleged by the plaintiff, which was allegedly incurred due to a breach of obligations by ČEZ Distribuce, a. s., in relation to the connection of the Dubí PV power plant to the distribution grid. The case is heard at first instance and has been stayed. The outcome of the proceeding is impossible to predict.
11. Four electricity generators/local distribution system operators carry on significant lawsuits against ČEZ Distribuce, a. s., based on actions filed in 2015, 2016, and 2017. The matter in dispute is a claim for recovery of unjust enrichment consisting in the electricity distribution price component to cover costs associated with renewable electricity support that was allegedly incorrectly billed but duly paid by the plaintiffs in relation to their internal electricity consumption from January 1, 2013, to October 1, 2013. The total payment claimed from ČEZ Distribuce, a. s., exceeds CZK 1 billion plus interest and costs. Following a special panel's decision on conflict of jurisdiction, court proceedings in all of the lawsuits were discontinued in 2019 and the matter was referred to the Energy Regulatory Office. The outcomes of the proceedings are impossible to predict.
12. ČEZ Distribuce, a. s., carries on three lawsuits against OTE, a.s., based on actions brought in 2016 and 2017, seeking recovery of unjust enrichment from OTE amounting to approximately CZK 7.6 billion plus interest and costs, consisting in the electricity distribution price component to cover costs associated with renewable electricity support being incorrectly billed but duly paid by ČEZ Distribuce, a. s., from January 1, 2013, to December 31, 2013. Following a special panel's decision on conflict of jurisdiction, court proceedings in two of the lawsuits were discontinued in 2019 and the matter was referred to the Energy Regulatory Office. The proceeding in the last lawsuit has been stayed. The outcomes of the proceedings are impossible to predict.
13. ČEZ Distribuce, a. s., carries on a lawsuit against ŠKO-ENERGO, s.r.o., based on an action brought in 2016, seeking payment in excess of CZK 113 million plus interest and costs from ŠKO-ENERGO. The matter in dispute is additional payment of the electricity distribution price component to cover costs associated with electricity support for the period from April 1, 2013, to October 1, 2013. The Energy Regulatory Office dismissed the claim of ČEZ Distribuce, a. s., in the first instance. Based on a remonstrance filed by ČEZ Distribuce, a. s., the first-instance decision was reversed by the ERO Board in January 2020 and the matter was returned to the first instance. The outcome of the proceeding is impossible to predict.
14. ČEZ Distribuce, a. s., carries on a lawsuit against Liberty Ostrava a.s. (formerly ArcelorMittal Ostrava a.s.), based on an action brought in 2019, seeking payment of approximately CZK 225 million plus interest and costs. The matter in dispute is unreceived payments for system services for the period from February 2016 to November 2018 for which ČEZ Distribuce, a. s., invoiced ArcelorMittal Ostrava a.s. The case is heard at first instance and has been stayed. The outcome of the proceeding is impossible to predict.

15. In an insolvency proceeding against Česká energie, a.s., ČEZ Distribuce, a. s., submitted an unsecured claim for approximately CZK 138 million plus interest and costs arising from failure to pay for distribution system services under a contract. The insolvency proceeding commenced in December 2016 and is still pending. The outcome of the proceeding is impossible to predict.
16. ČEZ Distribuce, a. s., filed an insolvency petition combined with a bankruptcy petition against SCP first payment of receivables s.r.o. (formerly ENWOX ENERGY s.r.o.), in December 2017, submitting its matured unsecured claim for approximately CZK 115 million plus interest and costs in the proceeding. The claim arose from failure to pay for distribution system services under a contract. The insolvency proceeding is pending. The outcome of the proceeding is impossible to predict.
17. In an insolvency proceeding against One Energy & One Mobile a.s., ČEZ Distribuce, a. s., submitted an unsecured claim for approximately CZK 154 million plus interest and costs arising from failure to pay for distribution system services under a contract. The insolvency proceeding commenced in 2018 and is still pending. The outcome of the proceeding is impossible to predict.

ČEZ Prodej, a.s.

18. ČEZ Prodej, a.s., carries on a lawsuit against Správa železnic, a state organization whose name was Správa železniční dopravní cesty, státní organizace ("SŽDC"), until January 1, 2020, based on an action brought in 2010, seeking damages in the amount of CZK 805 million plus interest and costs. The matter in dispute is an alleged breach of an electricity supply contract by SŽDC, consisting in failure to take deliveries of an agreed amount of electricity in 2010, and the resulting loss. Following an application for leave to appeal filed by SŽDC, the Czech Supreme Court overturned the rulings of the courts of first and second instance and returned the case to the court of first instance. The court of first instance dismissed the action. The appellate court upheld the ruling of the court of first instance in May 2019. ČEZ Prodej, a.s., withdrew the action before it was delivered the judgment of the court of second instance. The judgment of the court of second instance was received in August 2019, whereby the judgment of the court of first instance was upheld and the withdrawal was declared void. The judgments of the courts of both instances are final. ČEZ Prodej, a.s., filed an application for leave to appeal and a constitutional complaint, which have not yet been decided on. SŽDC, which had paid the amount claimed, subsequently brought an action against ČEZ Prodej, a.s., seeking recovery of unjust enrichment amounting to the paid sum of CZK 1,116 million plus interest and costs, which the court of first instance admitted. The appellate court upheld the judgment of the court of first instance. The case has been closed with final effect since October 2019, when the judgment of the appellate court was delivered. ČEZ Prodej, a.s., filed an application for leave to appeal in the case and paid SŽDC the amount claimed plus interest and costs. The outcomes of the proceedings are impossible to predict.
19. ČEZ Prodej, a.s., carries on a lawsuit against SŽDC based on an action brought in 2013, seeking damages in the amount of CZK 857 million plus interest and costs. The matter in dispute is an alleged breach of an electricity supply contract by SŽDC, consisting in failure to take deliveries of an agreed amount of electricity in 2011, and the resulting loss. After the decision of the court of first instance was overturned by the appellate court, the case is reheard by the court of first instance and is currently stayed until the application for leave to appeal in the case referred to in the previous section is decided on. The outcome of the proceeding is impossible to predict.
20. ČEZ Prodej, a.s., carries on a lawsuit against OTE, a.s., seeking substitution of a decision by the Energy Regulatory Office and a decision by the Chairwoman of the Energy Regulatory Office concerning the payment of an amount in excess of CZK 124 million as the outstanding difference in purchase prices paid to solar electricity producers, which were paid by OTE, a.s., to ČEZ Prodej, a.s., as the mandatory purchaser on the basis of an action brought in 2016. The court of first instance dismissed the action. The appellate court upheld the ruling of the court of first instance. The case is heard by the Czech Supreme Court. The outcome of the proceeding is impossible to predict.
21. ČEZ Prodej, a.s., carries on a lawsuit against ACTHERM, spol. s r.o. (a distribution system operator), seeking damages in excess of CZK 185 million plus interest and costs based on an action brought in 2016 (CZK 124 million) and its extension in 2017 concerning loss incurred in the subsequent period (CZK 61 million). The matter in dispute is loss caused by the actions of ACTHERM, spol. s r.o., during the registration of three solar electricity producers in the market operator's system and the delivery of information on the registration to ČEZ Prodej, a.s. The case is heard at first instance; the proceeding has been resumed after a stay. The outcome of the proceeding is impossible to predict.
22. ČEZ Prodej, a.s., carries on three lawsuits with solar electricity producers based on actions filed in March 2017, seeking recovery of unjust enrichment of nearly CZK 160 million. The unjust enrichment consists in the collection of higher purchase prices than those reimbursed to ČEZ Prodej, a.s., by OTE, a.s. The court of first instance discontinued the proceedings in two cases and referred the cases to the Energy Regulatory Office for further proceedings. The action in the third case was dismissed and the case is heard at second instance. The outcomes of the proceedings are impossible to predict.
23. OTE, a.s., carries on a lawsuit against ČEZ Prodej, a.s., based on an action brought in 2018, seeking payment of approximately CZK 104.4 million plus interest and costs. The legal ground for the amount sought is recovery of the difference between the purchase price and the hourly price paid by OTE, a.s., to ČEZ Prodej, a.s., as a mandatory purchaser from a solar electricity producer in the period from January 1, 2013, to April 30, 2018. The court of first instance discontinued the proceeding and referred the case to the Energy Regulatory Office. The proceeding between the parties is now conducted by the Energy Regulatory Office. The outcome of the proceeding is impossible to predict.

24. OTE, a.s., carries on two administrative proceedings before the Energy Regulatory Office against ČEZ Prodej, a.s., based on petitions filed in July 2019, seeking recovery of unjust enrichment totaling approximately CZK 327 million. The legal ground for the amount claimed is recovery of the difference between the purchase price and the hourly price paid by OTE, a.s., to ČEZ Prodej, a.s., as a mandatory purchaser in the period from January 1, 2013, to May 31, 2018. The outcomes of the proceedings are impossible to predict.

ŠKODA PRAHA a.s., Successor to ŠKODA PRAHA Invest s.r.o. since January 1, 2019

25. ŠKODA PRAHA a.s. submitted claims in insolvency proceedings against

a) Chladicí věže Praha, a. s., namely conditional and unconditional claims relating to the execution of an 880 MW_e CCGT Unit project at the Počeradý power plant totaling CZK 451 million, based on a filing in 2015. The submitted claims were denied by the receiver to the full amount. Therefore, ŠKODA PRAHA a.s., carries on a lawsuit against the receiver based on an action brought in 2016, seeking the determination of the authenticity and amounts of the denied claims. The case is heard at first instance. The outcome of the proceeding is impossible to predict.

b) VÍTKOVICE POWER ENGINEERING a.s., namely conditional and unconditional claims relating to the execution of a project for the construction of a new 660 MW_e unit at the Ledvice power plant and comprehensive renovation of the Prunéřov II power plant totaling approximately CZK 9 billion (unconditional claims amounted to approximately CZK 126 million, conditional claims approximately CZK 8.8 billion), based on a filing in 2016. All of the claims were denied by the receiver or the debtor or both. Therefore, ŠKODA PRAHA a.s., carries on lawsuits concerning the denied claims to determine the authenticity and amounts of the denied claims. In view of procedural changes resulting in the unconditional claims relating to the execution of a project for the construction of a new 660 MW_e unit at the Ledvice power plant being deemed established, the incidental action concerning those claims was withdrawn in full and the relevant incidental proceeding was discontinued. A settlement agreement was made and the relevant actions were withdrawn in full in late 2019. The proceedings were discontinued in January 2020. The cases will be closed with final effect.

c) KRÁLOVOPOLSKÁ RIA, a.s., namely conditional and unconditional claims relating to the execution of a project for the construction of a new 660 MW_e unit at the Ledvice power plant, comprehensive renovation of the Prunéřov II power plant, and a project for the construction of a new 880 MW_e CCGT unit at the Počeradý power plant, totaling approximately CZK 1.89 billion (conditional claims of approximately CZK 1.85 billion, an unconditional claim of approximately CZK 16.6 thousand based on filings in 2017, and a claim for damages of approximately CZK 38.7 million based on a filing in 2018). Conditional claims totaling approximately CZK 1.85 billion were denied by both the receiver and KRÁLOVOPOLSKÁ RIA, a.s. Therefore, ŠKODA PRAHA a.s., carries on a lawsuit concerning the denied claims to determine the authenticity and amounts of the denied claims. The case is heard at first instance. The outcome of the proceeding is impossible to predict. A claim for damages arising from the denial of selected contracts for work by KRÁLOVOPOLSKÁ RIA, a.s., totaling approximately CZK 38.7 million (submitted in case the denial is upheld, although it is challenged by ŠKODA PRAHA a.s.) was denied by the receiver. ŠKODA PRAHA a.s., carried on a lawsuit concerning this denied claim against the receiver based on an action brought in 2018, which was withdrawn in 2019 and the proceeding was discontinued. A settlement agreement was made and the relevant actions were withdrawn in full in late 2019. The cases are closed with final effect.

Energotrans, a.s.

26. Energotrans, a.s., carries on two lawsuits against the Appellate Financial Directorate based on administrative actions filed against decisions of the Appellate Financial Directorate concerning interest on tax authority misconduct in relation to a refunded overpayment of gift tax on emission allowances for 2011 and 2012. The Appellate Financial Directorate issued decisions in December 2018 awarding Energotrans, a.s., interest on tax authority misconduct in 2011 and 2012 for the periods after additional payment assessments. The administrative court rescinded both disputed decisions of the Appellate Financial Directorate and reopened the proceedings. The proceedings are still pending and their outcomes are impossible to predict.

Abroad

Poland

27. In 2009, Agrowind Kończewo sp. z o.o. (AWK) brought a lawsuit against seven companies jointly and severally, one of which is Eco-Wind Construction S.A., seeking PLN 22.7 million plus interest in compensation for the companies having frustrated the installation of wind turbines and transformer substations on land that the claim alleges was held by AWK. In December 2012, the claim was increased to a total of PLN 112.7 million plus interest (approximately CZK 673 million). The case was subsequently suspended on the ground of notified bankruptcy of one of the companies. The judicial proceeding was resumed in January 2019 but only with six parties that continue in the proceeding. The outcome of the proceeding is impossible to predict.

Germany

28. In June 2017, D-I-E Elektro AG (a member of CEZ Group) brought an action against Minto GmbH in the regional court in Mönchengladbach, seeking payment of compensation under a contract for work of EUR 6.7 million (approximately CZK 170 million) plus interest and costs. The case is pending in first instance. The outcome of the proceeding is impossible to predict.
29. In December 2018, Minto GmbH brought a counteraction against D-I-E Elektro AG in the regional court in Mönchengladbach, seeking payment of EUR 2.1 million (approximately CZK 52 million) in compensation for additional expenses from a contract for work. Procedurally, the dispute is related to D-I-E Elektro AG's action from June 2017. The outcome of the proceeding is impossible to predict.

Turkey

30. From 2011 to 2015, Sakarya Elektrik Dagitim A.S. (SEDAŞ) filed appeals against administrative decisions of the Turkish energy market regulatory authority (EPDK) that were the basis for reducing the portion of the companies' operating costs that were automatically recognized in tariffs. SEDAŞ appealed against one of the first-instance decisions to the Supreme Administrative Court of Turkey. The appeal was dismissed. The remaining lawsuits are in the pleading submission stage. The outcome of the proceeding is impossible to predict.
31. Distribution and sales companies in Turkey are facing lawsuits concerning a refund of the costs of technical and nontechnical losses paid for by the companies' customers. In the case of SEDAŞ, the total amount of pending lawsuits is immaterial and courts have been deciding in favor of the company with regard to legislation passed in 2016 as well as the Constitutional Court's jurisprudence. The outcome of the proceeding is impossible to predict.

32. In March and May 2016, SEDAŞ brought three administrative actions against EPDK's decisions regulating the limits of SEDAŞ's revenue from electricity distribution in the regulatory period of 2016–2020, including the method of calculation and application. The case is pending in the appellate court. The outcome of the proceeding is impossible to predict.

Romania

33. Distribuție Energie Oltenia S.A. has been carrying on a lawsuit against the regulatory authority since early 2014, concerning distribution tariffs in the second regulatory period. In April 2016, the court of first instance partially admitted the complaint of Distribuție Energie Oltenia S.A. against the regulatory authority and decided that the correction for the past regulatory period was applied wrongfully. The regulatory authority appealed against the judgment and also disputed a submitted expert opinion. The opinion says that the amount of the negative correction (the primary cause of a decrease in tariffs) is unjustified. The appellate court overturned the ruling and returned the case to the court of first instance. The outcome of the proceeding is impossible to predict.
34. Distribuție Energie Oltenia S.A. has been carrying on a lawsuit against the regulatory authority (ANRE) since late 2018, concerning administrative regulation No. 169/2018 governing distribution tariff methodology. The case is pending in first instance. The outcome of the proceeding is impossible to predict.
35. Distribuție Energie Oltenia S.A. has been carrying on a lawsuit against the regulatory authority (ANRE) since late 2018, concerning administrative regulation No. 168/2018 governing WACC. The court has suspended the proceeding by the two parties' agreement. The outcome of the proceeding is impossible to predict.
36. Tomis Team S.A. carries on a lawsuit against the Municipal Authority of Fântânele concerning a property tax obligation for properties under turbines, as the Romanian law was amended in this respect. The company brought the action in 2018. The case is heard at first instance. The proceeding was stayed at a May 2019 hearing. The outcome of the proceeding is impossible to predict.
37. Tomis Team S.A. carries on a lawsuit against the Municipal Authority of Fântânele concerning its obligation to pay property tax (in 2010–2014) and related penalty (totaling approximately RON 27.5 million, that is, approximately CZK 148 million), based on an action brought in 2016. The case is heard at first instance and has been stayed. The outcome of the proceeding is impossible to predict.

Bulgaria

38. CEZ Razpredelenie Bulgaria AD and CEZ Elektro Bulgaria AD appealed in 2017, 2018, and 2019 against numerous decisions of the regulatory authority—Energy and Water Regulatory Commission (EWRC)—stipulating prices of electricity. Judicial proceedings are underway. The outcomes of the proceedings are impossible to predict.
39. CEZ Razpredelenie Bulgaria AD and CEZ Elektro Bulgaria AD appealed against changes in regulation No. 1 concerning electricity price regulation starting from June 2018. The outcome of the proceeding is impossible to predict.
40. CEZ Razpredelenie Bulgaria AD appealed against the proposal for a new regulation governing the measurement of the quality of supplied energy. The proceeding is pending in the Supreme Administrative Court. The outcome of the proceeding is impossible to predict.
41. In July 2019, Receiver CB EOOD, as a creditor of Future Energy in an insolvency proceeding, brought an action against CEZ Elektro Bulgaria AD. In the action, Receiver CB EOOD seeks ineffectiveness of the setoff of counterclaims and the use of a bank guarantee confirmed by a settlement agreement made among CEZ Elektro Bulgaria AD, Future Energy (FE), and Karpleon Bulgaria EOOD in March 2018. The plaintiff seeks reversal of the effect of the part of the settlement agreement confirming the setoff of a liability of CEZ Elektro Bulgaria AD to FE totaling BGN 6.7 million (approximately CZK 85.5 million) against entitlement to a penalty and the use of a bank guarantee amounting to BGN 500,000. The plaintiff also seeks that CEZ Elektro pay an amount of BGN 3.3 million (approximately CZK 42.1 million) toward FE's insolvent estate, representing a portion of the amount due and the amount received under the bank guarantee of BGN 500,000. Receiver CB EOOD brought an additional action in September 2019. CEZ Elektro Bulgaria AD answered to both actions in due time. The outcome of the proceeding is impossible to predict.
42. As a result of a regulatory audit of compliance with distribution license conditions in the period of July 1, 2008, to November 30, 2013, conducted by the EWRC, CEZ Razpredelenie Bulgaria AD was served 981 administrative decisions on a breach of obligations, which the company submitted written objections to. On the basis of the objections submitted, CEZ Razpredelenie Bulgaria AD subsequently received 206 penalty decisions issued by the EWRC for BGN 20,000 (approximately CZK 260,000) per breach. The company duly appealed against all of the penalty decisions. At the report closing date, there are 199 final court rulings, of which 96 confirmed the imposed penalties and the penalties were paid by the company; 103 rulings finally dismissed the penalties. Additionally, seven proceedings are awaiting a ruling of the court of first instance. The outcome of the proceeding is impossible to predict.
43. In 2013, the Commission for Protection of Competition (CPC) initiated proceedings on infringements of the Competition Protection Act and Articles 101 and 102 of the Treaty on the Functioning of the European Union (cartel agreements consisting in concerted practices and abuse of a dominant position) by ČEZ companies and other companies in connection with the opening of the electricity market. On December 14, 2017, the CPC made a decision whereby CEZ Elektro Bulgaria AD was fined BGN 1.14 million (approximately CZK 14.3 million) and CEZ Razpredelenie Bulgaria AD was fined BGN 1.06 million (approximately CZK 13.9 million). Both companies appealed against this decision to the Supreme Administrative Court. The Supreme Administrative Court found the fines justified and dismissed both companies' appeals. An appeal was filed against this ruling. In May 2019, the Supreme Administrative Court overturned the previous court ruling confirming the fine for CEZ Elektro Bulgaria and returned the case to the court of first instance to gather additional evidence. At a September 2019 hearing, the court of first instance appointed a sworn expert and laid down questions to answer. The outcome of the proceeding is impossible to predict.
44. The Commission for Protection against Discrimination opened case No. 258/2008 for alleged discrimination based on ethnic origin due to the installation of junction boxes at a height of 6–8 meters in some areas but at a height of 1–2 meters in other areas. The Court of Justice of the European Union in Luxembourg decided in July 2015 that Anelia Nikolova was discriminated against. The Administrative Court in Sofia took over the case. Subsequently, in August 2017, the Administrative Court decided to return the case to the Commission for Protection against Discrimination. The case was reopened by the Commission. The Commission appealed to the parties to seek agreement at a September 2018 hearing. No such agreement has been reached and a decision is awaited. The outcome of the proceeding is impossible to predict.
45. In April 2017, Piraeus Bank Bulgaria AD (now part of Eurobank Bulgaria AD) brought an action against Bara Group EOOD concerning pledged claims of SANO EPC EOOD against Bara Group EOOD. The action claiming BGN 50,000 (approximately CZK 0.6 million) is just a portion of the total pledged receivable amounting to BGN 3 million (approximately CZK 39 million). Bara Group EOOD submitted its objections to the action in writing. The case is now in the appellate stage after the action was dismissed by the court of first instance and Piraeus Bank Bulgaria appealed against the dismissing court ruling. The outcome of the proceeding is impossible to predict.
46. ESO EAD (transmission system operator) carried on two lawsuits against CEZ Razpredelenie Bulgaria AD, seeking payment of claims related to electricity transmission and supply, totaling approximately BGN 6.33 million (approximately CZK 83 million), for the period from March 2014 to January 2015, based on actions brought in 2014 and 2017. The legal ground for the amount claimed is article 7 of regulation No. 1 concerning electricity price regulation. One case was decided against CEZ Razpredelenie Bulgaria AD. The other case was closed with final effect.

Other Proceedings

Czechia

As part of an investigation into possible criminal activity related to obtaining a license to operate the Vranovská Ves photovoltaic power plant, the police authority issued a resolution on the attachment of a replacement value of the likely proceeds of the criminal activity pursuant to the Code of Criminal Procedure, specifically:

1. Attachment of receivables of ČEZ Obnovitelné zdroje, s.r.o., against OTE, a.s., in the form of support paid for the green bonus, totaling over CZK 824 million as at January 31, 2020; the amount in question will be deposited on a bank account with the Czech National Bank for the duration of the attachment, and ČEZ Obnovitelné zdroje, s.r.o., cannot dispose of these funds.
2. Attachment of funds on a bank account of ČEZ, a. s., in the amount of approximately CZK 223 million; ČEZ, a. s., cannot dispose of these funds for the duration of the attachment.

In both cases, these are interlocutory attachment orders made by law enforcement authorities in a case where the accused are not employees of CEZ Group companies. ČEZ Obnovitelné zdroje, s.r.o., and ČEZ, a. s., are injured parties in the case. The outcome of the proceeding is impossible to predict.

Bulgaria

In July 2016, ČEZ, a. s., formally filed a Request for Arbitration with the International Centre for Settlement of Investment Disputes (ICSID), officially commencing international investment arbitration against the Republic of Bulgaria under the Energy Charter Treaty on the grounds of nonprotection of investment. It decided to do so after a number of interventions by Bulgarian authorities injuring ČEZ companies' business in Bulgaria and as a result of a long-term, unimproving critical situation in the country's energy market. The claim amounts to hundreds of millions of EUR. ČEZ, a. s., repeatedly called upon the Bulgarian government to improve the existing situation speedily and compensate it for incurred losses. It sent the Bulgarian government a Notice of Dispute in November 2015, in which it asked for amicable settlement and reserved the right to commence investment arbitration. Efforts to initiate an amicable settlement with the Bulgarian government have not resulted in any official response by the competent authorities since November 2015. After the deadline for an amicable settlement expired in May 2016, ČEZ, a. s., formally notified Bulgaria that it would commence the international arbitration procedure. The arbitration claim is not part of the sale of the Company's Bulgarian assets and the arbitration is still carried on by ČEZ, a. s. The ICSID was officially asked to appoint the presiding arbitrator at the beginning of 2019. On this basis, the president was elected and the complete tribunal was appointed in February 2019. This was followed by an exchange of the parties' filings and an oral procedure is expected in June 2020; the first matter considered by the tribunal will be an objection to jurisdiction, that is, the competence of the arbitral tribunal to decide the dispute. The outcome of the proceeding is impossible to predict.

GOOD IDEAS KEEP GROWING

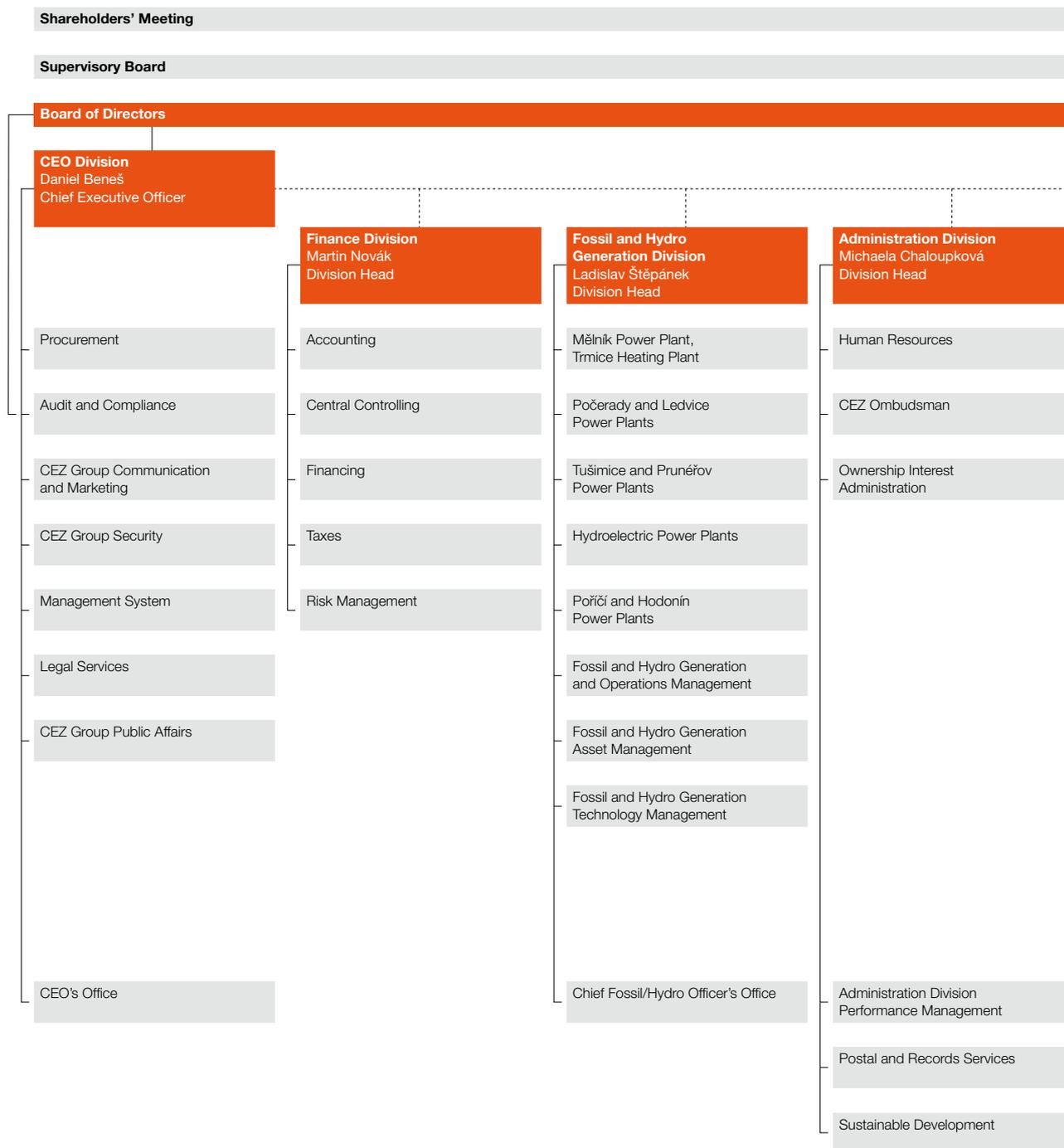


Sustainable Development

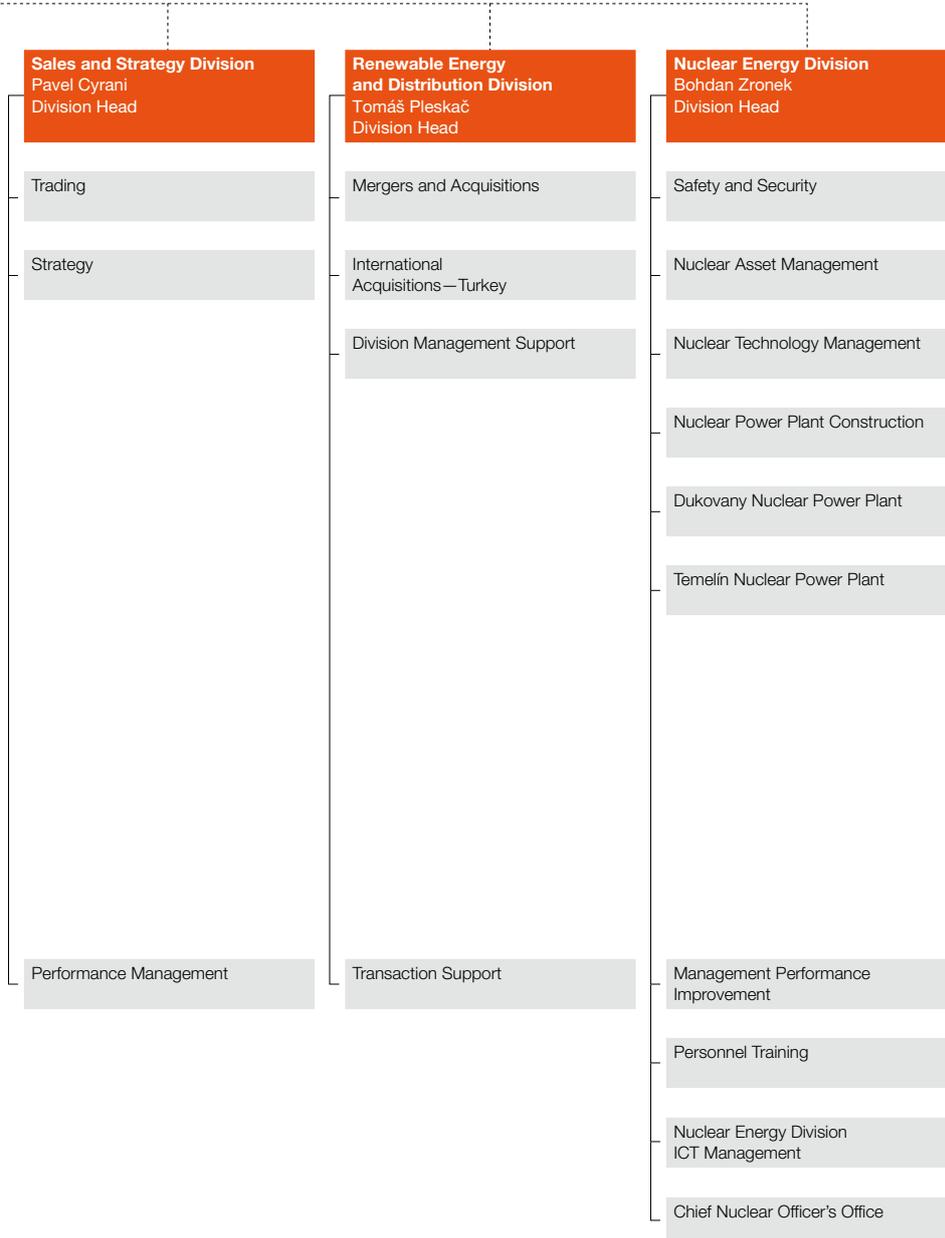
The development of an area consisting in well-balanced interrelationship of conditions for the healthy environment, for economic development, and for the population is called sustainable development. CEZ Group follows a sustainable development strategy under which it supports energy efficiency, promotes new technologies, contributes to the prosperity of its neighborhood, cares about comprehensive safety and security, and creates an environment for employees' professional and personal growth.



Basic Organization Chart of ČEZ, a. s., as at March 1, 2020



Audit Committee



Information for Shareholders and Investors

Financial Calendar

Event	Date
CEZ Group 2019 Annual Report—electronic Czech and English versions	April 20, 2020
CEZ Group nonaudited consolidated financial results for Q1 2020	May 12, 2020
Interim consolidated financial statements	
Conference call (in English)	
ČEZ, a. s., nonaudited financial results for Q1 2020	
CEZ Group nonaudited consolidated financial results for H1 2020	August 11, 2020
Interim consolidated financial statements	
Conference call (in English)	
ČEZ, a. s., nonaudited financial results for H1 2020	
CEZ Group 2020 Half-Year Report	August 31, 2020
CEZ Group nonaudited consolidated financial results for Q1–Q3 2020	November 10, 2020
Interim consolidated financial statements	
Conference call (in English)	
ČEZ, a. s., nonaudited financial results for Q1–Q3 2020	

Contacts

	E-mail/Website	Phone/Fax
CEZ Group Spokespeople		
Ladislav Kríž	ladislav.kriz@cez.cz	+420 211 042 383
Roman Gazdík	roman.gazdik@cez.cz	+420 211 042 456
Alice Horáková	alice.horakova@cez.cz	+420 211 042 460
Spokespeople in individual geographical areas of Czechia	www.cez.cz/en/cez-group/media/contacts.html	
Investor Relations		
Barbara Seidlová	barbara.seidlova@cez.cz	+420 211 042 529
Website		
Václav Beneš	vaclav.benes@cez.cz	+420 211 043 194
Martin Schreier	martin.schreier@cez.cz	+420 211 042 612
	www.cez.cz	
Information Centers		
	https://www.cez.cz/cs/o-cez/infocentra	
Virtual Power Plant Tours		
	virtualniprohlidky.cez.cz/cez-virtual-tour	

	E-mail/Website	Phone/Fax
Customer Care Line in Czechia—Sales		
Mailing address: ČEZ Prodej, a.s. Guldenerova 2577/19, 326 00 Plzeň	www.cez.cz/cs/kontakty.html	+420 800 810 820 Fax: +420 371 102 008 +420 371 100 100 (calling from abroad)
Customer Care Line in Czechia—Distribution		
Mailing address: ČEZ Distribuce, a. s. Guldenerova 2577/19, 326 00 Plzeň	www.cez.cz/cs/kontakty.html	+420 800 850 860
Customer Care Line in Czechia—Energy Services		
Contact address: ČEZ ESCO, a.s. Duhová 1444/2, 140 00 Praha 4	obchod@cezesco.cz www.cezesco.cz	+420 371 101 101
Mailing address: ČEZ ESCO, a.s. Guldenerova 2577/19, 326 00 Plzeň		
Web Sales Office (ČEZ ON_LINE)		
	cezonline.cez.cz	
Current Status of Electricity Distribution at a Particular Address (Czechia)		
	www.bezstav.cz	
Customer Care Line in Romania—Sales		
Mailing address: CEZ Romania S.A. Str. Depozitelor 2 Târgu Jiu, judetul Gorj, cod poștal 210152	cez_crc@cez.ro	0251 929 (calling from Romania) Fax: 0248 524 834
Customer Care Line in Romania—Distribution		
Mailing address: Distributie Energie Oltenia S.A. str. Calea Severinului 97 Craiova, judetul Dolj, Cod postal 200769	relatiiclienti@distributieoltenia.ro distributie@distributieoltenia.ro	0800 500 000 0251 408 006 0251 408 007 0251 408 008 Fax: 0251 215 004 0372 525 004 (calling from Romania)
Customer Care Line in Bulgaria—Sales		
	info@cezelectro.bg	0700 10 010 (calling from Bulgaria) Fax: +359 (0)2 9871 852
Customer Care Line in Bulgaria—Distribution		
	klienti@cez-rp.bg	0700 10 010 (calling from Bulgaria) Fax: +359 (0)2 8959 667
Customer Care Line in Slovakia		
Mailing address: CEZ Slovensko, s.r.o. Mlynské nivy 48, 821 09 Bratislava	cez@cez.sk www.cez.sk	0850 888 444 (calling from Slovakia)
Customer Care Line in Hungary		
	sales@cez.hu	+36 1 266 9324 Fax: +36 1 266 9331
Representation in Germany		
	info@cezdeutschland.de www.cezdeutschland.de	+49 (0) 40 999 995 30
Representation in France		
	info@cezfrance.fr www.cezfrance.fr Additional information: www.youtube.com/watch?v=NCd9FC0Q48Q	
ČEZ Foundation		
	www.nadacecez.cz	+420 211 046 720
CEZ Group Sustainability Report (Nonfinancial Information)		
	www.cez.cz/cs/o-cez/energie-pro-budoucnost/zpravy-o-udrzitelnem-rozvoji	
CEZ Group Ombudsmen		
in Czechia: Josef Sedlák Mailing address: Ombudsman ČEZ Hvězdova 1716/2b, 140 62 Praha 4	www.cez.cz/ombudsman	Phone contact not possible
in Bulgaria: Radoslav Dimitrov Mailing address: Tsarigradsko Shosse 159, 1784 Sofia	www.cez.bg/bg/kontakti.html	+359 (0) 28 958 450 Fax: +359 (0) 28 959 770

Glossary of Selected Terms and Abbreviations

Term	Commentary
EEX	European Energy Exchange A leading exchange for energy and derived products, based in Germany. A member of Gruppe Deutsche Börse.
EFET	European Federation of Energy Traders An association of European energy traders in wholesale electricity and gas markets.
EURATOM	European Atomic Energy Community
Eurelectric	A sector association representing the common interests of the European electricity industry in Brussels. Its most important activity is monitoring the preparation of energy legislation at EU level, formulating joint positions, and presenting them actively to EU institutions.
European Green Deal	European Commission communication expressing its resolve to tackle problems caused by climate and environmental change. Its focal point is transforming the EU's economy so that it will be climate-neutral in terms of greenhouse gas emissions in 2050 ¹⁾ . A roadmap with key actions is included in the annex to the communication. The first of them was taken on March 4, 2020, when the European Commission presented the fundamental pillar—the Climate Law—that should make the climate-neutrality objective legally binding. A number of other actions will be of importance to the energy sector; among the nearest ones (summer 2020) is a plan to increase the 2030 decarbonization target to 50%–55%.
Horizon 2020	European Union Framework Program for Research and Innovation in 2014–2020, defining a framework for EU support of research and innovation activities.
IETA	International Emissions Trading Association A nonprofit business association serving businesses engaged in market solutions to tackle climate change.
LNG	Liquefied natural gas Liquefaction is performed after gas extraction to transport it by tankers because liquefied gas takes up about 600 times less volume than in the gaseous state.
OTC	Over-the-Counter A term for off-exchange trading in securities and other financial instruments. Trading is done directly between two parties that negotiate the individual terms of each transaction.
PSE	Prague Stock Exchange
RES	Renewable energy sources Energy resources that can be naturally replenished, either partially or in full. They include, in particular, solar, wind, and hydro energy, biomass, and biogas.
RM-SYSTÉM	A stock exchange in Czechia focusing on smaller investors.
SÚJB	State Office for Nuclear Safety (Státní úřad pro jadernou bezpečnost)
WANO	World Association of Nuclear Operators
WSE	Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie)

¹⁾ European Commission website. 2050 long-term strategy [accessed February 27, 2020]. Available at: https://ec.europa.eu/clima/policies/strategies/2050_en

List of Units Used

Abbreviation	Unit	Commentary
t	Metric ton	A unit of mass
TJ	Terajoule	A unit of work (energy)
V	Volt	A unit of electric potential (voltage)
W	Watt	A unit of power
Wh	Watt-hour	A unit of work

In most chapters of the Annual Report, company names are listed without the abbreviation specifying their legal form. Complete names of companies of CEZ Group are listed in the Report on Relations included in this Annual Report (see pp. 178–223). Complete names of companies outside of CEZ Group are listed in the table below:

Names of Companies Outside of CEZ Group

(Short) Name Used	Full Name as Registered in the Commercial Register
ABArent s. r. o.	ABArent s. r. o.
ACTHERM, spol. s r.o.	ACTHERM, spol. s r.o.
AEF ACIMEX ELECTRONICS FULNEK s.r.o.	AEF ACIMEX ELECTRONICS FULNEK s.r.o.
AFC CENTER, spol.s r.o.	AFC CENTER, spol.s r.o.
Agrowind Kończewo sp. z o.o.	„AGROWIND KOŃCZEWO“ SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ
AKKÖK	Akkök Holding A.S.
Anglo-americká vysoká škola	Anglo-americká vysoká škola, z.ú.
ANRE	Autoritatea Națională de Reglementare în domeniul Energiei
ArcelorMittal Ostrava a.s.	ArcelorMittal Ostrava a.s.
Arthur Andersen	Arthur Andersen BV
AWK	Agrowind Kończewo sp. z o.o.
BCPP	Burza cenných papírů Praha, a.s.
BD ŘÍČANY s.r.o.	BD ŘÍČANY s.r.o.
BNP Paribas	BNP PARIBAS
BSE (Българска Фондова Борса)	Bulgarian Stock Exchange Sofia (Българска Фондова Борса)
Burza cenných papírů Praha	Burza cenných papírů Praha, a.s.
Centrální depozitář cenných papírů	Centrální depozitář cenných papírů, a.s.
CEZ GROUP SENIORS Endowment Fund	Nadační fond SENIOŘI SKUPINY ČEZ
CIB RENT PÍSNICE s.r.o.	CIB RENT PÍSNICE s.r.o.
Cinergy	Cinergy Corp.
Clearstream Banking S.A.	CLEARSTREAM BANKING S.A.
Cloud & Heat Technologies	CLOUD & HEAT Technologies GmbH
CM European Power International B.V.	CM European Power International B.V.
ConocoPhillips	ConocoPhillips Company
ConocoPhillips Czech Republic s.r.o.	ConocoPhillips Czech Republic s.r.o.
Cosmo Tech	Cosmo Tech SAS
CP Praha s.r.o., v likvidaci	CP Praha s.r.o., v likvidaci
CyberX	CYBERX ISRAEL LTD
ČEPS	ČEPS, a.s.
Česká energie, a.s.	Česká energie, a.s., v úpadku, v konkursu (in bankruptcy, insolvency proceeding initiated at a creditor's motion)
Česká pojišťovna	Česká pojišťovna a.s.
ČESKÁ RAFINÉRSKÁ, a.s.	ČESKÁ RAFINÉRSKÁ, a.s.
České dráhy, a.s.	České dráhy, a.s.
Československá obchodní banka, a. s.	Československá obchodní banka, a. s.
Český svaz zaměstnavatelů v energetice	Český svaz zaměstnavatelů v energetice
ČEZ Foundation	Nadace ČEZ
ČSOB Advisory, a.s.	ČSOB Advisory, a.s.
Deloitte Advisory s.r.o.	Deloitte Advisory s.r.o.
Deloitte Audit s.r.o.	Deloitte Audit s.r.o.
Denní centrum Barevný svět, o.p.s.	Denní centrum Barevný svět, o.p.s.

(Short) Name Used	Full Name as Registered in the Commercial Register
Deutsche Börse AG	Deutsche Börse AG
DIAMO	DIAMO, státní podnik
Doosan Škoda Plzeň	Doosan Škoda Power s.r.o.
DOVERIE	DOVERIE – United Holding AD
Drivz	Drivz Ltd.
DZD, v.o.s. v likvidaci	DZD, v.o.s. v likvidaci
E.ON	E.ON group
E.ON Distribuce	E.ON Distribuce, a.s.
EEX	European Energy Exchange AG
ECHO	Odborový svaz ECHO
En.plus	En.plus GmbH
Energetické strojírny Brno, a.s.	Energetické strojírny Brno, a.s.
ENTSO-E	European Network of Transmission System Operators for Electricity
ENVINET a.s.	ENVINET a.s.
Ernst & Young Audit, s.r.o.	Ernst & Young Audit, s.r.o.
ESB Elektro, a.s.	ESB Elektro, a.s.
ESB Rozvaděče, a.s.	ESB Rozvaděče, a.s.
ESO EAD	ESO EAD
Eurohold	Eurohold Bulgaria AD (Еврохолд България АД)
European Liability Insurance for the Nuclear Industry	Elini N.V.
European Metals Holdings Limited	EUROPEAN METALS (UK) LIMITED
Evropská investiční banka	European Investment Bank
Expobank CZ a.s.	Expobank CZ a.s.
Future Energy	FUTURE ENERGY d.o.o.
FVE Dubí	FVE Dubí s.r.o.
FVE Vranovská Ves	FVE Vranovská Ves a.s.
GE Hitachi Nuclear Energy	GE Hitachi Nuclear Energy, Ltd.
Geomet	GEOMET s.r.o.
Giełda Papierów Wartościowych w Warszawie S.A. (GPW)	GIEŁDA PAPIERÓW WARTOŚCIOWYCH W WARSZAWIE SPÓŁKA AKCYJNA (Warsaw Stock Exchange, Poland)
Global Payments Europe	Global Payments Europe, s.r.o.
Groupe Renault	Groupe RENAULT
GWL a.s.	GWL a.s.
H & R Elektromontagen	H & R Elektromontagen GmbH
HAMAFIN RESOURCES LIMITED	HAMAFIN RESOURCES LIMITED
HayGroup	HAY GROUP CZECH s.r.o.
Hippokrates Endowment Fund	Nadační fond Hippokrates
Holt Holding	Holt Holding Group
Huawei Technologies Co., Ltd.	Huawei Technologies Co., Ltd.
Chase Nominees Limited	CHASE NOMINEES LIMITED

(Short) Name Used	Full Name as Registered in the Commercial Register
Chimimport	Chimimport AD
Chladicí věže Praha, a. s.	Chladicí věže Praha, a. s. (in bankruptcy)
i4wifi a.s.	i4wifi a.s.
IFRE a.s.	IFRE a.s.
IFRE FJ s.r.o.	IFRE FJ s.r.o.
IFRE INDUSTRY a.s.	IFRE INDUSTRY a.s.
India Power	India Power Corporation Limited
Inercom	Inercom Bulgaria EAD
Innogy	innogy Česká republika a.s.
IP Exit, a.s.	IP Exit, a.s.
i-Tech Capital, a.s.	i-Tech Capital, a.s.
J&T SECURITIES MANAGEMENT PLC	J&T SECURITIES MANAGEMENT PLC
Jastrzębska Spółka Węglowa S.A.	JASTRZĘBSKA SPÓŁKA WĘGLOWA SPÓŁKA AKCYJNA
Karpleon Bulgaria EOOD	Karpleon Bulgaria EOOD
KPMG Česká republika Audit, s.r.o.	KPMG Česká republika Audit, s.r.o.
KPMG Česká republika, s.r.o.	KPMG Česká republika, s.r.o.
KRÁLOVOPOLSKÁ RIA, a.s.	KRÁLOVOPOLSKÁ RIA, a.s., v úpadku, v konkursu (in bankruptcy, insolvency proceeding initiated at a creditor's motion)
La Tribune	LA TRIBUNE
Lesy České republiky, s.p.	Lesy České republiky, s.p.
Liberty Ostrava a.s.	Liberty Ostrava a.s.
McKinsey & Company	McKinsey & Company group
Minto GmbH	Minto GmbH
Moravská energetická a.s.	Moravská energetická a.s.
NeuronSW	NeuronSW SE
NuScale	NuScale Power LLC
NUVIA a.s.	NUVIA a.s.
Odyssey, z.s.	Odyssey, z.s.
OKD	OKD, a.s.
Olife Corporation, a.s.	Olife Corporation, a.s.
Oliva Children Sanatorium	Olivova dětská léčebna, o.p.s.
One Energy & One Mobile a.s.	One Energy & One Mobile a.s., v konkursu (in bankruptcy, insolvency proceeding initiated at a creditor's motion)
OTE, a.s.	OTE, a.s.
P77 s.r.o.	P77 s.r.o.
Perálec 77, s.r.o.	Perálec 77, s.r.o.
PG Silesia Sp. z o.o.	PRZEDSIĘBIORSTWO GÓRNICZE „SILESIA“ SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ
pinn partners s.r.o.	pinn partners s.r.o.
Piraeus Bank Bulgaria	Piraeus Bank Bulgaria AD

(Short) Name Used	Full Name as Registered in the Commercial Register
PLP a.s.	PLP a.s. v konkursu (in bankruptcy, insolvency proceeding initiated)
Podpůrný a garanční rolnický a lesnický fond, a.s.	Podpůrný a garanční rolnický a lesnický fond, a.s.
Polska Grupa Górnicza S.A.	POLSKA GRUPA GÓRNICZA SPÓŁKA AKCYJNA
Prague Twenty, o.p.s.	Prague Twenty, o.p.s. v likvidaci (in liquidation)
Pražská teplárenská	Pražská teplárenská a.s.
Pražská vodohospodářská společnost a.s.	Pražská vodohospodářská společnost a.s.
Pražské vodovody a kanalizace, a.s.	Pražské vodovody a kanalizace, a.s.
Receiver CHB EOOD	Receiver CHB EOOD
RELT Investments, a.s.	RELT Investments, a.s.
Revenium Endowment Fund	Nadační fond Revenium
RM-System	RM-SYSTÉM, česká burza cenných papírů a.s.
Royal Dutch Shell	ROYAL DUTCH SHELL plc
RUPR Beteiligungen GmbH	RUPR Beteiligungen GmbH
RWE	RWE Energy AG
SANO EPC EOOD	SANO EPC EOOD
SCP first payment of receivables s.r.o.	SCP first payment of receivables s.r.o., v konkursu (in bankruptcy, insolvency proceeding initiated at a creditor's motion)
Sev.en Energy	Sev.en Energy AG; Liechtenstein
Severomoravská energetika, a. s.	Severomoravská energetika, a. s.
Severomoravské vodovody a kanalizace Ostrava a.s.	Severomoravské vodovody a kanalizace Ostrava a.s.
Sokolovská uhelná	Sokolovská uhelná, právní nástupce, a.s.
sonnen	sonnen GmbH
sonnen Holding	sonnen Holding GmbH
SPR a.s.	SPR a.s.
Stratego Invest a.s.	Stratego Invest a.s.
SÚJB	Česká republika – Státní úřad pro jadernou bezpečnost
SunFire	SunFire GmbH
Svaz průmyslu a dopravy České republiky	Svaz průmyslu a dopravy České republiky
SŽDC	Správa železniční dopravní cesty, státní organizace (Správa železnic, státní organizace, since January 1, 2020)
ŠAKAL Kbely - školní atletický klub Albrechtická, z. s.	ŠAKAL Kbely - školní atletický klub Albrechtická, z. s.
ŠKODA JS a.s.	ŠKODA JS a.s.
tado	tado GmbH
Teplárny Brno, a.s.	Teplárny Brno, a.s.
Tinsel Enterprises Limited	TINSEL ENTERPRISES LIMITED
TVEL	akciová společnost TVEL – акционерное общество «ТВЭЛ»
Ultra Plus Holding Limited	Ultra Plus Holding Limited
UNIPETROL, a.s.	UNIPETROL, a.s.
Ústav aplikované mechaniky Brno	Ústav aplikované mechaniky Brno, s.r.o.
Ústav práva a právní vědy, o.p.s.	Ústav práva a právní vědy, o.p.s.

(Short) Name Used	Full Name as Registered in the Commercial Register
VÍTKOVICE POWER ENGINEERING a.s.	VÍTKOVICE POWER ENGINEERING a.s., v úpadku, v konkursu (in bankruptcy, insolvency proceeding initiated at a creditor's motion)
VODÁRNA PLZEŇ a.s.	VODÁRNA PLZEŇ a.s.
Volkswagen	Volkswagen Group Charging GmbH
Vršanská uhelná	Vršanská uhelná a.s.
VU LOG	VU LOG SA
Westinghouse Electric Sweden	Westinghouse Electric Sweden AB
Zolar	ZOLAR GmbH
ZOOT a.s.	ZOOT a.s.
ZTE Corporation	ZTE Corporation Company Limited

Totals and subtotals in this Annual Report can differ from the sum of partial values due to rounding.

In text concerning generation and describing the countries of CEZ Group's presence, information identified as "Traditional Generation" means totals for companies included in the Generation—Traditional Energy accounting segment. Information identified as "Renewable Generation" means totals for companies included in the accounting segments of Generation—New Energy and Sales. Categorization thus depends on the inclusion of the company to which the generating facility belongs in an accounting segment; that is why hydroelectric power plants, for example, are divided between both categories.

Methods Used to Calculate Indicators Unspecified in IFRS

In accordance with ESMA guidelines, ČEZ provides detailed information on indicators that are not reported as standard under IFRS reporting or the components of which are not directly available from standardized statements (financial statements and notes thereto). Such indicators represent supplementary information in respect of financial data, providing reports' users with additional information for their assessment of the financial position and performance of CEZ Group or ČEZ. In general, these indicators are also commonly used in other commercial companies, not only in the energy sector.

Indicator	
Adjusted Net Income (After-Tax Income, Adjusted)	
Purpose:	This is a supporting indicator, intended primarily for investors, creditors, and shareholders, which allows interpreting achieved financial results with the exclusion of extraordinary, usually nonrecurring effects that are generally unrelated to ordinary financial performance and value creation in a given period.
Definition:	Net income (after-tax income) +/- additions to and reversals of impairments of property, plant, and equipment and intangible assets, including goodwill +/- additions to and reversals of impairments of developed projects +/- other extraordinary effects that are generally unrelated to ordinary financial performance in a given year and value creation in a given period +/- effects of the above on income tax.
Dividend per Share (Gross)	
Purpose:	The indicator expresses a shareholder's right to the payment of a share in a joint-stock company's profits (usually for the past year) corresponding to the holding of one share. The subsequent payment of the share in profits is usually subject to taxes, which may be different for different shareholders; therefore, the value before taxes is reported.
Definition:	Dividend granted in a given year, before taxes, for outstanding shares.
Return on Invested Capital (ROIC)	
Purpose:	This shows the level of appreciation of capital invested in a company's core business. It is used to compare rates of return among similar companies within an industry.
Definition:	$EBIT * (1 - \text{corporate income tax rate}) / \text{average invested capital}$. An average value calculated from the value at the end of the current period and the value at the end of the period 12 months ago is used for invested capital.
Invested Capital	
Definition:	Property, plant, and equipment, nuclear fuel, and construction work in progress + noncurrent intangible assets + net working capital.
Net Working Capital	
Definition:	Current assets – cash and cash equivalents – current liabilities + short-term loans + current portion of long-term debt + provisions within current liabilities.
Return on Equity (ROE), Net	
Purpose:	This indicator is the ratio of generated income to shareholders' capital invested in a company. It allows investors to compare the appreciation of their investment (ROE achieved in a prior period) to their expectations.
Definition:	$\text{Net income attributable to parent company shareholders} / \text{average equity attributable to parent company shareholders}$. The value for the past 12 months is used for net income. An average value calculated from the value of the current period and the value of the period 12 months ago, that is, the average value at December 31, is used for equity.
Note:	Net income is used in the numerator and equity is used in the denominator for the ČEZ, a. s., value.

Most of the components used in the calculation of individual indicators are directly shown in financial statements. The components of calculations that are not included in the financial statements are usually shown directly in a company's books and are defined as follows:

Adjusted Net Income Indicator—Individual Components

Adjusted Net Income (After-Tax Income, Adjusted)	Unit	Q1–Q4 2018	Q1–Q4 2019
Net income	CZK millions	10,500	14,500
Impairments of property, plant, and equipment and intangible assets	CZK millions	1,766	4,860
Impairments of developed projects*	CZK millions	0	12
Impairments of property, plant, and equipment and intangible assets, including goodwill, at joint ventures**	CZK millions	0	0
Effects of additions to or reversals of impairments on income tax***	CZK millions	(150)	(516)
Other extraordinary effects****	CZK millions	938	0
Adjusted net income	CZK millions	13,055	18,856

* Included in the row Other operating expenses in the Consolidated Statement of Income.

** Included in the row Share of profit (loss) from associates and joint ventures in the Consolidated Statement of Income.

*** Included in the row Income taxes (deferred tax) in the Consolidated Statement of Income.

**** In 2018, the negative effect of additions to provisions and impairments of a ČEZ receivable corresponding to the value of potential partial performance under provided guarantees for Turkish Akcez group companies' loans due to continued weakening of the TRY/USD exchange rate in 2018 (reflecting Turkey's macroeconomic and political developments)—this is included in the Consolidated Statement of Income in the row Share of profit (loss) from associates and joint ventures (CZK 425 million) and in the row Impairments of financial assets (CZK 513 million); while there were more additions to ČEZ's provisions in question in 2019, the negative effect was not adjusted for because it was an effect reflecting standard business activities rather than an extraordinary effect resulting from a significant weakening of the TRY exchange rate.

Supplementary Information on CEZ Group Members According to IFRS

Individual Results of Fully Consolidated Companies (CZK Millions)

Fully Consolidated Companies	Operating Revenues		EBITDA	
	2018	2019	2018	2019
ČEZ, a. s.	79,749	88,298	13,530	23,419
A.E. Wind S.A.	6	2	(2)	–
AirPlus, spol. s r.o.	212	229	32	26
Areál Třeboradice, a.s.	11	12	5	5
AZ KLIMA a.s.	827	833	71	92
AZ KLIMA SK, s.r.o.	138	103	4	4
Baltic Green Construction sp. z o.o.	–	–	(1)	(3)
Baltic Green I sp. z o.o.	1	2	(9)	(9)
Baltic Green II sp. z o.o.	–	–	–	–
Baltic Green III sp. z o.o.	–	–	–	(1)
Baltic Green V sp. z o.o.	–	–	–	–
Baltic Green VI sp. z o.o.	–	–	–	–
Baltic Green VIII sp. z o.o.	–	–	–	–
Baltic Green IX sp. z o.o.	–	–	–	–
BANDRA Mobiliengesellschaft mbH & Co. KG	96	99	66	78
Bara Group EOOD	34	–	4	(2)
BUDRIO GFE 312 SOCIETA' AGRICOLA S.R.L.	–	3	–	–
CASANO Mobiliengesellschaft mbH & Co. KG	94	97	65	74
Centrum výzkumu Řež s.r.o.	611	630	24	28
CEZ Bulgaria EAD	252	257	9	27
CEZ Bulgarian Investments B.V.	3	–	(5)	(27)
CEZ Deutschland GmbH	123	54	13	(17)
CEZ Distribučné systavy a.s. ¹⁾	35	112	6	13
CEZ Elektro Bulgaria AD	6,829	7,820	149	307
CEZ Erneuerbare Energien Beteiligungs GmbH	11	16	(8)	(3)
CEZ Erneuerbare Energien Beteiligungs II GmbH	–	41	(1)	(19)
CEZ Erneuerbare Energien Verwaltungs GmbH	1	–	(1)	(2)
CEZ ESCO Bulgaria EOOD	3	12	–	3
CEZ ESCO II GmbH	–	39	(29)	(58)
CEZ ESCO Polska sp. z o.o.	490	133	(22)	(33)
CEZ ESCO Romania S.A.	10	22	(1)	3
CEZ France SAS	3	4	(12)	(11)
CEZ Holdings B.V.	2	70	(29)	50
CEZ Hungary Ltd.	1,946	2,575	(34)	27
CEZ Chorzów S.A.	2,636	2,973	914	774
CEZ Chorzów II sp. z o.o.	–	–	–	–
CEZ ICT Bulgaria EAD	242	269	82	101
CEZ MH B.V.	–	–	(3)	(3)
CEZ New Energy Investments B.V.	25	42	(298)	(165)
CEZ Polska sp. z o.o.	187	4,299	17	(58)
CEZ Produkty Energetyczne Polska sp. z o.o.	153	111	18	12
CEZ Razpredelenie Bulgaria AD	4,606	4,716	994	1,339
CEZ Romania S.A.	834	750	84	196
CEZ SERVIS, s.r.o.	116	143	9	14
CEZ Skawina S.A.	2,008	1,902	69	33
CEZ Slovensko, s.r.o.	4,014	6,609	(329)	(100)
CEZ Srbija d.o.o.	74	9	–	–
CEZ Towarowy Dom Maklerski sp. z o.o.	13	24	3	3
CEZ Trade Bulgaria EAD	5,862	6,317	51	64
CEZ Trade Romania S.R.L.	20	22	6	6
CEZ Ukraine LLC	–	–	–	–
CEZ Vanzare S.A.	6,479	8,272	191	101
CEZ Windparks Lee GmbH	–	–	(1)	(1)
CEZ Windparks Luv GmbH	–	–	(1)	(1)
CEZ Windparks Nordwind GmbH	–	–	(1)	(1)

	Depreciation and Amortization		Net Income		Total Assets		Equity	
	2018	2019	2018	2019	2018	2019	2018	2019
	(14,310)	(14,535)	23,776	17,393	626,075	622,086	183,212	203,479
	-	-	2	(3)	10	10	(154)	(156)
	(2)	(2)	24	19	79	94	49	68
	(15)	(15)	(8)	(8)	197	187	164	156
	(14)	(21)	44	58	444	493	200	231
	(1)	(2)	2	2	56	46	14	15
	-	-	29	(7)	233	240	233	238
	-	-	(9)	(9)	193	212	(4)	(13)
	-	-	3	(4)	2	-	(90)	(94)
	-	-	(2)	(2)	2	2	(29)	(31)
	-	-	(2)	(2)	1	-	(23)	(25)
	-	-	(1)	(1)	1	-	(9)	(9)
	-	-	-	-	-	-	-	-
	-	-	-	(6)	4	1	(41)	(47)
	(50)	(55)	(21)	(13)	732	880	(69)	34
	-	-	(10)	(16)	15	13	(365)	(377)
	-	(4)	-	(3)	-	76	-	1
	(50)	(55)	(22)	(16)	746	890	(67)	33
	(28)	(32)	(7)	(11)	667	800	369	361
	(3)	(25)	(2)	-	499	456	106	99
	-	-	3	(25)	526	496	524	494
	(1)	(5)	11	(23)	174	182	147	126
	(1)	(1)	3	10	43	104	7	49
	-	(13)	129	259	4,228	4,190	1,755	1,987
	-	-	(93)	(117)	1,893	1,834	(125)	91
	-	-	(1)	(19)	219	269	219	203
	-	-	(1)	(2)	1	-	-	(2)
	-	-	1	3	35	60	1	4
	-	-	(48)	(128)	815	974	3	287
	-	(1)	(28)	(47)	245	73	28	(19)
	-	-	(1)	2	25	28	21	22
	-	-	(15)	(14)	878	790	(9)	294
	-	-	(1,123)	261	12,762	16,182	6,770	9,189
	(1)	(1)	(31)	18	570	754	21	38
	(197)	(212)	597	488	10,643	11,064	6,112	6,057
	-	-	-	-	11	19	(1)	(1)
	(50)	(57)	23	37	318	328	160	194
	-	-	16	68	1,429	2,220	1,428	1,478
	-	-	(297)	(122)	4,390	6,680	4,199	6,179
	(7)	(13)	32	(2,862)	15,972	12,953	10,482	7,844
	-	(1)	14	10	58	51	39	34
	(933)	(1,041)	17	242	11,775	12,132	7,882	8,003
	(62)	(151)	10	(19)	3,578	3,487	228	219
	-	(3)	7	8	33	91	14	55
	(207)	(165)	(380)	(1,302)	3,808	2,898	1,721	415
	-	(2)	(323)	(108)	2,242	1,227	199	90
	-	-	-	-	74	40	34	34
	-	-	17	10	1,061	322	136	53
	(1)	(3)	39	48	1,490	1,246	412	454
	-	-	5	5	28	24	22	16
	-	-	-	-	-	-	-	-
	-	(3)	131	54	2,282	2,416	458	494
	-	-	(1)	(2)	95	97	(1)	1
	-	-	(3)	(2)	295	276	(2)	2
	-	-	1	2	183	181	10	10

Fully Consolidated Companies	Operating Revenues		EBITDA	
	2018	2019	2018	2019
ČEZ Asset Holding, a. s.	–	–	–	(1)
ČEZ Bohunice a.s.	–	–	(4)	(4)
ČEZ Distribuce, a. s.	31,849	34,031	17,166	17,544
ČEZ Energetické produkty, s.r.o.	1,345	1,487	81	97
ČEZ Energetické služby, s.r.o.	1,769	1,965	164	79
ČEZ Energo, s.r.o.	1,037	1,215	303	354
ČEZ ENERGOSERVIS spol. s r.o.	1,232	1,375	25	28
ČEZ EŠCO, a.s.	12,415	12,429	43	11
ČEZ ICT Services, a. s.	2,320	2,229	639	632
ČEZ Korporátní služby, s.r.o.	1,848	1,850	450	592
ČEZ LDS s.r.o.	78	120	5	8
ČEZ Obnovitelné zdroje, s.r.o.	2,446	2,557	24	129
ČEZ OZ uzavřený investiční fond a.s.	1,871	1,992	1,376	1,803
ČEZ Prodej, a.s.	33,174	32,276	3,458	1,811
ČEZ Recyklace, s.r.o.	2	2	–	–
ČEZ Solární, s.r.o.	88	163	(65)	(52)
ČEZ Teplárenská, a.s.	2,705	2,842	322	284
Detlef Walther GmbH	–	58	–	8
D-I-E Elektro AG	1,076	1,332	100	87
Distributie Energie Oltenia S.A.	4,488	4,689	1,587	1,351
Domat Control System s.r.o. ²⁾	61	138	7	15
EAB Automation Solutions GmbH	200	85	3	(20)
EAB Elektroanlagenbau GmbH Rhein/Main	1,104	1,323	80	110
e-Dome a. s.	–	62	–	(8)
EGP INVEST, spol. s r.o., v likvidaci	3	–	(1)	–
Elektrárna Dětmorovice, a.s.	2,309	1,632	(62)	(69)
Elektrárna Dukovany II, a. s.	1	1	(1)	(10)
Elektrárna Mělník III, a. s.	–	–	(2)	(2)
Elektrárna Počeradý, a.s.	5,746	5,638	959	591
Elektrárna Temelín II, a. s.	1	–	(2)	(10)
Elektro-Decker GmbH	655	703	(1)	(91)
Elektro-Technik-Pfisterer-GmbH	–	68	–	2
Elevion GmbH	136	151	5	(42)
Elevion Deutschland Holding GmbH	–	–	(1)	(1)
En.plus GmbH	–	1,006	–	72
Energetické centrum s.r.o.	194	207	63	62
Energocentrum Vítkovice, a. s.	247	166	(84)	(10)
Energotrans, a.s.	3,843	4,149	1,131	1,246
ENESA a.s.	92	576	(18)	17
ESCO City I sp. z o.o.	–	–	–	–
ESCO City II sp. z o.o.	–	–	–	–
ESCO City III sp. z o.o.	–	–	–	–
ESCO City IV sp. z o.o.	–	–	–	–
ESCO City V sp. z o.o.	–	–	–	–
ESCO City VI sp. z o.o.	–	–	–	–
ETS Efficient Technical Solutions GmbH	2,022	2,894	39	93
ETS Efficient Technical Solutions Shanghai Co. Ltd.	45	49	–	–
ETS Engineering Kft.	164	429	19	34
Euroklimat sp. z o.o.	–	1,462	–	216
FEA Automation GmbH	–	141	–	22
Ferme Eolienne d'Andelaroche SAS	–	–	–	–
Ferme éolienne d'Allas-Nieul SAS	–	–	–	–
Ferme éolienne de Feuillade et Souffrignac SAS	–	–	–	–
Ferme éolienne de Genouillé SAS	–	–	–	–
Ferme éolienne de la Petite Valade SAS	–	–	–	–
Ferme Eolienne de la Piballe SAS	–	–	–	–
Ferme Eolienne de Neuville-aux-Bois SAS	–	–	–	–
Ferme éolienne de Nueil-sous-Faye SAS	–	–	–	–
Ferme Eolienne de Saint-Laurent-de-Céris SAS	–	–	–	–
Ferme éolienne de Saugon SAS	–	–	–	–
Ferme Eolienne de Seigny SAS	–	–	–	–
Ferme Eolienne de Thorigny SAS	–	–	–	–
Ferme éolienne des Besses SAS	–	–	–	–
Ferme Eolienne des Breuils SAS	–	–	(2)	(1)
Ferme Eolienne des Grands Clos SAS	–	–	–	–
Ferme éolienne du Blessonnier SAS	–	–	–	–
Ferme Eolienne du Germancé SAS	–	–	–	–

	Depreciation and Amortization		Net Income		Total Assets		Equity	
	2018	2019	2018	2019	2018	2019	2018	2019
	-	-	-	(1)	9	9	9	9
	-	-	(3)	(6)	3,193	3,186	3,192	3,186
	(7,309)	(7,689)	7,834	7,547	140,044	142,702	91,744	93,510
	(26)	(64)	45	16	748	1,045	380	412
	(61)	(65)	84	10	1,675	1,833	1,175	1,254
	(186)	(246)	46	83	2,054	2,537	923	1,006
	(10)	(13)	12	11	650	674	95	104
	-	(2)	93	(329)	9,760	8,420	5,226	5,220
	(544)	(594)	128	72	4,967	4,071	3,615	3,068
	(212)	(386)	163	215	4,427	5,273	3,639	3,673
	(5)	(7)	(6)	(75)	255	348	17	148
	(1)	(1)	17	132	1,429	1,665	787	921
	(748)	(767)	262	790	9,278	8,916	8,408	7,782
	(401)	(485)	2,475	1,182	23,181	21,768	8,198	7,120
	-	-	-	-	123	120	-	-
	(2)	(3)	(56)	(60)	153	169	17	(62)
	(282)	(285)	55	(352)	3,742	3,165	2,862	2,262
	-	(2)	-	5	-	61	-	22
	(8)	(31)	86	48	488	687	181	153
	(1,118)	(1,165)	299	(36)	15,405	14,309	11,024	10,222
	(2)	(6)	4	6	71	109	52	65
	(3)	(8)	(1)	(30)	93	92	18	(23)
	(6)	(22)	69	81	555	589	185	200
	-	(2)	-	(11)	-	62	-	-
	-	-	(1)	-	1	-	-	-
	(57)	(73)	(59)	(689)	2,369	1,503	1,524	834
	(2)	(2)	(2)	(10)	1,063	1,106	1,035	1,070
	-	-	(2)	(2)	9	7	9	7
	(195)	(154)	652	434	10,086	10,027	7,992	7,791
	(5)	(6)	(5)	(12)	2,112	2,099	2,051	2,039
	(7)	(20)	(13)	(118)	294	384	13	(71)
	-	-	-	1	-	21	-	20
	(2)	(9)	(14)	(11)	1,944	5,818	748	743
	-	-	(99)	(198)	5,030	5,043	3,387	3,408
	-	(21)	-	32	-	435	-	108
	(26)	(29)	29	25	331	329	231	255
	3	(3)	(81)	(10)	219	223	56	46
	(228)	(229)	723	824	5,259	6,153	4,154	4,258
	(1)	(7)	(13)	5	70	409	44	126
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	(18)	(90)	1	(27)	1,111	1,804	69	111
	-	-	-	-	42	59	6	6
	(2)	(5)	17	29	153	228	50	76
	-	(17)	-	182	-	488	-	195
	-	(8)	-	13	-	131	-	13
	-	-	-	-	5	6	-	-
	-	-	-	-	-	2	-	-
	-	-	-	-	-	2	-	-
	-	-	-	-	-	4	-	-
	-	-	-	-	-	2	-	-
	-	-	-	-	2	3	-	(1)
	-	-	-	-	6	8	-	(1)
	-	-	-	-	-	6	-	-
	-	-	-	-	3	5	-	(1)
	-	-	-	-	-	2	-	-
	-	-	-	-	2	4	-	(1)
	-	-	-	-	3	5	-	(1)
	-	-	-	-	-	2	-	-
	-	(2)	(4)	(4)	85	130	(4)	(8)
	-	-	-	-	2	6	(1)	(2)
	-	-	-	-	-	5	-	-
	-	-	-	-	4	8	-	(1)

Fully Consolidated Companies	Operating Revenues		EBITDA	
	2018	2019	2018	2019
Free Energy Project Oreshets EAD	37	39	29	32
GWE Verwaltungs GmbH	–	–	–	–
GWE Wärme- und Energietechnik GmbH & Co. KG	–	32	–	12
H & R Elektromontagen GmbH	–	166	–	4
HA.EM OSTRAVA, s.r.o. ²⁾	–	111	–	18
Hermos AG	–	898	–	186
Hermos Gesellschaft für Steuer-, Meß- und Regeltechnik mbH	–	63	–	11
HERMOS International GmbH	–	–	–	–
HERMOS SDN. BHD	–	10	–	1
Hermos Schaltanlagen GmbH	–	927	–	59
Hermos sp. z.o.o.	–	13	–	4
Hermos Systems GmbH	–	70	–	16
High-Tech Clima d.o.o.	194	19	23	9
High-Tech Clima S.A.	360	503	17	27
HORMEN CE a.s.	210	191	16	9
Hybridkraftwerk Culemeyerstraße Projekt GmbH	4	–	1	(1)
Inven Capital, SICAV, a.s.	58	78	(35)	(46)
Jäger & Co. Gesellschaft mit beschränkter Haftung	61	41	8	4
Kälteanlagenbau Schröder GmbH	–	40	–	6
KART, spol. s r.o.	148	150	9	6
Kofler Energies Energieeffizienz GmbH	288	233	134	33
Kofler Energies Ingenieurgesellschaft mbH	551	595	(83)	13
Kofler Energies International GmbH	3	–	–	–
KOFLER ENERGIES ITALIA SRL	7	9	(5)	(17)
Kofler Energies Systems GmbH	165	198	(10)	(42)
M.W. Team Invest S.R.L.	258	323	165	246
MARTIA a.s.	814	901	14	23
Metrolog sp. z o.o.	618	479	60	42
NEK Facility Management GmbH	5	4	1	–
OEM Energy sp. z o.o.	709	737	69	73
OSC, a.s.	95	158	27	28
Ovidiu Development S.R.L.	1,247	1,362	584	701
PRODECO, a.s.	2,001	1,837	161	103
Revitrans, a.s.	2,039	1,797	496	501
Rudolf Fritz GmbH	2,705	3,393	159	161
SD - Kolejová doprava, a.s.	1,038	1,049	413	398
Severočeské doly a.s.	9,532	10,063	3,749	4,125
SPRAVBYTKOMFORT, a.s. Prešov	405	429	86	98
SYNECO ENERGY SERVICE S.R.L.	–	13	–	2
SYNECO Group S.R.L.	–	39	–	16
SYNECO PROJECT S.R.L.	–	8	–	1
SYNECO tec GmbH	–	6	–	–
ŠKODA PRAHA a.s.	157	704	(75)	6
Telco Infrastructure, s.r.o.	–	–	–	(1)
Telco Pro Services, a. s.	650	669	171	187
TENAUR, s.r.o.	55	185	11	14
Tepelné hospodářství města Ústí nad Labem s.r.o.	497	524	36	41
TMK Hydroenergy Power S.R.L.	193	178	147	103
Tomis Team S.A.	1,565	1,806	486	594
ÚJV Řež, a. s.	1,632	1,399	219	265
Ústav aplikované mechaniky Brno, s.r.o.	144	178	30	31
Windpark Baben Erweiterung GmbH & Co. KG	41	46	33	39
Windpark Badow GmbH & Co. KG	109	115	88	96
Windpark Cheinitz-Zethlingen GmbH & Co. KG	92	95	69	74
Windpark FOHREN-LINDEN GmbH & Co. KG	50	52	38	42
Windpark Frauenmark III GmbH & Co. KG	7	9	6	7
Windpark Gremersdorf GmbH & Co. KG	27	31	22	25
Windpark Mengeringhausen GmbH & Co. KG	58	66	43	52
Windpark Naundorf GmbH & Co. KG	31	34	25	27
Windpark Zagelsdorf GmbH & Co. KG	36	41	27	32
WPG Projekt GmbH	–	–	(1)	–

¹⁾ CEZ Distribuční systavy a.s. has no comparable period; beginning of fiscal year: July 1, 2018.

²⁾ Domat Control System s.r.o. has no comparable period; beginning of fiscal year: June 1, 2018.

³⁾ HA.EM OSTRAVA, s.r.o. has no comparable period; beginning of fiscal year: June 1, 2019.

	Depreciation and Amortization		Net Income		Total Assets		Equity	
	2018	2019	2018	2019	2018	2019	2018	2019
	(13)	(13)	13	15	168	131	79	93
	-	-	-	-	-	1	-	1
	-	-	-	12	-	25	-	13
	-	(2)	-	2	36	39	10	12
	-	(1)	-	13	-	73	-	45
	-	(19)	-	185	-	858	-	669
	-	(2)	-	6	-	70	-	44
	-	-	-	-	-	2	-	1
	-	-	-	1	-	4	-	4
	-	(18)	-	27	-	558	-	259
	-	-	-	4	-	28	-	21
	-	(3)	-	9	-	72	-	34
	-	-	18	8	42	11	18	7
	(2)	(3)	7	35	127	182	45	40
	(4)	(7)	7	2	72	69	27	21
	-	-	1	(1)	74	68	4	3
	-	(1)	113	46	3,347	3,503	3,298	3,344
	-	(1)	6	3	30	47	22	24
	-	(1)	-	3	-	17	-	9
	-	(1)	7	5	58	71	42	47
	(4)	(4)	98	51	320	573	116	183
	(8)	(31)	(95)	(14)	163	281	(31)	(44)
	-	-	-	-	1	-	(12)	(12)
	-	-	(5)	(18)	4	180	1	9
	-	(1)	(13)	(35)	123	50	(10)	(44)
	(79)	(96)	94	219	1,831	1,709	1,685	1,519
	(10)	(10)	3	9	371	465	64	72
	(6)	(7)	43	27	319	221	234	139
	-	-	1	-	4	3	1	1
	-	(2)	55	58	162	238	101	159
	(5)	(6)	19	18	159	140	91	97
	(275)	(288)	522	991	8,551	7,588	8,190	7,109
	(26)	(25)	111	62	1,086	1,271	535	486
	(194)	(214)	258	256	1,517	1,529	1,141	1,080
	(18)	(60)	131	87	859	1,172	192	237
	(89)	(142)	260	203	987	1,184	777	817
	(2,401)	(2,426)	1,574	2,020	33,510	34,788	21,958	22,364
	(43)	(45)	32	39	446	487	237	241
	-	-	-	1	-	26	-	6
	-	-	-	14	-	60	-	22
	-	-	-	-	-	47	-	2
	-	-	-	-	-	4	-	2
	-	(1)	(85)	(17)	574	1,025	543	700
	-	-	-	(1)	-	11	-	9
	(140)	(162)	26	22	1,285	1,234	978	959
	(1)	(3)	10	7	25	60	18	25
	(16)	(22)	17	14	330	567	222	231
	(63)	(63)	50	7	762	676	257	254
	(248)	(282)	433	1,142	9,400	9,437	8,502	8,727
	(113)	(119)	62	114	2,884	3,012	1,826	1,937
	(5)	(9)	19	18	143	154	95	113
	(22)	(22)	(1)	(1)	409	406	4	3
	(55)	(58)	(1)	1	974	962	(27)	(25)
	(34)	(33)	22	26	674	649	35	60
	(30)	(32)	1	10	551	598	(7)	150
	(5)	(5)	-	-	86	80	(1)	-
	(17)	(16)	(5)	(1)	312	294	(12)	(14)
	(33)	(36)	(4)	(1)	648	662	(15)	(16)
	(15)	(15)	2	5	302	261	22	19
	(16)	(16)	2	8	318	308	7	14
	-	(142)	(3)	(146)	33	7	(2)	(147)

Individual Results of Joint Ventures and Affiliates (CZK Millions)

Joint Ventures and Affiliates	Operating Revenues		EBITDA	
	2018	2019	2018	2019
Akcez Enerji A.S.	-	-	(34)	(27)
AK-EL Kemah Elektrik Üretim ve Ticaret A.S.	-	-	(162)	(4)
Akenerji Dogal Gaz Ithalat Ihracat ve Toptan Ticaret A.S.	-	-	(3)	(6)
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.S.	5,157	1,891	46	(87)
Akenerji Elektrik Üretim A.S.	1,700	7,125	1,289	1,590
Bytkomfort, s.r.o.	243	255	45	41
Elevion Co-Investment GmbH & Co. KG	-	1	-	-
GP JOULE PPX Verwaltungs-GmbH	-	-	-	-
GP JOULE PP1 GmbH & Co. KG	-	3	-	3
Green Wind Deutschland GmbH	-	-	-	-
Jadrová energetická spoločnosť Slovenska, a. s.	16	14	(40)	(39)
juwi Wind Germany 100 GmbH & Co. KG	15	12	4	-
KLF-Distribúcia, s.r.o.	-	-	(3)	(1)
LOMY MOŘINA spol. s r.o.	224	231	38	38
Sakarya Elektrik Dagitim A.S.	4,254	4,593	1,382	1,423
Sakarya Elektrik Perakende Satis A.S.	21,988	20,124	298	359
Socrates JVCo Verwaltungs GmbH	-	-	-	-
Socrates Windprojekt GmbH & Co. KG	-	-	-	-
Windpark Bad Berleburg GmbH & Co. KG	-	-	-	-
Windpark Berka GmbH & Co. KG	-	-	-	-
Windpark Harrenstetter Heide GmbH & Co. KG	-	-	-	(1)
Windpark Moringen Nord GmbH & Co. KG	-	-	-	-
Windpark Palmohl GmbH & Co. KG	-	-	-	(1)
Windpark Prezelle GmbH & Co. KG	-	-	-	-
Windpark Soeste GmbH & Co. KG	-	-	-	(1)

Fees Charged by External Auditors to CEZ Group Companies (CZK Millions)

	2018			2019		
	ČEZ, a. s.	Fully Consolidated Companies	CEZ Group Total	ČEZ, a. s.	Fully Consolidated Companies	CEZ Group Total
Auditor's fees for statutory audit of annual financial statements	21.5	57.0	78.5	21.3	60.4	81.7
Fees charged by auditors for other audit services	6.7	1.0	7.7	6.7	0.3	7.0
Fees charged by auditors for tax consultancy	2.5	2.9	5.4	1.6	2.1	3.7
Fees charged by auditors for other nonaudit services	5.6	7.7	13.3	2.0	0.7	2.7
CEZ Group, total	36.3	68.6	104.9	31.6	63.5	95.1

	Depreciation and Amortization		Net Income		Total Assets		Equity	
	2018	2019	2018	2019	2018	2019	2018	2019
	-	-	(1,374)	(936)	4,186	3,721	(414)	(134)
	-	-	(140)	2	170	153	168	153
	-	-	-	(4)	15	25	15	10
	(2)	(2)	27	(53)	399	266	151	88
	(221)	(440)	(762)	(2,164)	12,766	11,301	(8,692)	(9,910)
	(22)	(24)	18	15	271	255	214	212
	-	-	7	6	404	357	404	347
	-	-	-	-	1	1	1	-
	-	-	(10)	9	74	119	64	72
	-	-	-	-	1	1	1	1
	(15)	(15)	(53)	(49)	5,410	5,297	5,399	5,284
	(4)	(4)	-	-	77	73	-	-
	-	-	(3)	(2)	33	67	23	21
	(23)	(20)	12	16	387	397	345	351
	(6)	(42)	600	764	4,839	5,087	910	1,540
	(27)	(46)	70	247	5,420	4,851	603	761
	-	-	-	-	-	1	-	1
	-	-	-	-	-	111	-	1
	-	-	-	(1)	-	1	-	-
	-	-	-	-	-	-	-	-
	-	-	-	(2)	-	26	-	(1)
	-	-	-	-	-	4	-	-
	-	-	-	(1)	-	26	-	-
	-	-	-	-	-	-	-	-
	-	-	-	(2)	-	54	-	(2)

Report on Relations between the Controlling Entity and the Controlled Entity and between the Controlled Entity and Entities Controlled by the Same Controlling Entity for the Accounting Period of January 1, 2019, to December 31, 2019

Prepared by the Board of Directors of ČEZ, a. s.,
ID No.: 45274649, having its registered office at Prague 4, Duhová 2/1444, postcode 140 53,
registered in the Commercial Register kept by the Municipal Court in Prague,
Section B, File 1581, pursuant to Section 82 of Act No. 90/2012 Sb., on business corporations

In compliance with the applicable provisions of the Business Corporations Act, the Board of Directors of ČEZ, a. s., has prepared and approved the following report on relations between the controlling entity and the controlled entity and between the controlled entity and entities controlled by the same controlling entity (the "Related Parties Report") for the accounting period of January 1, 2019, to December 31, 2019 (the "relevant period"), as follows. When preparing this Related Parties Report, the Board of Directors applied knowledge and information available to members of the Company's Board of Directors on the date of this Report.

1. Structure of Relations between the Controlling Entity and the Controlled Entity and between the Controlled Entity and Entities Controlled by the Same Controlling Entity

Controlled entity and author of the Related Parties Report:

ČEZ, a. s.

Identification No.: 45274649

Registered office: Prague 4, Duhová 2/1444, postcode 140 53

Registered in the Commercial Register kept by the Municipal Court in Prague, Section B, File 1581

Controlling entity:

Czech Republic—Ministry of Finance

Name: Ministry of Finance

Identification No.: 00006947

Registered office: Prague 1, Letenská 525/15, postcode 118 10 ("Controlling Entity")

As at December 31, 2019, the Controlling Entity owned shares of stock corresponding to a 69.78% share in the stated capital of ČEZ, a. s.

Entities controlled and managed by ČEZ, a. s.:

In the relevant period, ČEZ, a. s., was the controlling entity of the following companies belonging to CEZ Group:

1	A.E. Wind S.A.	58	CEZ Windparks Lee GmbH
2	AirPlus, spol. s r.o.	59	CEZ Windparks Luv GmbH
3	Akcez Enerji A.Ş.	60	CEZ Windparks Nordwind GmbH
4	AK-EL Kemah Elektrik Üretim ve Ticaret A.Ş.	61	ČEZ Asset Holding, a. s.
5	AK-EL Yalova Elektrik Üretim A.Ş.	62	ČEZ Bohunice a.s.
6	Akenerji Doğal Gaz İthalat İhracat ve Toptan Ticaret A.Ş.	63	ČEZ Bytové domy, s.r.o.
7	Akenerji Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.Ş.	64	ČEZ Distribuce, a. s.
8	Akenerji Elektrik Üretim A.Ş.	65	ČEZ Distribuční systavy a.s.
9	Areál Třeboradice, a.s.	66	ČEZ Energetické produkty, s.r.o.
10	AYIN, s.r.o.	67	ČEZ Energetické služby, s.r.o.
11	AZ KLIMA a.s.	68	ČEZ Energo, s.r.o.
12	AZ KLIMA SK, s.r.o.	69	ČEZ ENERGOSERVIS spol. s r.o.
13	AZ VENT s.r.o.	70	ČEZ ESCO, a.s.
14	Baltic Green Construction sp. z o.o.	71	ČEZ ICT Services, a. s.
15	Baltic Green I sp. z o.o.	72	ČEZ Korporátní služby, s.r.o.
16	Baltic Green II sp. z o.o.	73	ČEZ LDS s.r.o.
17	Baltic Green III sp. z o.o.	74	ČEZ Obnovitelné zdroje, s.r.o.
18	Baltic Green V sp. z o.o.	75	ČEZ OZ uzavřený investiční fond a.s.
19	Baltic Green VI sp. z o.o.	76	ČEZ Prodej, a.s.
20	Baltic Green VIII sp. z o.o.	77	ČEZ Recyklace, s.r.o.
21	Baltic Green IX sp. z o.o.	78	ČEZ SERVIS, s.r.o.
22	BANDRA Mobiliengesellschaft mbH & Co. KG	79	ČEZ Slovensko, s.r.o.
23	Bara Group EOOD	80	ČEZ Solární, s.r.o.
24	BUDRIO GFE 312 SOCIETA' AGRICOLA S.R.L.	81	ČEZ Teplárenská, a.s.
25	CASANO Mobiliengesellschaft mbH & Co. KG	82	Detlef Walther GmbH
26	Centrum výzkumu Řež s.r.o.	83	D-I-E Elektro AG
27	CEZ Bulgaria EAD	84	Distributie Energie Oltenia S.A.
28	CEZ Bulgarian Investments B.V.	85	Domat Control System s.r.o.
29	CEZ Deutschland GmbH	86	Domat Control System s. r. o.
30	CEZ Elektro Bulgaria AD	87	Domat Holding s.r.o.
31	CEZ Erneuerbare Energien Beteiligungs GmbH	88	EAB Automation Solutions GmbH
32	CEZ Erneuerbare Energien Beteiligungs II GmbH	89	EAB Elektroanlagenbau GmbH Rhein/Main
33	CEZ Erneuerbare Energien Verwaltungs GmbH	90	EASY POWER s.r.o.
34	CEZ ESCO Bulgaria EOOD	91	Eco-Wind Construction S.A. w upadłości
35	CEZ ESCO II GmbH	92	e-Dome a. s.
36	CEZ ESCO Polska sp. z o.o.	93	EGP INVEST, spol. s r.o., v likvidaci
37	CEZ ESCO Romania S.A.	94	Elektrárna Dětmárovice, a.s.
38	CEZ France SAS	95	Elektrárna Dukovany II, a. s.
39	CEZ Holdings B.V.	96	Elektrárna Mělník III, a. s.
40	CEZ Hungary Ltd.	97	Elektrárna Počerady, a.s.
41	CEZ Chorzów II sp. z o.o.	98	Elektrárna Temelín II, a. s.
42	CEZ Chorzów S.A.	99	Elektro-Decker GmbH
43	CEZ ICT Bulgaria EAD	100	Elektro-Technik-Pfisterer-GmbH
44	CEZ MH B.V.	101	Elevion Deutschland Holding GmbH
45	CEZ New Energy Investments B.V.	102	Elevion GmbH
46	CEZ Polska sp. z o.o.	103	En.plus GmbH
47	CEZ Produkty Energetyczne Polska sp. z o.o.	104	Energetické centrum s.r.o.
48	CEZ Razpredelenie Bulgaria AD	105	Energocentrum Vítkovice, a. s.
49	CEZ Romania S.A.	106	Energotrans, a.s.
50	CEZ Skawina S.A.	107	ENESA a.s.
51	CEZ Srbija d.o.o.	108	ESCO City I sp. z o.o.
52	CEZ Towarowy Dom Maklerski sp. z o.o.	109	ESCO City II sp. z o.o.
53	CEZ Trade Bulgaria EAD	110	ESCO City III sp. z o.o.
54	CEZ Trade Polska sp. z o.o.	111	ESCO City IV sp. z o.o.
55	CEZ Trade Romania S.R.L.	112	ESCO City V sp. z o.o.
56	CEZ Ukraine LLC	113	ESCO City VI sp. z o.o.
57	CEZ Vanzare S.A.	114	ETS Efficient Technical Solutions GmbH

115	ETS Efficient Technical Solutions Shanghai Co. Ltd.	174	M.W. Team Invest S.R.L.
116	ETS Engineering Kft.	175	NEK Facility Management GmbH
117	Euroklimat sp. z o.o.	176	Nuclear Safety & Technology Centre s.r.o., v likvidaci
118	EVČ s.r.o.	177	OEM Energy sp. z o.o.
119	FEA Automation GmbH	178	OSC, a.s.
120	Ferme éolienne d'Allas-Nieul SAS	179	Ovidiu Development S.R.L.
121	Ferme Eolienne d'Andelaroché SAS	180	PRODECO, a.s.
122	Ferme éolienne de Feuillade et Souffrignac SAS	181	REN Development s.r.o.
123	Ferme éolienne de Genouillé SAS	182	Revitrans, a.s.
124	Ferme éolienne de la Petite Valade SAS	183	Rudolf Fritz GmbH
125	Ferme Eolienne de la Piballe SAS	184	Sakarya Elektrik Dađitim A.Ş.
126	Ferme Eolienne de Neuville-aux-Bois SAS	185	Sakarya Elektrik Perakende Satış A.Ş.
127	Ferme éolienne de Nueil-sous-Faye SAS	186	SD - Kolejová doprava, a.s.
128	Ferme Eolienne de Saint-Aulaye SAS	187	Severočeské doly a.s.
129	Ferme Eolienne de Saint-Laurent-de-Céris SAS	188	SPRAVBYTKOMFORT, a.s. Prešov
130	Ferme éolienne de Saugon SAS	189	SYNECO ENERGY SERVICE S.R.L.
131	Ferme Eolienne de Seigny SAS	190	SYNECO GROUP S.R.L.
132	Ferme Eolienne de Thorigny SAS	191	SYNECO PROJECT S.R.L.
133	Ferme éolienne des Besses SAS	192	SYNECO tec GmbH
134	Ferme Eolienne des Breuils SAS	193	ŠKODA PRAHA a.s.
135	Ferme Eolienne des Grands Clos SAS	194	ŠKODA PRAHA Invest s.r.o.
136	Ferme éolienne du Blessonnier SAS	195	ŠKO-ENERGO, s.r.o.
137	Ferme Eolienne du Germancé SAS	196	ŠKO-ENERGO FIN, s.r.o.
138	Free Energy Project Oreshets EAD	197	Telco Infrastructure, s.r.o.
139	GBM Gesellschaft für Büromanagement mbH	198	Telco Pro Services, a. s.
140	GWE Verwaltungs GmbH	199	TENAUR, s.r.o.
141	GWE Wärme- und Energietechnik GmbH & Co. KG	200	Tepelné hospodářství města Ústí nad Labem s.r.o.
142	H & R Elektromontagen GmbH	201	Teplo Klášterec s.r.o.
143	HA.EM OSTRAVA, s.r.o.	202	TMK Hydroenergy Power S.R.L.
144	HAu.S GmbH	203	Tomis Team S.A.
145	Hermos AG	204	ÚJV Řež, a. s.
146	Hermos Gesellschaft für Steuer-, Meß- und Regeltechnik mbH	205	Ústav aplikované mechaniky Brno, s.r.o.
147	HERMOS International GmbH	206	Výzkumný a zkušební ústav Plzeň s.r.o.
148	HERMOS SDN. BHD	207	Windpark Baben Erweiterung GmbH & Co. KG
149	Hermos Schaltanlagen GmbH	208	Windpark Badow GmbH & Co. KG
150	Hermos sp. z o.o.	209	Windpark FOHREN-LINDEN GmbH & Co. KG
151	Hermos Systems GmbH	210	Windpark Frauenmark III GmbH & Co. KG
152	High-Tech Clima d.o.o.	211	Windpark Gremersdorf GmbH & Co. KG
153	High-Tech Clima S.A.	212	Windpark Cheinitz-Zethlingen GmbH & Co. KG
154	HORMEN CE a.s.	213	Windpark Mengerlinghausen GmbH & Co. KG
155	HORMEN SK s. r. o.	214	Windpark Naundorf GmbH & Co. KG
156	Hybridkraftwerk Culemeyerstraße Projekt GmbH	215	Windpark Zagelsdorf GmbH & Co. KG
157	in PROJEKT LOUNY ENGINEERING s.r.o.	216	WPG Projekt GmbH
158	Inven Capital, SICAV, a.s.		
159	ITX MEDIA a.s.		
160	Jadrová energetická spoločnosť Slovenska, a. s.		
161	Jäger & Co. Gesellschaft mit beschränkter Haftung		
162	juwi Wind Germany 100 GmbH & Co. KG		
163	Kälteanlagenbau Schröder GmbH		
164	KART TZB, spol. s r.o.		
165	KART, spol. s r.o.		
166	Kofler Energies Energieeffizienz GmbH		
167	Kofler Energies Ingenieurgesellschaft mbH		
168	Kofler Energies International GmbH		
169	KOFLER ENERGIES ITALIA SRL		
170	Kofler Energies Systems GmbH		
171	LOMY MOŘINA spol. s r.o.		
172	MARTIA a.s.		
173	Metrolog sp. z o.o.		

CEZ Group also includes the CEZ Concern, which is headed by ČEZ, a. s., as the controlling entity and the members of which were the following controlled entities in the relevant period: Areál Třeboradice, a.s., ČEZ Bohunice a.s., ČEZ Distribuce, a. s., ČEZ Energetické produkty, s.r.o., ČEZ Energetické služby, s.r.o., ČEZ ENERGOSERVIS spol. s r.o., ČEZ ESCO, a.s., ČEZ ICT Services, a. s., ČEZ Korporátní služby, s.r.o., ČEZ Obnovitelné zdroje, s.r.o., ČEZ Prodej, a.s., ČEZ Teplárenská, a.s., Elektrárna Dětmárovice, a.s., Elektrárna Dukovany II, a. s., Elektrárna Mělník III, a. s., Elektrárna Počeradý, a.s., Elektrárna Temelín II, a. s., Energetické centrum s.r.o., Energocentrum Vítkovice, a. s., Energotrans, a.s., MARTIA a.s., PRODECO, a.s., Revitrans, a.s., Severočeské doly a.s., SD - Kolejová doprava, a.s., and Telco Pro Services, a. s.

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

The membership of ČEZ, a. s., of the CEZ Concern was made public on the Company's website in the relevant accounting period.

Other entities controlled by the Controlling Entity:

According to information provided to the Company by the Controlling Entity, other entities controlled by the same Controlling Entity in the relevant period were:

- 1 B. aircraft, a.s.
- 2 Czech Airlines Handling, a.s.
- 3 Czech Airlines Technics, a.s.
- 4 ČEPRO, a.s.
- 5 Česká exportní banka, a.s.
- 6 ENOVIP d.o.o.
- 7 Exportní garanční a pojišťovací společnost, a.s.
- 8 GALILEO REAL, k.s.
- 9 HOLDING KLADNO a.s. "v likvidaci"
- 10 IMOB a.s.
- 11 Kongresové centrum Praha, a.s.
- 12 Letiště Praha, a. s.
- 13 LEVAS d.o.o.
- 14 MERO ČR, a.s.
- 15 MERO Germany GmbH
- 16 MUFIS a.s.
- 17 OKD, a.s.
- 18 OKD, HBZS, a.s.
- 19 Ormilk, a.s.v likvidaci
- 20 PRISKO a.s.
- 21 SERENUM, a.s.
- 22 Severočeské mlékárny, a.s. Teplice
- 23 SLOVIM s.r.o.
- 24 THERMAL-F, a.s.
- 25 VIPAP Vertriebs und Handels GmbH
- 26 VIPAP VIDEM KRŠKO d.d.
- 27 Výzkumný a zkušební letecký ústav, a.s.
- 28 VZLU TECHNOLOGIES, a.s.
- 29 VZLU TEST, a.s.
- 30 ZEL-EN d.o.o.

The Board of Directors of ČEZ, a. s., has prepared a diagram showing the structure of relations between entities controlled by the same Controlling Entity, which also shows the structure of entities controlled and/or managed by ČEZ, a. s. The diagram showing the structure of relations in the whole group of businesses controlled by the Controlling Entity in the relevant period constitutes Annex 1 to the Related Parties Report.

2. Role of the Controlled Entity

ČEZ, a. s., is the controlling company of CEZ Group. The core business as well as the role of companies within CEZ Group is the generation, distribution, trade in, and sales of electricity and heat, trade in and sales of natural gas, and coal extraction. ČEZ, a. s., is a crucial state-controlled energy company. Its primary role is to ensure safe and reliable fulfillment of the energy needs of its customers and society at large.

ČEZ, a. s., also intermediates the Controlling Entity's control over the other companies within CEZ Group.

3. Method and Means of Control

The Controlling Entity controls ČEZ, a. s., by being its majority shareholder and thus holding a majority share in voting rights. Because of its share in voting rights, the Controlling Entity can enforce the appointment or removal of most members of the supervisory and/or statutory governing body of ČEZ, a. s.

4. List of Acts pursuant to Section 82(2)(d) of the Business Corporations Act

ČEZ, a. s., did not perform any acts in the relevant period that would have been performed at the instigation or in the interest of the Controlling Entity or entities controlled by it and concerned assets exceeding 10% of the equity of ČEZ, a. s., as identified by its latest financial statements.

5. List of Mutual Contracts

The Board of Directors of ČEZ, a. s., has prepared a list of mutual contracts¹⁾ effective in the relevant period and entered into between ČEZ, a. s., and the Controlling Entity and/or between ČEZ, a. s., and other entities controlled by the Controlling Entity, which constitutes Annex 2 to the Related Parties Report. No contract entered into between ČEZ, a. s., and the Controlling Entity was effective in the relevant period. All mutual contracts between ČEZ, a. s., and other entities controlled by the Controlling Entity were entered into in the ordinary course of business. The list does not include further details on contractual relations in order to keep trade secrets and meet the contractual obligation of confidentiality of information.

6. Assessment of Whether the Controlled Entity Incurred a Loss and Assessment of Its Settlement pursuant to Sections 71 and 72 of the Business Corporations Act

Having analyzed and taken into consideration the circumstances and terms and conditions under which dealings between related parties occurred in the relevant period (that is, terms and conditions common in standard business relations), the Board of Directors of ČEZ, a. s., came to the conclusion that ČEZ, a. s., did not suffer any loss as a result of its control. Therefore, the Board of Directors has not included its comments on any settlement of loss, or on the manner and period of such settlement, in this Related Parties Report.

7. Lack of Information for the Preparation of the Related Parties Report

The Related Parties Report was prepared on the basis of all information available. In spite of reasonably made efforts that may be justly expected from the author, the companies listed below did not provide requested information:

- HOLDING KLADNO a.s. "v likvidaci"
- Severočeské mlékárny, a.s. Teplice

8. Conclusion

Based on available information, the Board of Directors of ČEZ, a. s., assessed the advantages and disadvantages arising from the position of ČEZ, a. s., as described above and came to the conclusion that ČEZ, a. s., did not derive any special advantages and/or disadvantages or material risks from its position, especially with respect to minimum links with other entities controlled by the Controlling Entity due to their significantly different core business. After careful consideration, the Board of Directors of ČEZ, a. s., declares that it is not aware of any risks resulting from relations between the above entities against which standard safeguards would not be in place.

Annexes:

- 1 Relation Structure Diagram for the Period of January 1, 2019, to December 31, 2019
- 2 List of Mutual Contracts

¹⁾ Each contract is defined by its name, date of contract and/or contract number, and the subject matter of the contract if not identified by the name of the contract.

Annex 2 List of Mutual Contracts

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
AirPlus, spol. s r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of December 21, 2017
AirPlus, spol. s r.o.	4101894476	Contract for Work (Technical Assistance for a Cooling Machine Room Reconstruction)
AirPlus, spol. s r.o.	4400045970	Maintenance and Repair
Akcez Enerji A.Ş.		Compensation Agreement of May 20, 2016 (Agreement Subject: Reward for Provided Guarantee)
Akcez Enerji A.Ş.		Compensation Agreement of December 6, 2010 (Agreement Subject: Reward for Provided Guarantee)
Akcez Enerji A.Ş.	5600004321	Framework Agreement on the Provision and Coordination of Services (Agreement Subject: Provision of Services)
Akcez Enerji A.Ş.	5600004322	Individual Agreement on the Provision of Services No. I (Agreement Subject: Provision of Services)
Akcez Enerji A.Ş.	5600004323	Individual Agreement on the Provision of Services No. II (Agreement Subject: Provision of Services)
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.Ş.		General Agreement on Power Supply and Consumption (EFET) of December 1, 2013
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.Ş.		General Agreement on Financial Market Trading (ISDA) of October 3, 2017
Akenerji Elektrik Üretim A.Ş.	5600001690	Framework Agreement on the Provision and Coordination of Services (Agreement Subject: Provision of Services)
Akenerji Elektrik Üretim A.Ş.	5600001691	Individual Agreement on the Provision of Services No. I (Agreement Subject: Provision of Services)
Akenerji Elektrik Üretim A.Ş.	5600001692	Individual Agreement on the Provision of Services No. II (Agreement Subject: Provision of Services)
Akenerji Elektrik Üretim A.Ş.	4100503098	Agreement on Non-Residential Facility Lease
Areál Třeboradice, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Areál Třeboradice, a.s.	5600009170	Service Provision Agreement
AZ KLIMA a.s.		Agreement on the Issuance of Guarantees of March 15, 2017 (Agreement Subject: Provision of Guarantees)
AZ KLIMA a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of October 17, 2016
AZ KLIMA a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of November 21, 2016
AZ KLIMA a.s.	4101888826	Air-Conditioning Systems Maintenance and Repairs
AZ KLIMA a.s.	4102055770	Building Equipment Delivery
AZ KLIMA SK, s.r.o.		Agreement on the Issuance of Guarantees of March 15, 2017 (Agreement Subject: Provision of Guarantees)
AZ KLIMA SK, s.r.o.		Mutual Credit Facility Agreement of February 25, 2017 (Agreement Subject: Mutual Credit Facilities)
AZ VENT s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of June 7, 2017
Baltic Green I sp. z o.o.		Agreement on the Issuance of Guarantees (Agreement Subject: Provision of Guarantees) of May 29, 2018
Baltic Green V sp. z o.o.		Agreement on the Issuance of Guarantees (Agreement Subject: Provision of Guarantees) of October 22, 2018
Bara Group EOOD	4102049677	Agreement on Provision of Information (Agreement Subject: Provision of Information)
Centrum výzkumu Řež s.r.o.	4400041169	Independent Consulting Agreement
Centrum výzkumu Řež s.r.o.	4400036427	Technical Assistance Provision Agreement
Centrum výzkumu Řež s.r.o.	69988100_1	Thermal Energy Supply Agreement
Centrum výzkumu Řež s.r.o.	000334_2017	Lease Agreement
Centrum výzkumu Řež s.r.o.	4400044373	Contract for Work (Impeller 3D Scan)
Centrum výzkumu Řež s.r.o.	4400045827	Contract for Work (Impeller Model 3D Scan)
Centrum výzkumu Řež s.r.o.	4400045919	Contract for Work (Impeller Model 3D Scan)
Centrum výzkumu Řež s.r.o.	19NO02489	Calibration of Gauges
Centrum výzkumu Řež s.r.o.	19NO02230	Calibration of Gauges
Centrum výzkumu Řež s.r.o.	4400045215	Agreement on Preparations for Contingent Replica Delivery
CEZ Bulgaria EAD	4100897098	Agreement on Information Technology and Telecommunications Services
CEZ Bulgaria EAD	4101263303	Agreement on the Provision of Legal Services (Agreement Subject: Provision of Legal Services)
CEZ Bulgaria EAD	4101313450	Agreement on the Provision of Advisory Services (Agreement Subject: Representation before the Bulgarian Administrative Bodies)
CEZ Bulgaria EAD	4101726434	Agreement on the Provision of Advisory Services (Agreement Subject: Representation before the Bulgarian Tax Authorities)
CEZ Bulgaria EAD	5600002132	Agreement on the Provision of Advisory Services (Network Provision and Renewal)
CEZ Bulgaria EAD	5600002632	Agreement on Providing Calculations of Line Differential Protection Settings
CEZ Bulgaria EAD	5600002751	Individual Agreement on the Provision of Services No. II (Agreement Subject: Provision of Services)
CEZ Bulgaria EAD	4102049735	Agreement on Provision of Information (Agreement Subject: Provision of Information)
CEZ Bulgaria EAD	HS30023140	Framework Agreement on the Provision and Coordination of Services (Agreement Subject: Provision of Services)
CEZ Bulgaria EAD	HS30023141	Individual Agreement on the Provision of Services No. I (Agreement Subject: Provision of Services)
CEZ Bulgarian Investments B.V.		Agreement on Provision of Services of December 20, 2011 (Agreement Subject: Provision of Services)
CEZ Bulgarian Investments B.V.		Mutual Credit Facility Agreement of March 1, 2011 (Agreement Subject: Mutual Credit Facilities)
CEZ Bulgarian Investments B.V.	5600002731	Service Provision Agreement
CEZ Deutschland GmbH	5600005921	Agreement on the Provision of Advisory Services (Agreement Subject: Provision of Advisory Services)
CEZ Deutschland GmbH	5600007930	Agreement on Provision of Services (Agreement Subject: Payment Transactions)
CEZ Deutschland GmbH	5600008310	Agreement on the Provision of Services (in the Purchase Activity Area)
CEZ Deutschland GmbH		Mutual Credit Facility Agreement of January 12, 2017 (Agreement Subject: Mutual Credit Facilities)
CEZ Deutschland GmbH		Agreement on the Issuance of Guarantees of May 22, 2017 (Agreement Subject: Provision of Guarantees)
CEZ Elektro Bulgaria AD	4102049740	Agreement on Provision of Information (Agreement Subject: Provision of Information)

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
CEZ Erneuerbare Energien Beteiligungs GmbH		Mutual Credit Facility Agreement of June 29, 2016 (Agreement Subject: Mutual Credit Facilities)
CEZ Erneuerbare Energien Beteiligungs GmbH	5600007561	Agreement on Provision of Services (Agreement Subject: Payment Transactions)
CEZ Erneuerbare Energien Beteiligungs II GmbH	5600009810	Agreement on Provision of Services (Agreement Subject: Provision of Services)
CEZ Erneuerbare Energien Beteiligungs II GmbH		Mutual Credit Facility Agreement of September 27, 2018 (Agreement Subject: Mutual Credit Facilities)
CEZ Erneuerbare Energien Verwaltungs GmbH	5600007562	Agreement on Provision of Services (Agreement Subject: Payment Transactions)
CEZ Erneuerbare Energien Verwaltungs GmbH		Mutual Credit Facility Agreement of June 29, 2016 (Agreement Subject: Mutual Credit Facilities)
CEZ ESCO II GmbH	DE2018/5	Loan Facility Agreement (Agreement Subject: Loan)
CEZ ESCO II GmbH	5600009880	Service Provision Agreement
CEZ ESCO Polska sp. z o.o.		Agreement on the Issuance of Guarantees of January 20, 2017 (Agreement Subject: Provision of Guarantees)
CEZ ESCO Romania S.A.	4400043411	Service Provision Agreement
CEZ France SAS	5600008420	Agreement on Provision of Services (Agreement Subject: Payment Transactions)
CEZ France SAS	5600008980	Agreement on Provision of Project Support Services (Agreement Subject: Advisory Services in Connection with the Project Purchases)
CEZ France SAS		Mutual Credit Facility Agreement of July 25, 2017 (Agreement Subject: Mutual Credit Facilities)
CEZ Holdings B.V.		Mutual Credit Facility Agreement of February 25, 2010 (Agreement Subject: Mutual Credit Facilities, Cash Pool)
CEZ Holdings B.V.		Agreement on Provision of Services of December 23, 2011 (Agreement Subject: Provision of Services)
CEZ Holdings B.V.	2016/5	Loan Facility Agreement (Agreement Subject: Loan)
CEZ Holdings B.V.	5600001552	Service Provision Agreement
CEZ Holdings B.V.	5600008920	Service Provision Agreement
CEZ Hungary Ltd.		License Agreement on Provision of the Right to Use ČEZ Trademarks on Hungary's Territory of December 30, 2014
CEZ Hungary Ltd.		Profit Sharing Agreement of December 13, 2018 (Renewables Prediction)
CEZ Hungary Ltd.		General Agreement on Power Supply and Consumption (EFET) of June 1, 2006
CEZ Hungary Ltd.		General Agreement on Financial Market Trading (ISDA) of September 30, 2013
CEZ Hungary Ltd.		General Agreement on Power Certificate Supply and Consumption (EFET) of October 15, 2014
CEZ Hungary Ltd.		Comprehensive Power Supply Agreement of October 15, 2009
CEZ Hungary Ltd.	4100060555	Agreement on the Provision of Services (ICT Services)
CEZ Hungary Ltd.	5600004735	Agreement on the Provision of Services (Trading Services)
CEZ Hungary Ltd.		Agreement on the Provision of Services in Connection with Wholesale Electricity Trading in Hungary of April 14, 2010
CEZ Hungary Ltd.		Profit Distribution Agreement of December 30, 2016 (Origin Guarantees)
CEZ Hungary Ltd.		Mutual Credit Facility Agreement of February 1, 2010 (Agreement Subject: Mutual Credit Facilities)
CEZ Hungary Ltd.		Agreement on the Issuance of Guarantees of August 30, 2006
CEZ Hungary Ltd.	5600002613	Agreement on Information Technology and Telecommunications Services
CEZ Chorzów S.A.		Support Service Agreement of April 27, 2018 (Agreement Subject: Support for Provided Services)
CEZ Chorzów S.A.	XVIII/857	General Agreement on Power Supply and Consumption (EFET)
CEZ Chorzów S.A.		Agreement on the Provision of Services in Connection to Wholesale Electricity Trading in Poland of January 9, 2017
CEZ Chorzów S.A.		Allowances Appendix to the General Agreement on Power Supply and Consumption (EFET) of November 30, 2006
CEZ Chorzów S.A.		Agreement on the Issuance of Guarantees of December 12, 2018 (Agreement Subject: Provision of Guarantees)
CEZ Chorzów S.A.		Agreement on Individual Delivery of Guarantees of Origin
CEZ ICT Bulgaria EAD	4102049675	Agreement on Provision of Information (Agreement Subject: Provision of Information)
CEZ MH B.V.		Mutual Credit Facility Agreement of February 25, 2010 (Agreement Subject: Mutual Credit Facilities, Cash Pool)
CEZ MH B.V.		Agreement on Provision of Services of December 27, 2011 (Agreement Subject: Provision of Services)
CEZ MH B.V.	5600001541	Service Provision Agreement
CEZ New Energy Investments B.V.	5600007350	Agreement on Provision of Services (Agreement Subject: Provision of Services)
CEZ New Energy Investments B.V.	5600008921	Agreement on the Provision of Project Support Services (Agreement Subject: Advisory Services in Connection with the Project Purchases)
CEZ New Energy Investments B.V.		Mutual Credit Facility Agreement of June 20, 2016 (Agreement Subject: Mutual Credit Facilities)
CEZ New Energy Investments B.V.		Agreement on the Transfer of a Part of the Employer's Activities of December 30, 2019
CEZ Polska sp. z o.o.	5600004736	Agreement on the Provision of Services (Trading Services)
CEZ Polska sp. z o.o.	5600006070	Agreement on the Provision of Services (ICT Services)
CEZ Polska sp. z o.o.	5600006086	Agreement on Information Technology and Telecommunications Services
CEZ Polska sp. z o.o.	5600007223	New Individual Agreement on the Provision of Services No. I (Agreement Subject: Provision of Services)
CEZ Polska sp. z o.o.	CP/U/17/00007	License Agreement (Agreement Subject: Provision of the Right to Use ČEZ Trademarks)
CEZ Polska sp. z o.o.	HS30023143/ 560006086	Individual Agreement on the Provision of Services No. III (Agreement Subject: Provision of Services)
CEZ Polska sp. z o.o.	HS30034973/ 5600000350	Framework Agreement on the Provision and Coordination of Services (Agreement Subject: Provision of Services)
CEZ Polska sp. z o.o.		Mutual Credit Facility Agreement of November 24, 2011 (Agreement Subject: Mutual Credit Facilities)
CEZ Polska sp. z o.o.		Support Service Agreement of April 27, 2018 (Agreement Subject: Support for Provided Services)
CEZ Polska sp. z o.o.		General Agreement on Power Supply and Consumption (EFET) of December 15, 2007
CEZ Polska sp. z o.o.		General Agreement on Natural Gas Supply and Consumption (EFET) of August 1, 2015
CEZ Polska sp. z o.o.		EECS Appendix to the General Agreement on Power Supply and Consumption (EFET) of November 1, 2015

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
CEZ Polska sp. z o.o.		Agreement on Comprehensive Power Supply of December 21, 2009
CEZ Polska sp. z o.o.		Agreement on the Provision of Services in Connection with Power Wholesale in Poland of June 8, 2010 (Supporting Services)
CEZ Polska sp. z o.o.		Agreement on the Provision of Services of December 29, 2008 (Reports on Power Supply/Consumption Provided to Transmission System Operator)
CEZ Polska sp. z o.o.		Ownership Interest Transfer Agreement for CEZ Trade Polska sp. z o.o. of July 2, 2019
CEZ Razpredelenie Bulgaria AD	2018/6	Loan Facility Agreement (Agreement Subject: Loan)
CEZ Razpredelenie Bulgaria AD		Subordination Deed of November 29, 2018 (Agreement Subject: Subordination of Loan 2018/6 to a Loan Provided by the European Bank for Reconstruction and Development)
CEZ Razpredelenie Bulgaria AD	4102049676	Agreement on Provision of Information (Agreement Subject: Provision of Information)
CEZ Romania S.A.	5600004086	Agreement on Information Technology and Telecommunications Services
CEZ Romania S.A.	4101311920	Agreement on the Provision of Advisory Services (Agreement Subject: Representation before Romanian Administrative Bodies)
CEZ Romania S.A.	HS30025510/ 5600001690	Framework Agreement on the Provision and Coordination of Services (Agreement Subject: Provision of Services)
CEZ Romania S.A.	HS30025518	Individual Agreement on the Provision of Services No. I (Agreement Subject: Provision of Services)
CEZ Romania S.A.	HS30025524	Individual Agreement on the Provision of Services No. II (Agreement Subject: Provision of Services)
CEZ Romania S.A.		Mutual Credit Facility Agreement of February 25, 2010 (Agreement Subject: Mutual Credit Facilities)
CEZ Skawina S.A.	1012/2006	General Agreement on Power Supply and Consumption (EFET)
CEZ Skawina S.A.	1012/2006	Allowances Appendix to the General Agreement on Power Supply and Consumption (EFET)
CEZ Skawina S.A.		General Agreement on Power Supply of November 28, 2008
CEZ Skawina S.A.		Agreement on the Provision of Services in Connection to Wholesale Electricity Trading in Poland of January 5, 2017
CEZ Skawina S.A.		Agreement on the Provision of Services of April 27, 2018 (EMIR reporting)
CEZ Skawina S.A.		Agreement on the Issuance of Guarantees of October 30, 2018 (Agreement Subject: Provision of Guarantees)
CEZ Skawina S.A.		3 Agreements on Individual Supply of Origin Guarantees
CEZ Skawina S.A.	5600009910	Control Activity Agreement
CEZ Skawina S.A.	5600009953	Control Activity Agreement
CEZ Srbija d.o.o.		License Agreement on Provision of the Right to Use ČEZ Trademarks on Serbia's Territory of December 30, 2014
CEZ Srbija d.o.o.		General Agreement on Power Supply and Consumption (EFET) of August 1, 2007
CEZ Srbija d.o.o.	4100012777	Agreement on the Provision of Services (ICT Services)
CEZ Srbija d.o.o.		Agreement on the Provision of Services in Connection with Wholesale Electricity Trading in Serbia of August 1, 2017
CEZ Srbija d.o.o.	5600003593	Agreement on Information Technology and Telecommunications Services
CEZ Towarowy Dom Maklerski sp. z o.o.		Agreement on the Provision of Brokerage Services on Markets Organized by TGE (Towarową Giełdą Energii, the Polish Commodity Exchange) of July 30, 2014
CEZ Trade Bulgaria EAD	2018/4	Loan Facility Agreement (Agreement Subject: Loan)
CEZ Trade Bulgaria EAD	4102049736	Agreement on Provision of Information (Agreement Subject: Provision of Information)
CEZ Trade Bulgaria EAD	5600007360	Agreement on the Provision of Services (Trading Services)
CEZ Trade Bulgaria EAD	5600008721	Agreement on the Provision of Services No. II (ICT Services)
CEZ Trade Bulgaria EAD		Market Access Agreement of April 30, 2018
CEZ Trade Bulgaria EAD		General Agreement on Power Supply and Consumption (EFET) of November 1, 2007
CEZ Trade Bulgaria EAD		Agreement on Business Cooperation in Power Wholesale in Bulgaria of July 16, 2008
CEZ Trade Bulgaria EAD		EECS Appendix to the General Agreement on Power Supply and Consumption (EFET) of March 24, 2017
CEZ Trade Bulgaria EAD		Individual Contract for Electricity Purchase/Sale of December 21, 2018
CEZ Trade Polska sp. z o.o.		Agreement on the Issuance of Guarantees of June 9, 2008
CEZ Trade Polska sp. z o.o.		Warranty Agreement of August 1, 2007 for the Polish Energy Regulator (URE)
CEZ Trade Polska sp. z o.o.	5600004736	Service Provision Agreement
CEZ Trade Polska sp. z o.o.	5600006070	Agreement on Information Technology and Telecommunications Services
CEZ Trade Romania S.R.L.		General Agreement on Power Supply and Consumption (EFET) of March 1, 2009
CEZ Trade Romania S.R.L.		Agreement on the Provision of Services in Connection with Power Wholesale in Romania of January 29, 2015
CEZ Trade Romania S.R.L.	5600007770	Agreement on the Provision of Services (Trading Services)
CEZ Trade Romania S.R.L.		Agreement on the Provision of Services in Connection with Electricity Trading Balancing in Romania of December 27, 2012
CEZ Trade Romania S.R.L.		Agreement on the Issuance of Guarantees of June 10, 2007
CEZ Vanzare S.A.	91_1	Agreement of the Issuance of Guarantees (Agreement Subject: Provision of Guarantees)
CEZ Vanzare S.A.		General Agreement on Power Supply and Consumption (EFET) of September 1, 2010
CEZ Vanzare S.A.		Agreement on Comprehensive Power Supply of September 1, 2010
CEZ Vanzare S.A.		Agreement on the Provision of Services (Trading Services) of June 24, 2019
CEZ Vanzare S.A.		General Agreement on Financial Market Trading (ISDA) of August 5, 2019
CEZ Windparks Lee GmbH	5600008360	Agreement on Provision of Services (Agreement Subject: Payment Transactions)
CEZ Windparks Lee GmbH		Mutual Credit Facility Agreement of May 26, 2017 (Agreement Subject: Mutual Credit Facilities)
CEZ Windparks Luv GmbH	5600008361	Agreement on Provision of Services (Agreement Subject: Payment Transactions)
CEZ Windparks Luv GmbH		Mutual Credit Facility Agreement of May 26, 2017 (Agreement Subject: Mutual Credit Facilities)
CEZ Windparks Nordwind GmbH	5600008362	Agreement on Provision of Services (Agreement Subject: Payment Transactions)
CEZ Windparks Nordwind GmbH		Mutual Credit Facility Agreement of May 26, 2017 (Agreement Subject: Mutual Credit Facilities)
ČEPRO, a.s.		Cooperation Agreement of October 1, 2019
ČEPRO, a.s.		Nondisclosure Agreement of October 1, 2019
ČEPRO, a.s.	4400011154	Agreement on the Fuel Storage, Purchase, and Sale

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEPRO, a.s.	4101973680	Fuel Delivery
ČEPRO, a.s.	4101979174	Fuel Delivery
ČEPRO, a.s.	4101993270	Access Card Delivery
ČEPRO, a.s.	4102086104	Fuel Delivery
ČEPRO, a.s.	4102091860	Fuel Delivery
ČEPRO, a.s.	4102098320	Fuel Delivery
ČEPRO, a.s.	047288	Nondisclosure Agreement
ČEPRO, a.s.	4101794582	Agreement on Deliveries of Fuels and Related Products and Services for CEZ Group
ČEPRO, a.s.	048064	Agreement on Rules for Carrier Goods Takeover at ČEPRO, a.s., Distribution Terminals
ČEZ Asset Holding, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of September 5, 2018
ČEZ Asset Holding, a. s.	5600009770	Service Provision Agreement
ČEZ Bohunice a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Bohunice a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Bohunice a.s.		Agreement on Personal Data Processing of June 28, 2011
ČEZ Bohunice a.s.	5600006022	Service Provision Agreement (Provision of Media Services)
ČEZ Bohunice a.s.	5600001497	Service Provision Agreement (Purchase Services – Selection and Award Proceedings)
ČEZ Distribuce, a. s.	P3A18000014311	Personal Data Processing Agreement
ČEZ Distribuce, a. s.	P3A18000014308	Personal Data Processing Agreement
ČEZ Distribuce, a. s.	P3A18000014309	Personal Data Processing Agreement
ČEZ Distribuce, a. s.	P3A18000014492	Personal Data Processing Agreement
ČEZ Distribuce, a. s.	5600007540	License Agreement on the Provision of the Right to Use Trademarks
ČEZ Distribuce, a. s.		Consensual Declaration of the Ancillary Service Provider and the Distribution System Operator to Whose Distribution System the Equipment of the Provider of Ancillary Services to ČEPS, a.s., Is Connected – Mělník II Power Plant (EME3), March 16, 2018
ČEZ Distribuce, a. s.		Consensual Declaration of the Ancillary Service Provider and the Distribution System Operator to Whose Distribution System the Equipment of the Provider of Ancillary Services to ČEPS, a.s., Is Connected – Štěchovice II Pumped-Storage Hydropower Plant (EST2), March 16, 2018
ČEZ Distribuce, a. s.		Consensual Declaration of the Ancillary Service Provider and the Distribution System Operator to Whose Distribution System the Equipment of the Provider of Ancillary Services to ČEPS, a.s., Is Connected – Pruněřov I Power Plant (EPRU I), March 16, 2018
ČEZ Distribuce, a. s.		Consensual Declaration of the Ancillary Service Provider and the Distribution System Operator to Whose Distribution System the Equipment of the Provider of Ancillary Services to ČEPS, a.s., Is Connected – Ledvice II + III Power Plant (ELE), March 16, 2018
ČEZ Distribuce, a. s.		Consensual Declaration of the Ancillary Service Provider and the Distribution System Operator to Whose Distribution System the Equipment of the Provider of Ancillary Services to ČEPS, a.s., Is Connected – Trmice Heating Plant (ETR), March 16, 2018
ČEZ Distribuce, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Distribuce, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Distribuce, a. s.		2 Agreements on Credit Facilities No. 2012/9, 2015/1
ČEZ Distribuce, a. s.	2018/3	Loan Facility Agreement (Agreement Subject: Loan)
ČEZ Distribuce, a. s.	2018/5	Loan Facility Agreement (Agreement Subject: Loan)
ČEZ Distribuce, a. s.	4101747165	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101775238	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101798550	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101815963	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101829211	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101829212	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101852506	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101880130	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101880982	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101886039	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101891298	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101897375	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101899069	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101907595	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4400040672	Contract for Work – Performance of Diagnostic Cable Measurements
ČEZ Distribuce, a. s.	5600002270	Agreement on the Settlement of Costs for Providing Consulting Services
ČEZ Distribuce, a. s.	5600002271	Agreement on the Settlement of Costs for Providing Consulting Services
ČEZ Distribuce, a. s.	4400040761	Distribution Network Repairs and Maintenance
ČEZ Distribuce, a. s.	4400041484	Agreement on Providing Professional Psychological Examinations
ČEZ Distribuce, a. s.	279281	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Distribuce, a. s.	30034054	Contract for Facility Connection to the Distribution Grid
ČEZ Distribuce, a. s.	4101492251	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Distribuce, a. s.	4400029943	Non-Residential Facility Lease
ČEZ Distribuce, a. s.	5600008722	General Service Agreement at Hydroelectric Power Plant Substations

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Distribuce, a. s.	4400022264	Non-Residential Facility Lease
ČEZ Distribuce, a. s.	4400019020	Service Provision Agreement
ČEZ Distribuce, a. s.	4400037593	Service Provision Agreement
ČEZ Distribuce, a. s.	410216_2011	4 Non-Residential Premise Rental Agreements
ČEZ Distribuce, a. s.	000100_2018	Lease Agreement
ČEZ Distribuce, a. s.	10137432_ UQ_2015	Ancillary Service Agreement for Voltage and Reactive Power Control of December 15, 2014
ČEZ Distribuce, a. s.	P3A18000014490	Agreement on the Mutual Rights and Obligations of Joint Administrators
ČEZ Distribuce, a. s.	2019/4	Loan Facility Agreement (Agreement Subject: Loan)
ČEZ Distribuce, a. s.		Agreement on Transfer of Title to Transformer Substations of September 3, 2019
ČEZ Distribuce, a. s.	P3A18000014131	Personal Data Processing Agreement
ČEZ Distribuce, a. s.	P3A19000027899	Personal Data Processing Agreement
ČEZ Distribuce, a. s.	000202_2019	Preliminary Easement Agreement and Building Right Agreement
ČEZ Distribuce, a. s.	000681_2019	Preliminary Easement Agreement and Building Right Agreement
ČEZ Distribuce, a. s.	000707_2019	Preliminary Easement Agreement and Building Right Agreement
ČEZ Distribuce, a. s.	000751_2019	Preliminary Easement Agreement and Building Right Agreement
ČEZ Distribuce, a. s.	000804_2019	Preliminary Easement Agreement and Building Right Agreement
ČEZ Distribuce, a. s.	69984900_1	Agreement on Heat Supply
ČEZ Distribuce, a. s.	4101757289	Relaying
ČEZ Distribuce, a. s.	4101771952	Lease Agreement
ČEZ Distribuce, a. s.	4101859943	Agreement for Orlik Power Plant Connection to Distribution Network
ČEZ Distribuce, a. s.	4101886180	Charging Station Delivery
ČEZ Distribuce, a. s.	4101890327	Charging Station Delivery
ČEZ Distribuce, a. s.	4101891058	Charging Station Delivery
ČEZ Distribuce, a. s.	4101918264	Agreement for Trnava Power Plant Connection to Distribution Network
ČEZ Distribuce, a. s.	4101933414	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101935284	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101935288	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101935289	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101947207	Želina Small Hydropower Plant Connection Agreement
ČEZ Distribuce, a. s.	4101948892	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101949710	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101954948	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101957457	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101966350	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101966362	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101973143	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101973144	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101973145	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101975580	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101975621	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101980819	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4101987520	Service Provision Agreement
ČEZ Distribuce, a. s.	4101995726	Service Provision Agreement
ČEZ Distribuce, a. s.	4101996441	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102000057	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102001218	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102008456	Agreement for Vestec Photovoltaic Power Plant Connection to Distribution Network
ČEZ Distribuce, a. s.	4102008605	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102020430	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102020453	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102022748	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102023138	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102029786	Agreement for Ledvice Power Plant Connection to Distribution Network
ČEZ Distribuce, a. s.	4102035974	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102035976	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102036693	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102041901	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102053961	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102060633	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102060635	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102060639	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102060653	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102062769	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102062803	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102062804	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102062805	Electricity Supplies for Electromobility

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Distribuce, a. s.	4102062806	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102062811	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102066261	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102066498	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102066804	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102066835	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102066890	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102071577	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102071631	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102072964	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102075492	Agreement for Slapy Power Plant Connection to Distribution Network
ČEZ Distribuce, a. s.	4102075552	Agreement for Orlik Power Plant Connection to Distribution Network
ČEZ Distribuce, a. s.	4102076642	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102076643	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102078712	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102078718	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102094548	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102096744	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102100247	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.	4102100249	Electricity Supplies for Electromobility
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of November 29, 2018
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 26, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 29, 2017
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of November 14, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 5, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 6, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 20, 2017
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of May 13, 2015
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 22, 2016
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract (Antivirus Solution) of 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 18, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 19, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of April 15, 2019
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of June 19, 2019
ČEZ Distribuce, a. s.	4101486685	Provision of Control Service and Balancing Service for Customer Electricity Supplies
ČEZ Distribuce, a. s.	4101589287	Provision of Control Service and Balancing Service for Customer Electricity Supplies
ČEZ Distribuce, a. s.	4101694996	Switchgear Operation
ČEZ Distribuce, a. s.	4101719245	Operation, Maintenance, and Repair of Hydroelectric Power Plant Switchgear
ČEZ Distribuce, a. s.	4101724488	Operation, Maintenance, and Repair of Hydroelectric Power Plant Switchgear
ČEZ Distribuce, a. s.	4101728800	Operation, Maintenance, and Repair of Hydroelectric Power Plant Switchgear
ČEZ Distribuce, a. s.	4101735325	Provision of Control Service and Balancing Service for Customer Electricity Supplies
ČEZ Distribuce, a. s.	4101924542	Provision of Control Service and Balancing Service for Customer Electricity Supplies
ČEZ Distribuce, a. s.	4400029943	Lease Agreement
ČEZ Distribuce, a. s.	5600007650	Service Provision Agreement
ČEZ Distribuce, a. s.	4400022264	Lease Agreement
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award of a Public Contract (Servicing, Development, and Renovation of Telecommunications Access and Transmission Network with SDH/TDM/MPLS Equipment and Appropriate Monitoring Systems) of 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award of a Public Contract (Power Supply Systems for Telecommunications Equipment) of 2018
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award of a Public Contract of June 14, 2016
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Disk Array Deliveries II) of 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award of a Public Contract of May 31, 2016
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract (x86 Server Deliveries) of 2018
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of January 7, 2019
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Infra Checkpoint Security Maintenance) of 2017
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract (F5 Product Maintenance) of 2017
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of June 5, 2018
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Active LAN Element Renovation) of 2019
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Transit Telephone Exchange Renovation) of 2016
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of January 5, 2016
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of June 29, 2018
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Active WAN Telecommunications Access Network Element Renovation) of 2018
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of July 11, 2018

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of December 20, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract (2020 Licenses) of June 28, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract (2020–2022 Licenses) of June 28, 2019
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of September 26, 2016
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of February 28, 2019
ČEZ Distribuce, a. s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of July 30, 2018
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of August 14, 2018
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of July 4, 2019
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 20, 2019
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of October 12, 2018
ČEZ Distribuce, a. s.		Agreement on Cooperation in the Performance of a Public Contract of July 3, 2018
ČEZ Distribuce, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 6, 2018
ČEZ Energetické produkty, s.r.o.	5600009631	License Agreement on the Provision of the Right to Use Trademarks
ČEZ Energetické produkty, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Energetické produkty, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Energetické produkty, s.r.o.	4100029620	Contract for Work concerning Back-End Fuel Cycle
ČEZ Energetické produkty, s.r.o.	4100419693	Restoration of the Tušimice Power Plant's Waste Pond
ČEZ Energetické produkty, s.r.o.	4101184566	Zbrod Landscaping
ČEZ Energetické produkty, s.r.o.	4101288828	Landscaping, Revitalization, Humanization of Panský les Waste Pond Area
ČEZ Energetické produkty, s.r.o.	4101307199	Fučík Waste Pond Restoration
ČEZ Energetické produkty, s.r.o.	4101331489	Scrap Metal Sale Support
ČEZ Energetické produkty, s.r.o.	4101401701	Subsequent Waste Pond Restoration
ČEZ Energetické produkty, s.r.o.	4101508224	Replacement Tree Planting
ČEZ Energetické produkty, s.r.o.	4400032756	Scrap Yard Operation Support
ČEZ Energetické produkty, s.r.o.	4400032758	Scrap Yard Operation Support
ČEZ Energetické produkty, s.r.o.	4400032760	Scrap Yard Operation Support
ČEZ Energetické produkty, s.r.o.	4400034432	Equipment Servicing
ČEZ Energetické produkty, s.r.o.	5600003720	Purchase Agreement for the Sale of Unnecessary Certificated Coal Combustion Products
ČEZ Energetické produkty, s.r.o.	5600001489	Service Provision Agreement
ČEZ Energetické produkty, s.r.o.	4400036795	Provision of Maintenance and Repairs for Logic Units
ČEZ Energetické produkty, s.r.o.	4400036803	Provision of Maintenance and Repairs for Logic Units
ČEZ Energetické produkty, s.r.o.	4400037956	Agreement on Maintenance and Repairs for Coal and Coal Combustion Products Logic Units
ČEZ Energetické produkty, s.r.o.	4400038005	Agreement on Maintenance and Repairs for Coal and Coal Combustion Products Logic Units
ČEZ Energetické produkty, s.r.o.	4400038032	Agreement on Maintenance and Repairs for Coal and Coal Combustion Products Logic Units
ČEZ Energetické produkty, s.r.o.	4400038038	Agreement on Maintenance and Repairs for Coal and Coal Combustion Products Logic Units
ČEZ Energetické produkty, s.r.o.	4400040032	Provision of Maintenance and Repairs for Logic Units
ČEZ Energetické produkty, s.r.o.	5600008290	Diesel Fuel Sales
ČEZ Energetické produkty, s.r.o.	5600008291	Diesel Fuel Sales
ČEZ Energetické produkty, s.r.o.	5600008292	Diesel Fuel Sales
ČEZ Energetické produkty, s.r.o.	4101532300	Performance of Biological Restoration
ČEZ Energetické produkty, s.r.o.	4101579892	Replacement Tree Planting
ČEZ Energetické produkty, s.r.o.	4101599156	Landscape Silvicultural Care
ČEZ Energetické produkty, s.r.o.	4101708956	Restoration – Container Part A Construction
ČEZ Energetické produkty, s.r.o.	4101784818	Contract for Work (Slag Removers Replacement)
ČEZ Energetické produkty, s.r.o.	4101808594	Addition and Modification of Technology for the Use of the Coal Combustion Products
ČEZ Energetické produkty, s.r.o.	4101864839	Preventing Landfill Water Spread
ČEZ Energetické produkty, s.r.o.	4101892968	Conveyor Spare Part Renovation
ČEZ Energetické produkty, s.r.o.	4101903934	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4101908806	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4101917847	Purchase Agreement (Hydrocyclone Spare Parts)
ČEZ Energetické produkty, s.r.o.	4400039894	Hoisting Equipment Repair and Maintenance Provision
ČEZ Energetické produkty, s.r.o.	4400041653	Contract for Work (Conveyor Transport of Coal Combustion Products)
ČEZ Energetické produkty, s.r.o.	5600009160	Web Presentation Creation and Administration
ČEZ Energetické produkty, s.r.o.	000001_2016	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000085_2018	Lease Agreement
ČEZ Energetické produkty, s.r.o.	001139_2014	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000285_2016	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000389_2016	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000151_2018	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000549_2016	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000293_2017	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000514_2018	Preliminary Easement Agreement and Building Right Agreement
ČEZ Energetické produkty, s.r.o.	000274_2017	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000408_2017	Lease Agreement

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Energetické produkty, s.r.o.	000524_2018	Easement Agreement
ČEZ Energetické produkty, s.r.o.	000125_2017	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000315_2017	Lease Agreement
ČEZ Energetické produkty, s.r.o.	69959600_2	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	69988200_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	EPR/20170020	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Pruněřov Power Plant
ČEZ Energetické produkty, s.r.o.	69984500_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	ELE/20150094	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Ledvice Power Plant
ČEZ Energetické produkty, s.r.o.	EPR/20170021	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Pruněřov Power Plant
ČEZ Energetické produkty, s.r.o.	69988300_2	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	EME/20140036	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Mělník Power Plant
ČEZ Energetické produkty, s.r.o.	69988600_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	69988700_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	69978400_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	EHO/2015/001	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Hodonín Power Plant
ČEZ Energetické produkty, s.r.o.	69978500_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	69978300_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	69968400_2	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.		Nonmonetary Additional Contribution Agreement of August 12, 2019
ČEZ Energetické produkty, s.r.o.		Employers' Agreement on Temporary Employee Assignment pursuant to Section 43a of the Labor Code of March 27, 2018
ČEZ Energetické produkty, s.r.o.	000148_2019	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000321_2019	Lease Agreement
ČEZ Energetické produkty, s.r.o.	000513_2018	Preliminary Easement Agreement and Building Right Agreement
ČEZ Energetické produkty, s.r.o.	000750_2019	Lease Agreement
ČEZ Energetické produkty, s.r.o.	ETU/2018/EE003	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Tušimice Power Plant
ČEZ Energetické produkty, s.r.o.	EPC/20170022	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Ledvice Power Plant
ČEZ Energetické produkty, s.r.o.	69995000_1	Heat Supply Agreement
ČEZ Energetické produkty, s.r.o.	69959600_2	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	69978400_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	69995300_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	69993506_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	69993700_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.	4101935265	Contract for Work (Preparation of Tender Documents for Greenhouse Building Contractor Selection)
ČEZ Energetické produkty, s.r.o.	4101952375	As-Built Documentation Preparation
ČEZ Energetické produkty, s.r.o.	4101985369	Verification of FGD Gypsum Technical Parameters
ČEZ Energetické produkty, s.r.o.	4101990688	Contract for Work (Preparation of Land Prior to the Construction of Connections for Greenhouse Construction)
ČEZ Energetické produkty, s.r.o.	4101999202	Provision of Chemical Registration, Assessment, Permitting, and Restriction Services
ČEZ Energetické produkty, s.r.o.	4102000401	Contract for Work (Disposal of Residual Facilities at the Panský les Waste Dam System)
ČEZ Energetické produkty, s.r.o.	4102004522	Contract for Work for Utilities Construction at a Leased Greenhouse Construction Site
ČEZ Energetické produkty, s.r.o.	4102009134	Construction work
ČEZ Energetické produkty, s.r.o.	4102010528	Construction work
ČEZ Energetické produkty, s.r.o.	4102024660	Contract for Work (Cleanup, Demolition, and Disposal)
ČEZ Energetické produkty, s.r.o.	4102049288	Contract for Work (Biological Restoration and Technical Restoration)
ČEZ Energetické produkty, s.r.o.	4102063256	Contract for Work for the Demolition of Garages, Administrative Building, and Bridge
ČEZ Energetické produkty, s.r.o.	4102076369	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102078426	Chemical Treatment Performance
ČEZ Energetické produkty, s.r.o.	4102084136	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102084935	Contract for Work (Biological Restoration)
ČEZ Energetické produkty, s.r.o.	4102086377	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102090096	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102092697	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102098738	Contract for Work (Construction of Walkways, Additional Lighting, and Relaying)
ČEZ Energetické produkty, s.r.o.	4102101196	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4400043869	Reconstruction of Boiler Transition Pieces
ČEZ Energetické produkty, s.r.o.	4400046170	Contract for Work for Building Demolition
ČEZ Energetické produkty, s.r.o.	5600010771	Settlement Agreement
ČEZ Energetické produkty, s.r.o.		Nonmonetary Additional Contribution Agreement of February 18, 2019
ČEZ Energetické produkty, s.r.o.	000686_2014	Lease Agreement
ČEZ Energetické produkty, s.r.o.	4101958014	Contract for Work (Reworking and Repair)
ČEZ Energetické produkty, s.r.o.	4101958678	Contract for Work (Reworking and Repair)
ČEZ Energetické produkty, s.r.o.		Nonmonetary Additional Contribution Agreement of April 6, 2017
ČEZ Energetické produkty, s.r.o.	69991101_1	Thermal Energy Supply Agreement
ČEZ Energetické produkty, s.r.o.		Personal Data Processing Agreement
ČEZ Energetické produkty, s.r.o.	4400035310	Contract for Work (Powdered Limestone Transportation)
ČEZ Energetické produkty, s.r.o.	000420_2017	Preliminary Utility Easement Agreement
ČEZ Energetické produkty, s.r.o.	4101920150	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Energetické produkty, s.r.o.	4101937406	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101952446	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101953371	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101939963	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101948313	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101949657	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101961518	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101943321	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101958558	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101965212	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101974079	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101971589	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101979898	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101979973	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101966378	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101982029	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101991281	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101989949	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101993464	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101993963	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101993963	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102002699	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101997411	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101999848	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102005018	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101992576	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102006824	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102017176	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102020304	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102025037	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102026857	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102030526	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102044888	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102031269	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102041518	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102043505	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101958014	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102058883	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102053990	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102033692	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4102070349	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické produkty, s.r.o.	4101958678	Purchase of Spare Parts for Mělník Power Plant Hydrocyclone
ČEZ Energetické služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 26, 2019
ČEZ Energetické služby, s.r.o.		General Agreement on Power Supply and Consumption (EFET) of July 4, 2014
ČEZ Energetické služby, s.r.o.		Allowances Appendix to General Agreement on Power Supply and Consumption (EFET) of July 4, 2014
ČEZ Energetické služby, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Energetické služby, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of October 25, 2016
ČEZ Energetické služby, s.r.o.		Mutual Credit Facility Agreement of November 25, 2016 (Agreement Subject: Mutual Credit Facilities)
ČEZ Energetické služby, s.r.o.		Agreement on the Issuance of Guarantees of November 11, 2014
ČEZ Energetické služby, s.r.o.		Agreement on the Issuance of Guarantees of September 15, 2014
ČEZ Energetické služby, s.r.o.	4400022435	Agreement on Handling, Transportation, Crane, and Slinger Works
ČEZ Energetické služby, s.r.o.	4400027717	Agreement on Technological Equipment Maintenance
ČEZ Energetické služby, s.r.o.	4400039554	Agreement on the Provision of Services (Electrical Equipment Maintenance and Repairs)
ČEZ Energetické služby, s.r.o.	4400039839	Agreement on the Provision of Services (Electrical Equipment Maintenance and Repairs)
ČEZ Energetické služby, s.r.o.	4400039931	Agreement on the Provision of Services (Electrical Equipment Maintenance and Repairs)
ČEZ Energetické služby, s.r.o.	4101727124	Purchase Agreement for Surface Water Supply
ČEZ Energetické služby, s.r.o.	4101727126	Purchase Agreement for Surface Water Supply
ČEZ Energetické služby, s.r.o.	4400042405	Purchase of Machinery and Equipment
ČEZ Energetické služby, s.r.o.	4400042984	Electrical Equipment Operation, Maintenance, and Repair
ČEZ Energetické služby, s.r.o.	4400032918	Website Operation Provision
ČEZ Energetické služby, s.r.o.	5600001490	Service Provision Agreement
ČEZ Energetické služby, s.r.o.	4101116484	Agreement on Non-Residential Facility Lease
ČEZ Energetické služby, s.r.o.	4400032502	Agreement on the Servicing of Technical Protection and Electric Fire Alarm Systems
ČEZ Energetické služby, s.r.o.	4101634206	Contract for Work (Reconstruction of Cable Ducts, including Cables)
ČEZ Energetické služby, s.r.o.	4101852177	Contract for Work (Rectifier Reconstruction)

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Energetické služby, s.r.o.	4101871883	Electromobility Charging Station Construction
ČEZ Energetické služby, s.r.o.	4101884838	Electromobility Charging Station Construction
ČEZ Energetické služby, s.r.o.	56000010490	License Agreement on the Provision of the Right to Use Trademarks
ČEZ Energetické služby, s.r.o.	P3A18000014015	Personal Data Processing Agreement
ČEZ Energetické služby, s.r.o.	000788_2019	Lease Agreement
ČEZ Energetické služby, s.r.o.	69975700_1	Thermal Energy Supply Agreement
ČEZ Energetické služby, s.r.o.	4101959260	Service Provision Agreement
ČEZ Energetické služby, s.r.o.	4102022959	Service Provision Agreement
ČEZ Energetické služby, s.r.o.	4102045898	Service Provision Agreement
ČEZ Energetické služby, s.r.o.	4102072840	Service Provision Agreement
ČEZ Energetické služby, s.r.o.	4102087348	Service Provision Agreement
ČEZ Energetické služby, s.r.o.	4102057293	Lease Agreement
ČEZ Energetické služby, s.r.o.	4101936246	Fluidized-Bed Boiler Compressor Plant Modification
ČEZ Energetické služby, s.r.o.	4101952764	Electricity Supplies for Electromobility
ČEZ Energetické služby, s.r.o.	4101956334	Electricity Supplies for Electromobility
ČEZ Energetické služby, s.r.o.	4101973802	Electricity Supplies for Electromobility
ČEZ Energetické služby, s.r.o.	4101977582	Electricity Supplies for Electromobility
ČEZ Energetické služby, s.r.o.	4101988807	Design Work
ČEZ Energetické služby, s.r.o.	4102049010	Electricity Supplies for Electromobility
ČEZ Energetické služby, s.r.o.	4102050082	Maintenance and Repair
ČEZ Energetické služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
ČEZ Energetické služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
ČEZ Energetické služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 22, 2016
ČEZ Energo, s.r.o.	5600007397	License Agreement on the Provision of the Right to Use Trademarks
ČEZ Energo, s.r.o.	5600006555	Service Provision Agreement
ČEZ ENERGOSERVIS spol. s r.o.	150180519	Approval of Depreciation of Technical Appreciation by the Lessee
ČEZ ENERGOSERVIS spol. s r.o.	350180518	Approval of Depreciation of Technical Appreciation by the Lessee
ČEZ ENERGOSERVIS spol. s r.o.	5600007560	License Agreement on the Provision of the Right to Use Trademarks
ČEZ ENERGOSERVIS spol. s r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ ENERGOSERVIS spol. s r.o.	69904477_1	Thermal Energy Supply Agreement
ČEZ ENERGOSERVIS spol. s r.o.	69906356_1	Thermal Energy Supply Agreement
ČEZ ENERGOSERVIS spol. s r.o.	000015_2016	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	000080_2014	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	000091_2012	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	000197_2014	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	000217_2018	Preliminary Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	000358_2012	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	EDU/2012/EE018	Electricity Supply Agreement
ČEZ ENERGOSERVIS spol. s r.o.		Confidentiality Agreement of December 15, 2017
ČEZ ENERGOSERVIS spol. s r.o.	EDU/2012/EE018	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Dukovany Power Plant
ČEZ ENERGOSERVIS spol. s r.o.	104338	Contract for Work (Scheduled and Unscheduled Maintenance and Repair of Radioactive Waste Processing Systems)
ČEZ ENERGOSERVIS spol. s r.o.	90014065	Contract for Work (Provision of Laundry Services)
ČEZ ENERGOSERVIS spol. s r.o.	90102710	Contract for Work (Measurement of Waste from the Controlled Area for Release into the Environment)
ČEZ ENERGOSERVIS spol. s r.o.	93007097	Contract for Work (Management of Waste outside the Controlled Area)
ČEZ ENERGOSERVIS spol. s r.o.	93007098	Contract for Work (Management of Waste from the Controlled Area)
ČEZ ENERGOSERVIS spol. s r.o.	93008550	Contract for Work (Provision of Support for Dealing with Environmental Emergencies)
ČEZ ENERGOSERVIS spol. s r.o.	4400001167	Contract for Work (Performance of Activities in Radioactive Waste Management and for Safe Radioactive Waste Storage Operations at Dukovany)
ČEZ ENERGOSERVIS spol. s r.o.	4400013744	Contract for Work for Operational Arrangements for a Liquid Radioactive Waste Processing Line
ČEZ ENERGOSERVIS spol. s r.o.	4400021321	Emergency Service Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400021721	Emergency Service Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400022091	Contract for Work (Performance of Control Activities, Rounds, and Handling of Repetitive Nature for Primary Circuit Air-Handling Systems at the Dukovany Nuclear Power Plant)
ČEZ ENERGOSERVIS spol. s r.o.	4400023692	Contract for Work (Performance of Inspection Activities and Repairs after Machinery and Plant Inspections at the Dukovany Nuclear Power Plant)
ČEZ ENERGOSERVIS spol. s r.o.	4400025342	Contract for Work (Cleaning Cooling Tower Screens and Heat Rejector)
ČEZ ENERGOSERVIS spol. s r.o.	4400026314	Contract for Work (Project Support)
ČEZ ENERGOSERVIS spol. s r.o.	4400032144	Plastic Label Processing Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400033324	Contract for Work for Logical Unit Maintenance and Repair (Dukovany Conventional Island)
ČEZ ENERGOSERVIS spol. s r.o.	4400033781	Contract for Work (Fire Pump Parameter Measurement)
ČEZ ENERGOSERVIS spol. s r.o.	4400034254	Contract for Work (Measurement of Leaks of Essential Service Water and Nonessential Service Water)
ČEZ ENERGOSERVIS spol. s r.o.	4400034675	Contract for Work (Airborne Multispectral and Ground Measurements)
ČEZ ENERGOSERVIS spol. s r.o.	4400036026	Contract for Work (Single-Casing Cooler Water Chamber Repair/Replacement)
ČEZ ENERGOSERVIS spol. s r.o.	4400036712	Logical Unit Maintenance, Repair, and Inspection Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400036713	Logical Unit Maintenance, Repair, and Inspection Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400036722	Logical Unit Maintenance, Repair, and Inspection Agreement

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ ENERGOSERVIS spol. s r.o.	4400041696	Fixture and Equipment Repairs at Mechanical Workshops
ČEZ ENERGOSERVIS spol. s r.o.	4400042656	Protective Cover Distribution
ČEZ ENERGOSERVIS spol. s r.o.	4400043060	Contract for Work (Servicing of Automatic Welder and Accessories)
ČEZ ENERGOSERVIS spol. s r.o.	4400043323	Contract for Work (Emergency Service for the Dukovany Nuclear Power Plant in 2019–2020)
ČEZ ENERGOSERVIS spol. s r.o.	4400043430	Performance of Control Activities, Rounds, and Handling for Heat Exchanger Stations and Air-Handling Plant, Exterior Structures including Covers, Inspections of Mobile Diesel Generators, and Test Operation of Diesel Generators in Shelters at the Dukovany Nuclear Power Plant
ČEZ ENERGOSERVIS spol. s r.o.	4400043673	Changing Area Operation Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400043734	Performance of Central Oil Management Equipment Operation, including Oil Discharge, Storage, Cleaning, and Fill-Up
ČEZ ENERGOSERVIS spol. s r.o.	4400044271	Contract for Work for Tool Room Operation at the Dukovany Nuclear Power Plant
ČEZ ENERGOSERVIS spol. s r.o.	4400044496	Contract for Work (Preparation for the Repair of a Defective Upper Part of the Steam Generator Primary Collector at the Dukovany Nuclear Power Plant)
ČEZ ENERGOSERVIS spol. s r.o.	239	Contract for Work (Deliveries of Specialized Services for Technology Decontamination)
ČEZ ENERGOSERVIS spol. s r.o.	1833	Contract for Work (Support for Dealing with Environmental Emergencies)
ČEZ ENERGOSERVIS spol. s r.o.	90000549	Clothing Laundry Operation
ČEZ ENERGOSERVIS spol. s r.o.	90001073	Contract for Work (Operational and Operating Activities in Relation to the Principles of Radiation Protection and Environmental Protection)
ČEZ ENERGOSERVIS spol. s r.o.	4400027621	Performance of an Overhaul of 7 Electric Motors for Condensate Pumps
ČEZ ENERGOSERVIS spol. s r.o.	4400033069	Logical Unit Maintenance, Repair, and Inspection Agreement (Temelín Nuclear Power Plant Conventional Island)
ČEZ ENERGOSERVIS spol. s r.o.	4400034985	Contract for Work (Diagnostic Measurement of Generators at the Temelín Nuclear Power Plant)
ČEZ ENERGOSERVIS spol. s r.o.	4400036702	Logical Unit Maintenance, Repairs, and Inspection
ČEZ ENERGOSERVIS spol. s r.o.	4400036703	Logical Unit Maintenance, Repairs, and Inspection
ČEZ ENERGOSERVIS spol. s r.o.	4400037453	Contract for Work (Emergency Service for the Fire Alarm System)
ČEZ ENERGOSERVIS spol. s r.o.	4400038934	Contract for Work (Emergency Service for Environmental Emergencies)
ČEZ ENERGOSERVIS spol. s r.o.	4400039292	Repair of Damaged Rack Screens in Essential Service Water Pools
ČEZ ENERGOSERVIS spol. s r.o.	4400043525	Emergency Service for the Temelín Nuclear Power Plant Mechanical Part in 2019
ČEZ ENERGOSERVIS spol. s r.o.	4400043600	Contract for Work (Distribution, Storage, and Control of Foreign Material Exclusion Means and Plastic Cover Foils)
ČEZ ENERGOSERVIS spol. s r.o.	4400043648	Technical Assistance Agreement (Coordination of Reactor Hall Work)
ČEZ ENERGOSERVIS spol. s r.o.	4400043803	Replacement of Essential Service Water Piping at the Diesel Generator Station
ČEZ ENERGOSERVIS spol. s r.o.	4400043804	Replacement of Essential Service Water Piping at the Diesel Generator Station
ČEZ ENERGOSERVIS spol. s r.o.	4400044418	Agreement on the Performance of Equipment Repair and Transportation in the Active Auxiliary Operations Building
ČEZ ENERGOSERVIS spol. s r.o.	4400044823	Technical Assistance Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400045061	Contract for Work (Dissimilar Metal Welding on 8 Pipe Samples)
ČEZ ENERGOSERVIS spol. s r.o.	4101211013	Contract for Work (Material Parting)
ČEZ ENERGOSERVIS spol. s r.o.	4101478601	Contract for Work (Replacement of Condensate Feed Pump Assemblies)
ČEZ ENERGOSERVIS spol. s r.o.	4101478653	Contract for Work (Optimization of Injection from Stage 2 Condensate Pump)
ČEZ ENERGOSERVIS spol. s r.o.	4101517703	Contract for Work (Delivery and Installation of 2 Sets of Spare Compact Storage Racks for a Spent Fuel Pool)
ČEZ ENERGOSERVIS spol. s r.o.	4101567255	Contract for Work (Installation of a 3rd Spent Fuel Pool Cooling Pump)
ČEZ ENERGOSERVIS spol. s r.o.	4101663715	Contract for Work for Cooler Trap Replacement
ČEZ ENERGOSERVIS spol. s r.o.	4101683520	Contract for Work (Use of Chemical Water Treatment Plant as Raw Water Reserve)
ČEZ ENERGOSERVIS spol. s r.o.	4101769255	Contract for Work (Overhaul of Power Supply Equipment for Physical Protection Technical Systems)
ČEZ ENERGOSERVIS spol. s r.o.	4101774137	Contract for Work (Dissimilar Metal Welding of a 140 mm Diameter Joint at a Steam Generator Super-Accident Feed Joining Piece)
ČEZ ENERGOSERVIS spol. s r.o.	4101795914	Contract for Work (Diesel Generator Fire Prevention)
ČEZ ENERGOSERVIS spol. s r.o.	4101805632	Contract for Work (Performance of Piping Corrective Measures)
ČEZ ENERGOSERVIS spol. s r.o.	4101832727	Contract for Work (Anchor Modification)
ČEZ ENERGOSERVIS spol. s r.o.	4101856227	Contract for Work (Replacement of Electric Assembly with Actuator)
ČEZ ENERGOSERVIS spol. s r.o.	4101904987	Contract for Work (Documentation Preparation)
ČEZ ENERGOSERVIS spol. s r.o.	4101912295	Contract for Work (Oil Coolers Replacement)
ČEZ ENERGOSERVIS spol. s r.o.	4101915282	Contract for Work (Dissimilar Metal Welding of a 140 mm Joint at Steam Generator Super-Accident Feed Piping)
ČEZ ENERGOSERVIS spol. s r.o.	4101929607	Contract for Work (Installation of an Additional Hoisting Equipment Pulley)
ČEZ ENERGOSERVIS spol. s r.o.	4101946739	Contract for Work (Performance of a Check Weld for the Replacement of the Upper Part of the Steam Generator Collector at the Dukovany Nuclear Power Plant)
ČEZ ENERGOSERVIS spol. s r.o.	4101947646	Contract for Work (Check Welds for Primary Circuit Equipment Made by Automatic Welders)
ČEZ ENERGOSERVIS spol. s r.o.	4101956812	Contract for Work (Technical Assistance, Armor Modification, Fitting Reworking)
ČEZ ENERGOSERVIS spol. s r.o.	4101980761	Contract for Work (Preparation of Project Documentation and Performance of Author's Supervision for Administrative Building Construction)
ČEZ ENERGOSERVIS spol. s r.o.	4101997512	Contract for Work (Storage of Existing Spare Racks)
ČEZ ENERGOSERVIS spol. s r.o.	4102000352	Technical Specifications for Repair of Piping Parts
ČEZ ENERGOSERVIS spol. s r.o.	4102010986	Contract for Work (Reconstruction of Storage Tanks, Pipelines, and Fittings)
ČEZ ENERGOSERVIS spol. s r.o.	4102080875	Manufacture of a Diesel Generator Replacement Jig
ČEZ ENERGOSERVIS spol. s r.o.	4101588134	Contract for Work for Sealing of Lower Flanges of Manual Control Fittings
ČEZ ENERGOSERVIS spol. s r.o.	4101651390	Contract for Work (Flap Valve Replacement)
ČEZ ENERGOSERVIS spol. s r.o.	4101778306	Contract for Work (Installation of an Additional Expansion Bend)
ČEZ ENERGOSERVIS spol. s r.o.	4101778307	Contract for Work (Replacement of Essential Service Water Piping and Fittings)
ČEZ ENERGOSERVIS spol. s r.o.	4101789622	Contract for Work (Overhaul of Copper Turbine Generator Coolers)
ČEZ ENERGOSERVIS spol. s r.o.	4101789625	Contract for Work (Generator Sealing Oil Filling Technology Replacement)
ČEZ ENERGOSERVIS spol. s r.o.	4101827759	Contract for Work (Providing Access to Fittings for Handling)

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ ENERGOSERVIS spol. s r.o.	4101839834	Contract for Work (Piping Drainage Duct Alteration)
ČEZ ENERGOSERVIS spol. s r.o.	4101850453	Contract for Work (Flushing of Suction Pipeline for Radioactive Concentrate from Pools)
ČEZ ENERGOSERVIS spol. s r.o.	4101850663	Flap Valve Replacement
ČEZ ENERGOSERVIS spol. s r.o.	4101854677	Contract for Work (Creation of Sampling Points)
ČEZ ENERGOSERVIS spol. s r.o.	4101861086	Contract for Work (Low-Pressure Air Connection)
ČEZ ENERGOSERVIS spol. s r.o.	4101876026	Contract for Work (Provision of Safe Storage for Slings)
ČEZ ENERGOSERVIS spol. s r.o.	4101880473	Contract for Work (Additional Drains)
ČEZ ENERGOSERVIS spol. s r.o.	4101893581	Contract for Work (Documentation Preparation and Installation Work for Pump Drainage Duct Modification)
ČEZ ENERGOSERVIS spol. s r.o.	4101895263	Contract for Work (Pipeline Relaying)
ČEZ ENERGOSERVIS spol. s r.o.	4101905209	Contract for Work (Documentation Preparation and Execution of Ultrasonic Tub Replacement)
ČEZ ENERGOSERVIS spol. s r.o.	4101915542	Upgrade of an Existing Fire Alarm System
ČEZ ENERGOSERVIS spol. s r.o.	4101922786	Reconstruction of Essential Service Water Pump Delivery Node
ČEZ ENERGOSERVIS spol. s r.o.	4101938059	Contract for Work (Installation of Catchment Gutter Covers)
ČEZ ENERGOSERVIS spol. s r.o.	4101939972	Contract for Work (Preparation of Documentation for Unit Heat Exchange Station Modifications)
ČEZ ENERGOSERVIS spol. s r.o.	4101945471	Technical Assistance Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4101981353	Contract for Work (Elimination of Recirculation Pipeline Vibration)
ČEZ ENERGOSERVIS spol. s r.o.	4102013019	Contract for Work (Documentation Preparation and Installation of Walkway Railing)
ČEZ ENERGOSERVIS spol. s r.o.	4102042426	Contract for Work (Documentation Preparation and Installation of Additional Work Platforms for Radiation Monitoring Equipment Maintenance)
ČEZ ENERGOSERVIS spol. s r.o.	4102045574	Contract for Work (Replacement of Control Fitting Welded Connection Joints)
ČEZ ENERGOSERVIS spol. s r.o.	4102064615	Technical Assistance Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4102079619	Contract for Work (Machine Refurbishment)
ČEZ ENERGOSERVIS spol. s r.o.	4100479604	Provision of Material Parting Services
ČEZ ENERGOSERVIS spol. s r.o.	4101134482	Provision of Crane and Handling Operator Services
ČEZ ENERGOSERVIS spol. s r.o.	4101240152	Maintenance and Repair
ČEZ ENERGOSERVIS spol. s r.o.	4101540965	Warehouse Operation Services
ČEZ ENERGOSERVIS spol. s r.o.	4101738034	Laundry service
ČEZ ENERGOSERVIS spol. s r.o.	4101952961	New Plate Project Documentation
ČEZ ENERGOSERVIS spol. s r.o.	4101957741	Service Provision Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4101974768	Service Provision Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4101985298	Service Provision Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4102065723	Service Provision Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4102078681	Spare Part Renovation for Temelin Power Plant
ČEZ ENERGOSERVIS spol. s r.o.	4102096783	Spare Part Renovation for Temelin Power Plant
ČEZ ENERGOSERVIS spol. s r.o.	4101911179	Short-Term Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4102036185	Service Provision Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4102036242	Service Provision Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4102049611	Service Provision Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4102049612	Service Provision Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4102049618	Service Provision Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4102050750	Service Provision Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4102096850	Service Provision Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400033035	General Routine Maintenance Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400036268	General Maintenance Agreement
ČEZ ENERGOSERVIS spol. s r.o.	4400038268	Repair of Quick-Closing Gate Plates and Well
ČEZ ENERGOSERVIS spol. s r.o.	4400039327	Feeder Repair
ČEZ ENERGOSERVIS spol. s r.o.	4400040406	Repair of Slide Valves in the Suction Apparatus Well
ČEZ ENERGOSERVIS spol. s r.o.	4400040643	Crane Work and Inclined Cargo Elevator Operations
ČEZ ENERGOSERVIS spol. s r.o.	4400043452	Turbine Generator Overhaul
ČEZ ENERGOSERVIS spol. s r.o.	4400043454	Turbine Generator Overhaul
ČEZ ENERGOSERVIS spol. s r.o.	4400043973	External Lighting Terminal Box Replacement
ČEZ ENERGOSERVIS spol. s r.o.	4400044100	Crane Work and Inclined Cargo Elevator Operations
ČEZ ENERGOSERVIS spol. s r.o.	4400044141	New Plate and Well Repair
ČEZ ENERGOSERVIS spol. s r.o.	4400044152	New Plate and Well Repair
ČEZ ENERGOSERVIS spol. s r.o.	4400044181	High-Pressure Compressor Cooling Water Piping Replacement
ČEZ ENERGOSERVIS spol. s r.o.	4400044395	Gully Crane Paintwork Repair
ČEZ ENERGOSERVIS spol. s r.o.	4400044548	Modernization
ČEZ ENERGOSERVIS spol. s r.o.	4400044562	Modernization
ČEZ ENERGOSERVIS spol. s r.o.	4400045011	Local Operating Regulations Update
ČEZ ENERGOSERVIS spol. s r.o.	4400045401	Communications Tunnel Lighting Repair
ČEZ ENERGOSERVIS spol. s r.o.	4400046010	Repair of Quick-Closing Gate Plates and Wells
ČEZ ENERGOSERVIS spol. s r.o.	4400036413	Maintenance and Repair
ČEZ ENERGOSERVIS spol. s r.o.	4400044551	Waste Liquidation
ČEZ ENERGOSERVIS spol. s r.o.	5600003810	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ENERGOSERVIS spol. s r.o.	5600004210	Service Provision Agreement
ČEZ ENERGOSERVIS spol. s r.o.	OVS-645/2013	Provision of Occupational Psychological Examinations
ČEZ ENERGOSERVIS spol. s r.o.	OVS-644/2013	Provision of Initial Psychological Tests

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ ENERGOSERVIS spol. s r.o.	25/96	Provision of Bus Transportation
ČEZ ENERGOSERVIS spol. s r.o.	001299_2012	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	01/2003	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	30016533	Lease Agreement
ČEZ ENERGOSERVIS spol. s r.o.	103647	Facility Catering Service Agreement
ČEZ ENERGOSERVIS spol. s r.o.	ETE/6151/ 24-15429	Facility Catering Agreement
ČEZ ENERGOSERVIS spol. s r.o.	350190127	Approval of Technical Appreciation Amortization by the Lessee
ČEZ ENERGOSERVIS spol. s r.o.	4101841079	Contract for Work (Replacement of Manual Control Fittings)
ČEZ ENERGOSERVIS spol. s r.o.	4101906638	Contract for Work (Renovation)
ČEZ ENERGOSERVIS spol. s r.o.	4101952789	Purchase Agreement (Hardness Tester for Measuring Inserted Rods)
ČEZ ESCO, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 20, 2017
ČEZ ESCO, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 26, 2019
ČEZ ESCO, a.s.	4102058056	Integrated High- and Medium-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.		Additional Contribution Agreement of August 28, 2017
ČEZ ESCO, a.s.		Additional Contribution Agreement of November 27, 2017
ČEZ ESCO, a.s.		Additional Contribution Agreement of February 17, 2017
ČEZ ESCO, a.s.		Nonmonetary Additional Contribution Agreement of March 13, 2017
ČEZ ESCO, a.s.		Additional Contribution Agreement of September 11, 2018
ČEZ ESCO, a.s.		Additional Contribution Agreement of November 8, 2018
ČEZ ESCO, a.s.	P3A18000001357	Personal Data Processing Agreement
ČEZ ESCO, a.s.		General Agreement on Power Supply and Consumption (EFET) of February 11, 2016
ČEZ ESCO, a.s.		Allowances Appendix to the General Agreement on Power Supply and Consumption (EFET) of February 11, 2016
ČEZ ESCO, a.s.		EECS Appendix to the General Agreement on Power Supply and Consumption (EFET) of February 28, 2017
ČEZ ESCO, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ ESCO, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of February 1, 2016
ČEZ ESCO, a.s.		Agreement on Mutual Credit Facilities (ČSOB) of August 16, 2018
ČEZ ESCO, a.s.		Agreement on the Mutual Credit Facilities Related to the Agreement on Provision of the Multilevel Real Cash Pooling (ČS) of August 16, 2018
ČEZ ESCO, a.s.		Mutual Credit Facility Agreement of August 16, 2018 (Agreement Subject: Mutual Credit Facilities)
ČEZ ESCO, a.s.		Agreement on the Issuance of Guarantees of August 28, 2018
ČEZ ESCO, a.s.	4101864290	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101871603	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101871624	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101871703	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101873398	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101874922	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101874930	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101879936	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101880171	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101880172	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101880173	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101880956	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101880960	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101881668	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101881816	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101882041	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101883095	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101883100	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101883127	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101883130	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101883134	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101883140	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101883151	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101883154	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101883171	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101883193	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101885034	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101885062	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101885969	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101885994	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101885997	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101886021	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101887587	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888467	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888468	Electricity, Gas, and Heat Supplies, Water/Sewer Fees

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ ESCO, a.s.	4101888469	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888470	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888481	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888482	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888542	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888548	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888564	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888566	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888585	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888603	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888614	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888617	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888619	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888662	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888666	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888683	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888685	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888711	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888716	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888720	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888754	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888759	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888792	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888828	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888867	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888894	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888912	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101888917	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101890581	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101891031	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101891274	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101893463	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101893499	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101893561	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101893596	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101893653	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101893660	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101893696	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101893822	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101893825	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101893861	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101894991	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101894992	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101894993	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101894994	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101896488	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101896567	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101896597	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101905225	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101905412	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101919142	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101920452	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4400037110	Provision of Accident Insurance
ČEZ ESCO, a.s.	4400043040	License Agreement on the Provision of the Right to Use Trademarks
ČEZ ESCO, a.s.	5600005880	Service Provision Agreement
ČEZ ESCO, a.s.		Additional Contribution Agreement of May 6, 2019
ČEZ ESCO, a.s.		Additional Contribution Agreement of June 5, 2019
ČEZ ESCO, a.s.		Additional Contribution Agreement of October 22, 2019
ČEZ ESCO, a.s.	P3A19000027899	Personal Data Processing Agreement
ČEZ ESCO, a.s.	P3A19000034179	Personal Data Processing Agreement
ČEZ ESCO, a.s.	4101882361	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ESCO, a.s.	4101923807	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101923810	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101936367	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4101940610	Electricity Supplies for Electromobility
ČEZ ESCO, a.s.	4102007976	Service Provision Agreement
ČEZ ESCO, a.s.	4102053965	Electricity Supplies for Electromobility

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ ESCO, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 18, 2019
ČEZ ESCO, a.s.		Agreement on Cooperation in the Performance of a Public Contract of June 19, 2019
ČEZ ESCO, a.s.	4101613723	Procurement of Guarantees of Origin
ČEZ ESCO, a.s.	4101614800	Procurement of Emission Allowances
ČEZ ESCO, a.s.	4101969445	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4101969506	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4101969671	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4101981446	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4101981476	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4101981480	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4101981502	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4101982226	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4101994668	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4101998223	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102004823	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102005113	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102008217	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102016950	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102036466	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102036515	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102051718	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102058003	Integrated High- and Medium-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102076365	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102084961	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102086798	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102086828	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4102096624	Integrated Low-Voltage Electricity Supply Service Agreement
ČEZ ESCO, a.s.	4400042987	Integrated Gas Supply Service Agreement
ČEZ ESCO, a.s.	4400045014	Expert Support Service Agreement
ČEZ ESCO, a.s.	5600010131	Service Provision Agreement
ČEZ ESCO, a.s.		Agreement on Coordinated Action in the Award of a Public Contract of May 31, 2016
ČEZ ESCO, a.s.		Agreement on Cooperation in the Performance of a Public Contract of July 20, 2018
ČEZ ESCO, a.s.		Agreement on Cooperation in the Performance of a Public Contract of December 20, 2019
ČEZ ESCO, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of July 30, 2018
ČEZ ESCO, a.s.		Agreement on Cooperation in the Performance of a Public Contract of August 14, 2018
ČEZ ESCO, a.s.		Agreement on Coordinated Action in the Award of a Public Contract of December 20, 2018
ČEZ ESCO, a.s.		Agreement on Cooperation in the Performance of a Public Contract of August 6, 2019
ČEZ ESCO, a.s.		Agreement on Cooperation in the Performance of a Public Contract of October 12, 2018
ČEZ ESCO, a.s.		Agreement on Cooperation in the Performance of a Public Contract of July 3, 2018
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract (Antivirus Solution) of 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
ČEZ ICT Services, a. s.	P3A18000014172	Personal Data Processing Agreement
ČEZ ICT Services, a. s.	P3A18000001317	Personal Data Processing Agreement
ČEZ ICT Services, a. s.	5600009640	License Agreement on the Provision of the Right to Use Trademarks
ČEZ ICT Services, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ ICT Services, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ ICT Services, a. s.		Mutual Credit Facility Agreement of August 27, 2012 (Agreement Subject: Mutual Credit Facilities)
ČEZ ICT Services, a. s.	4100017278	IT and Telecommunications Services Agreement
ČEZ ICT Services, a. s.	4100024933	Agreement on the Provision of Services – Bulgaria
ČEZ ICT Services, a. s.	4100051248	IT and Telecommunications Services Agreement
ČEZ ICT Services, a. s.	4100090828	IT and Telecommunications Services Agreement
ČEZ ICT Services, a. s.	4100773622	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4100804289	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4100871029	Agreement on Non-Residential Facility Lease
ČEZ ICT Services, a. s.	4100871057	Agreement on Non-Residential Facility Lease
ČEZ ICT Services, a. s.	4100872622	Agreement on Non-Residential Facility Lease
ČEZ ICT Services, a. s.	4100875771	Agreement on Non-Residential Facility Lease
ČEZ ICT Services, a. s.	4100888337	Agreement on Non-Residential Facility Lease
ČEZ ICT Services, a. s.	4100888563	Agreement on Non-Residential Facility Lease
ČEZ ICT Services, a. s.	4100891309	Agreement on Non-Residential Facility Lease
ČEZ ICT Services, a. s.	4100894825	Agreement on Non-Residential Facility Lease
ČEZ ICT Services, a. s.	4100901203	Agreement on Non-Residential Facility Lease
ČEZ ICT Services, a. s.	4101027840	Agreement on Non-Residential Facility Lease
ČEZ ICT Services, a. s.	4101129964	Agreement on Non-Residential Facility Lease
ČEZ ICT Services, a. s.	4101299780	IT and Telecommunications Services Agreement

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ ICT Services, a. s.	4101300009	IT and Telecommunications Services Agreement
ČEZ ICT Services, a. s.	4101314263	IT and Telecommunications Services Agreement
ČEZ ICT Services, a. s.	4101348177	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4400012688	PC Repair
ČEZ ICT Services, a. s.	4400015314	Service Agreement concerning Electronic Fire Alarm System
ČEZ ICT Services, a. s.	4400022101	Metric Cabling Replacement
ČEZ ICT Services, a. s.	4400025654	General IT and Telecommunications Services Agreement
ČEZ ICT Services, a. s.	5600005750	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	5600005941	Letter of Intent—Delivery of Services for a Corporate Data Center
ČEZ ICT Services, a. s.	5600006053	Preliminary Easement Agreement
ČEZ ICT Services, a. s.	4400039767	Service Delivery Agreement
ČEZ ICT Services, a. s.	4400039787	Service Delivery Agreement
ČEZ ICT Services, a. s.	4101673186	Non-Residential Facility Lease
ČEZ ICT Services, a. s.	4101701197	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4101703596	Land Lease
ČEZ ICT Services, a. s.	4101756129	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4101758081	Agreement on the Use of Low Energy Sensors
ČEZ ICT Services, a. s.	4101766756	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4101767776	Telecommunications Service Agreement
ČEZ ICT Services, a. s.	4101794092	Cooperation Provision Agreement
ČEZ ICT Services, a. s.	4101837730	Preliminary Agreement
ČEZ ICT Services, a. s.	4101837741	Preliminary Agreement
ČEZ ICT Services, a. s.	4101855018	Provision of Computer Technical Support for the Shareholders' Meeting
ČEZ ICT Services, a. s.	4101862527	Provision of Computer Technical Support for the Shareholders' Meeting
ČEZ ICT Services, a. s.	4101864019	Provision of Project IT Support
ČEZ ICT Services, a. s.	4101868619	Provision of Project Application Support
ČEZ ICT Services, a. s.	4101885807	Preliminary Agreement
ČEZ ICT Services, a. s.	4101917128	Provision of Project Application Support
ČEZ ICT Services, a. s.	4101719906	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4100174463	Receivable Payment Agreement
ČEZ ICT Services, a. s.	5600000620	Security Services Agreement
ČEZ ICT Services, a. s.	4400032919	Corporate Website Service Agreement
ČEZ ICT Services, a. s.	4400034473	Provision of Construction Site Safety Supervision
ČEZ ICT Services, a. s.	5600001488	Agreement on Information Technology Services
ČEZ ICT Services, a. s.	4100464851	Lease Agreement
ČEZ ICT Services, a. s.	4100465515	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4100465555	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4100472347	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4100698200	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4100698302	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4100702763	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4101309698	Service Provision Agreement
ČEZ ICT Services, a. s.	P3A18000014493	Personal Data Processing Agreement
ČEZ ICT Services, a. s.	000236_2019	Easement Agreement
ČEZ ICT Services, a. s.	000237_2019	Easement Agreement
ČEZ ICT Services, a. s.	000759_2019	Easement Agreement
ČEZ ICT Services, a. s.	EHO/2011/008	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Hodonín Power Plant
ČEZ ICT Services, a. s.	ETU/2018/EE002	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Tušimice Power Plant
ČEZ ICT Services, a. s.	69901598_3	Heat Supply Agreement
ČEZ ICT Services, a. s.	69968600_1	Thermal Energy Supply Agreement
ČEZ ICT Services, a. s.	30008966	Thermal Energy Supply Agreement
ČEZ ICT Services, a. s.	69935002_4	Heat Supply Agreement
ČEZ ICT Services, a. s.	64200	Thermal Energy Supply Agreement
ČEZ ICT Services, a. s.	69906141_2	Thermal Energy Supply Agreement
ČEZ ICT Services, a. s.	69904352_2	Thermal Energy Supply Agreement
ČEZ ICT Services, a. s.	PR/00229266	Thermal Energy Supply Agreement
ČEZ ICT Services, a. s.	4100018699	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4100028983	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4100204437	Lease Agreement
ČEZ ICT Services, a. s.	4100214850	Servitude Agreement
ČEZ ICT Services, a. s.	4100220244	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4100303955	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4100464851	Lease Agreement
ČEZ ICT Services, a. s.	4100465463	Lease Agreement
ČEZ ICT Services, a. s.	4100465542	Lease Agreement
ČEZ ICT Services, a. s.	4100465621	Lease Agreement
ČEZ ICT Services, a. s.	4100467488	Lease Agreement

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ ICT Services, a. s.	4100467788	Lease Agreement
ČEZ ICT Services, a. s.	4100472366	Lease Agreement
ČEZ ICT Services, a. s.	4100478425	Lease Agreement
ČEZ ICT Services, a. s.	4100478447	Lease Agreement
ČEZ ICT Services, a. s.	4100478475	Lease Agreement
ČEZ ICT Services, a. s.	4100478489	Lease Agreement
ČEZ ICT Services, a. s.	4100478527	Lease Agreement
ČEZ ICT Services, a. s.	4100478557	Lease Agreement
ČEZ ICT Services, a. s.	4100478566	Lease Agreement
ČEZ ICT Services, a. s.	4100479999	Lease Agreement
ČEZ ICT Services, a. s.	4100563562	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4100686732	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4100742684	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4100745843	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4100871029	Lease Agreement
ČEZ ICT Services, a. s.	4100871057	Lease Agreement
ČEZ ICT Services, a. s.	4100872622	Lease Agreement
ČEZ ICT Services, a. s.	4100875649	Lease Agreement
ČEZ ICT Services, a. s.	4100875771	Lease Agreement
ČEZ ICT Services, a. s.	4100888337	Lease Agreement
ČEZ ICT Services, a. s.	4100888563	Lease Agreement
ČEZ ICT Services, a. s.	4100891309	Lease Agreement
ČEZ ICT Services, a. s.	4100894825	Lease Agreement
ČEZ ICT Services, a. s.	4100901203	Lease Agreement
ČEZ ICT Services, a. s.	4101027840	Lease Agreement
ČEZ ICT Services, a. s.	4101082489	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4101129964	Lease Agreement
ČEZ ICT Services, a. s.	4101411114	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4101673186	Lease Agreement
ČEZ ICT Services, a. s.	4101703596	Lease Agreement
ČEZ ICT Services, a. s.	4101748353	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4101767295	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4101767735	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4101927689	Service Provision Agreement
ČEZ ICT Services, a. s.	4101930884	Service Provision Agreement
ČEZ ICT Services, a. s.	4101938061	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4101950691	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4101951650	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.	4101960746	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4101962975	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4101963634	Service Provision Agreement
ČEZ ICT Services, a. s.	4101964498	Service Provision Agreement
ČEZ ICT Services, a. s.	4101989738	Servitude Agreement
ČEZ ICT Services, a. s.	4101990799	Servitude Agreement
ČEZ ICT Services, a. s.	4101992011	Service Provision Agreement
ČEZ ICT Services, a. s.	4101996541	Purchase Agreement (Work Aids)
ČEZ ICT Services, a. s.	4102051199	Purchase Agreement (Work Aids)
ČEZ ICT Services, a. s.	4102053425	Agreement on the Provision of Services (Information Technology Support)
ČEZ ICT Services, a. s.	4102053609	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4102076474	Purchase Agreement (Work Aids)
ČEZ ICT Services, a. s.	4102095079	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4102095121	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4102095129	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4102095781	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4102098503	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4102098505	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4102098508	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of June 5, 2018
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of June 29, 2018
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of January 7, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 18, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 19, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of April 15, 2019
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of June 19, 2019
ČEZ ICT Services, a. s.	4400033124	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4400033193	Agreement on Information Technology and Telecommunications Services

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ ICT Services, a. s.	4400033194	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4400033195	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4400033198	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4400033482	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4400038310	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4400041225	Agreement on Information Technology and Telecommunications Services
ČEZ ICT Services, a. s.	4400045710	Easement Agreement
ČEZ ICT Services, a. s.	5600002300	Lease Agreement
ČEZ ICT Services, a. s.	5600010101	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award of a Public Contract (Renovation of ETE Voice Radio Networks) of 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award of a Public Contract (Servicing, Development, and Renovation of Telecommunications Access and Transmission Network with SDH/TDM/MPLS Equipment and Appropriate Monitoring Systems) of 2019
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Access and Attendance Systems) of 2018
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Disk Array Deliveries II) of 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award of a Public Contract of May 31, 2016
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (x86 Server Deliveries) of 2018
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Infra Checkpoint Security Maintenance) of 2017
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (F5 Product Maintenance) of 2017
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Active LAN Element Renovation) of 2019
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of January 5, 2016
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Active WAN Telecommunications Access Network Element Renovation) of 2018
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of March 2, 2017
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of March 22, 2017
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of July 11, 2018
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of July 20, 2018
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of December 20, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract (2020 Licenses) of June 28, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract (2020–2022 Licenses) of June 28, 2019
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of September 26, 2016
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of February 28, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of November 5, 2019
ČEZ ICT Services, a. s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of July 30, 2018
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of April 23, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of July 26, 2019
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of August 14, 2018
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of July 4, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 20, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award of a Public Contract of December 20, 2018
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of August 6, 2019
ČEZ ICT Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of March 4, 2019
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of October 12, 2018
ČEZ ICT Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of July 3, 2018
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of November 29, 2018
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 20, 2017
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of May 13, 2015
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of November 14, 2019
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 26, 2019
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 5, 2019
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 6, 2018
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 29, 2017
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
ČEZ Korporátní služby, s.r.o.		Contracting Entities' Articles of Association—Contracting Entities Association Agreement of May 30, 2014
ČEZ Korporátní služby, s.r.o.	P3A18000014491	Personal Data Processing Agreement
ČEZ Korporátní služby, s.r.o.	P3A18000014076	Personal Data Processing Agreement
ČEZ Korporátní služby, s.r.o.	5600007401	License Agreement on the Provision of the Right to Use Trademarks
ČEZ Korporátní služby, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Korporátní služby, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Korporátní služby, s.r.o.	4100817505	Non-Residential Facility Lease
ČEZ Korporátní služby, s.r.o.	4101258495	Lease of Land for Electromobility
ČEZ Korporátní služby, s.r.o.	4101470888	Electricity and Heat Supplies, Water/Sewer Fees

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Korporátní služby, s.r.o.	4400012492	Service Provision Agreement
ČEZ Korporátní služby, s.r.o.	4400018935	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4400020808	Non-Residential Facility Lease
ČEZ Korporátní služby, s.r.o.	4400020809	Non-Residential Facility Lease
ČEZ Korporátní služby, s.r.o.	4400024525	Service Provision Agreement
ČEZ Korporátní služby, s.r.o.	4400026107	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4400026183	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4400026253	Non-Residential Facility Lease
ČEZ Korporátní služby, s.r.o.	4400026274	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4400026275	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4400026279	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4400026339	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4400026360	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4400026890	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4400027195	Non-Residential Facility Lease
ČEZ Korporátní služby, s.r.o.	4400027730	Non-Residential Facility Lease
ČEZ Korporátní služby, s.r.o.	4400029451	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4400029873	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4400032073	Agreement on the Provision of Services—Dining Services
ČEZ Korporátní služby, s.r.o.	4400033351	Service Provision Agreement
ČEZ Korporátní služby, s.r.o.	4400034160	Non-Residential Facility Lease
ČEZ Korporátní služby, s.r.o.	4400036650	Service Provision Agreement
ČEZ Korporátní služby, s.r.o.	5600005821	Agreement on Electromobility Services
ČEZ Korporátní služby, s.r.o.	4400035704	Service Provision Agreement
ČEZ Korporátní služby, s.r.o.	4400035705	Service Provision Agreement
ČEZ Korporátní služby, s.r.o.	5600007620	Preliminary Sublease Agreement
ČEZ Korporátní služby, s.r.o.	4101614565	Non-Residential Facility Lease
ČEZ Korporátní služby, s.r.o.	4101754434	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4101757474	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4400013002	Agreement on Lounge Rental and Refreshments
ČEZ Korporátní služby, s.r.o.	4400020604	Agreement on External Car Rental Services
ČEZ Korporátní služby, s.r.o.	4400022140	Agreement on Accounting and Personnel Services
ČEZ Korporátní služby, s.r.o.	4400040894	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4400041241	Agreement on Press and Reprographic Services
ČEZ Korporátní služby, s.r.o.	4400042460	Service Provision Agreement
ČEZ Korporátní služby, s.r.o.	4400012965	Service Provision Agreement
ČEZ Korporátní služby, s.r.o.	4400031280	Electric Mobility Card Rental
ČEZ Korporátní služby, s.r.o.	4400031470	Service Provision Agreement
ČEZ Korporátní služby, s.r.o.	4400032917	Agreement on Website Services
ČEZ Korporátní služby, s.r.o.	4400029912	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4400028168	Parking Space Rental
ČEZ Korporátní služby, s.r.o.	4100100787	Short-Term Car Rental (Car Rental)
ČEZ Korporátní služby, s.r.o.		General Agreement on Cession of Receivables in the CEZ Group of June 1, 2017
ČEZ Korporátní služby, s.r.o.	000359_2018	Lease Agreement
ČEZ Korporátní služby, s.r.o.	000833_2018	Sublease Agreement
ČEZ Korporátní služby, s.r.o.	4101913225	Purchase Agreement
ČEZ Korporátní služby, s.r.o.	4101913224	Purchase Agreement
ČEZ Korporátní služby, s.r.o.	4101917161	Purchase Agreement
ČEZ Korporátní služby, s.r.o.		Agreement on the Issuance of Guarantees of April 20, 2007 (Agreement Subject: Provision of Guarantees)
ČEZ Korporátní služby, s.r.o.	000001_2019	Lease Agreement
ČEZ Korporátní služby, s.r.o.	EPR/20140017	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Prunéřov Power Plant
ČEZ Korporátní služby, s.r.o.	69906373_1	Thermal Energy Supply Agreement
ČEZ Korporátní služby, s.r.o.	69904501_1	Thermal Energy Supply Agreement
ČEZ Korporátní služby, s.r.o.	69905082_1	Agreement on Heat Supply
ČEZ Korporátní služby, s.r.o.	69952600_1	Thermal Energy Supply Agreement
ČEZ Korporátní služby, s.r.o.	69906143_2	Thermal Energy Supply Agreement
ČEZ Korporátní služby, s.r.o.	69904359_2	Thermal Energy Supply Agreement
ČEZ Korporátní služby, s.r.o.	69904396_1	Thermal Energy Supply Agreement
ČEZ Korporátní služby, s.r.o.	4101745310	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4101745344	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4101745371	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4101745424	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4101750876	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4101846807	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101846840	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101846870	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101846894	Access Control System Delivery

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Korporátní služby, s.r.o.	4101846898	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101847198	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101847225	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101847252	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101847306	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101847324	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101847349	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101847450	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101847536	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101847566	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101848196	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101848244	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101853606	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101853946	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101853950	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101853987	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101854011	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101854019	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101854364	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101854611	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101854614	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101855507	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101855510	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101855821	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101855830	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101855852	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101855859	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101855911	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101855948	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101855981	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101856630	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101856671	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101856701	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101856705	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101856751	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101856901	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101856908	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101857014	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101857056	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101857498	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101857521	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101857530	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101857613	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101857820	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101872990	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101887715	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101887746	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101887766	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101895464	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4101901521	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101918080	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101919531	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101919537	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101919567	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101920479	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101920597	Building Equipment Delivery
ČEZ Korporátní služby, s.r.o.	4101921294	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101931354	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101937469	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101938132	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101945765	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4101948582	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101958387	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101958388	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101961525	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101968465	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101973289	Security System Delivery

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Korporátní služby, s.r.o.	4101980945	Building Equipment Delivery
ČEZ Korporátní služby, s.r.o.	4101992790	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4101994586	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101994662	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101994735	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101995703	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4101996738	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101996802	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101997417	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4101997419	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102009921	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102013584	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102013639	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102013640	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102013689	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102013709	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102013732	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102013733	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102013735	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102013736	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102013737	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102013771	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102013773	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102013775	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102015202	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102015204	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102015207	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102016380	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102021064	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102028019	Service Provision Agreement
ČEZ Korporátní služby, s.r.o.	4102035878	Building Equipment Delivery
ČEZ Korporátní služby, s.r.o.	4102035879	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102038415	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102042432	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102042433	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102049352	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102050715	Building Equipment Delivery
ČEZ Korporátní služby, s.r.o.	4102053467	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102055894	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102056936	Service Provision Agreement
ČEZ Korporátní služby, s.r.o.	4102059367	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102074583	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102076115	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	4102076894	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102077660	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102079331	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102079335	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102079505	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102079533	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102079550	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102080780	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102082616	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102084468	Access Control System Delivery
ČEZ Korporátní služby, s.r.o.	4102085978	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102090983	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102092162	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102092166	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102094115	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102094827	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102096112	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102096701	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102099628	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4102099629	Security System Delivery
ČEZ Korporátní služby, s.r.o.	4100817505	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4101258495	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4101614565	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4101754434	Lease Agreement

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Korporátní služby, s.r.o.	4101757474	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4101785876	Vehicle Lease
ČEZ Korporátní služby, s.r.o.	4101920999	Inspection
ČEZ Korporátní služby, s.r.o.	4101933732	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4101940559	Building Equipment Delivery
ČEZ Korporátní služby, s.r.o.	4101944279	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4101964750	Short-Term Lease Agreement
ČEZ Korporátní služby, s.r.o.	4101964961	Short-Term Lease Agreement
ČEZ Korporátní služby, s.r.o.	4102007315	Short-Term Lease Agreement
ČEZ Korporátní služby, s.r.o.	4102008778	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4102013086	Short-Term Lease Agreement
ČEZ Korporátní služby, s.r.o.	4102063130	Short-Term Lease Agreement
ČEZ Korporátní služby, s.r.o.	4102073443	Short-Term Lease Agreement
ČEZ Korporátní služby, s.r.o.	4102080463	CCS Card Fuel Purchasing
ČEZ Korporátní služby, s.r.o.	4102089839	CCS Card Fuel Purchasing
ČEZ Korporátní služby, s.r.o.	4102098655	CCS Card Fuel Purchasing
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 22, 2016
ČEZ Korporátní služby, s.r.o.	4101755780	Sublease Agreement
ČEZ Korporátní služby, s.r.o.	4101889102	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4400020808	Sublease Agreement
ČEZ Korporátní služby, s.r.o.	4400023126	Provision of Reprographic Services
ČEZ Korporátní služby, s.r.o.	4400026253	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4400027195	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4400027730	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4400030193	Maintenance and Repair
ČEZ Korporátní služby, s.r.o.	4400031207	Meal Plan Administration Operations
ČEZ Korporátní služby, s.r.o.	4400031208	Meal Plan Administration Operations
ČEZ Korporátní služby, s.r.o.	4400034160	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4400040894	Lease Agreement
ČEZ Korporátní služby, s.r.o.	4400044840	Provision of Services
ČEZ Korporátní služby, s.r.o.	5600004924	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.	5600004961	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 3, 2019
ČEZ Korporátní služby, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 6, 2019
ČEZ Korporátní služby, s.r.o.	110672_2016	Agreement on Cooperation in the Performance of a Public Contract ("Delivery of Utility Vehicles" Public Contract) of November 8, 2016
ČEZ Korporátní služby, s.r.o.	110291_2017	Agreement on the Adjustment of Rights and Obligations for Access to the SAP Information System of May 18, 2017
ČEZ Korporátní služby, s.r.o.	110392_2018	Agreement on Coordinated Action in the Award and Performance of the Public Contract for "Mail and Registered Mail Delivery" of February 1, 2018
ČEZ Korporátní služby, s.r.o.	110018_2019	General Agreement on the Provision and Performance of Services and Leases of December 19, 2019
ČEZ Korporátní služby, s.r.o.	110110_2019	Service Agreement concerning Administration for the Renewable Energy and Distribution Division of August 29, 2019
ČEZ Korporátní služby, s.r.o.	110125_2019	Service Agreement concerning Administration of Technological Assets of September 19, 2019
ČEZ Korporátní služby, s.r.o.	110126_2019	Service Agreement concerning Administration of Nontechnological Assets of August 29, 2019
ČEZ Korporátní služby, s.r.o.	110127_2019	Generation Support Service Agreement of September 19, 2019
ČEZ Korporátní služby, s.r.o.	2019/4	Credit Facility Agreement
ČEZ Obnovitelné zdroje, s.r.o.	000814_2019	Lease Agreement
ČEZ Obnovitelné zdroje, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
ČEZ Obnovitelné zdroje, s.r.o.	4102093173	Contract for Work (Technical Protection System Bus Fault)
ČEZ Obnovitelné zdroje, s.r.o.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
ČEZ Obnovitelné zdroje, s.r.o.		Contracting Entities' Articles of Association—Contracting Entities Association Agreement of May 30, 2014
ČEZ Obnovitelné zdroje, s.r.o.	5600007396	License Agreement on the Provision of the Right to Use Trademarks
ČEZ Obnovitelné zdroje, s.r.o.		Electricity Supply Agreement of June 27, 2016
ČEZ Obnovitelné zdroje, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Obnovitelné zdroje, s.r.o.	4400032623	Corporate Website Service Agreement
ČEZ Obnovitelné zdroje, s.r.o.	4400039384	Agreement on the Servicing of Technical Protection and Electric Fire Alarm Systems
ČEZ Obnovitelné zdroje, s.r.o.	4400040758	Agreement on Cooperation in Small Hydropower Plant Operation
ČEZ Obnovitelné zdroje, s.r.o.	P3A18000014024	Personal Data Processing Agreement
ČEZ Obnovitelné zdroje, s.r.o.		Agreement on the Transfer of Some of the Employer's Activities of August 21, 2019
ČEZ Obnovitelné zdroje, s.r.o.	4101989256	Security System Delivery
ČEZ Obnovitelné zdroje, s.r.o.	4101996268	Security System Delivery
ČEZ Obnovitelné zdroje, s.r.o.	4102040172	Security System Delivery
ČEZ Obnovitelné zdroje, s.r.o.	4102040174	Security System Delivery
ČEZ Obnovitelné zdroje, s.r.o.	4102075481	Lease Agreement
ČEZ Obnovitelné zdroje, s.r.o.	4102094841	Preparation of Studies for Modernization of Small Hydropower Plants and Hydroelectric Power Plants and Construction of New Hydropower Generating Facilities and Preparation of Proposals for Repairs of Small Hydropower Plants and Hydroelectric Power Plants

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Obnovitelné zdroje, s.r.o.	4102099987	Security System Delivery
ČEZ Obnovitelné zdroje, s.r.o.	4400013229	Service Provision Agreement
ČEZ Obnovitelné zdroje, s.r.o.	4400043676	Service Provision Agreement
ČEZ Obnovitelné zdroje, s.r.o.		Agreement on Coordinated Action in the Award of a Public Contract of May 31, 2016
ČEZ Obnovitelné zdroje, s.r.o.		Agreement on Cooperation in the Performance of a Public Contract of January 5, 2016
ČEZ OZ uzavřený investiční fond a.s.	5600008751	License Agreement on the Provision of the Right to Use Trademarks
ČEZ OZ uzavřený investiční fond a.s.		Agreement on Mutual Credit Facilities Related to the Agreement on Provision of Multilevel Real Cash Pooling (ČS) of November 25, 2011
ČEZ OZ uzavřený investiční fond a.s.	4101353364	Lease Agreement
ČEZ OZ uzavřený investiční fond a.s.		Servitude Agreement of March 20, 2013
ČEZ OZ uzavřený investiční fond a.s.	5600003042	Agreement on the Provision of Services (Financial Services and Internal Audit)
ČEZ OZ uzavřený investiční fond a.s.	5600006621	Outsourcing Agreement
ČEZ OZ uzavřený investiční fond a.s.	5600005985	Agreement on the Provision of Services (Internet Profile Editing)
ČEZ Prodej, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 20, 2017
ČEZ Prodej, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 26, 2019
ČEZ Prodej, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
ČEZ Prodej, a.s.	P3A18000014326	Personal Data Processing Agreement
ČEZ Prodej, a.s.	P3A18000014492	Personal Data Processing Agreement
ČEZ Prodej, a.s.		Partial Agreement Confirmation—Virtual Natural Gas Storage with Fixed Capacity of January 31, 2018
ČEZ Prodej, a.s.		Agreement on the Provision of Services of December 30, 2005
ČEZ Prodej, a.s.		Comprehensive Gas Supply Agreement of December 22, 2009
ČEZ Prodej, a.s.		Comprehensive Electricity Supply Agreement of August 29, 2008
ČEZ Prodej, a.s.		Electricity Supply Agreement of December 29, 2010
ČEZ Prodej, a.s.		Supply Security Standard Agreement for 2018–2019 of August 6, 2018
ČEZ Prodej, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Prodej, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Prodej, a.s.		Agreement on the Issuance of Bank Guarantees of October 15, 2009
ČEZ Prodej, a.s.		Agreement on Mutual Credit Facilities (ČSOB) of June 29, 2006
ČEZ Prodej, a.s.		Agreement on the Mutual Credit Facilities Related to the Agreement on Provision of the Multilevel Real Cash Pooling (ČS) of June 29, 2006
ČEZ Prodej, a.s.		Agreement on the Issuance of Guarantees of November 30, 2009
ČEZ Prodej, a.s.	4400038630	Billing Service Agreement
ČEZ Prodej, a.s.	4101514073	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Prodej, a.s.	4101514190	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Prodej, a.s.	4101517292	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Prodej, a.s.	4101527823	Agreement on Combined Gas Supplies
ČEZ Prodej, a.s.	250768	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Prodej, a.s.	4101509790	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Prodej, a.s.	4101512747	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Prodej, a.s.	4101512770	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Prodej, a.s.	4101512782	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Prodej, a.s.	4101512803	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Prodej, a.s.	5600006368	Agreement on Electromobility Services
ČEZ Prodej, a.s.	4400038845	Agreement on Electromobility Services
ČEZ Prodej, a.s.	4101784666	Electricity Supplies for Electromobility
ČEZ Prodej, a.s.	4101858039	Electricity Supplies for Electromobility
ČEZ Prodej, a.s.	4101860154	Electricity Supplies for Electromobility
ČEZ Prodej, a.s.	4101860157	Electricity Supplies for Electromobility
ČEZ Prodej, a.s.	4101865834	Electricity Supplies for Electromobility
ČEZ Prodej, a.s.	4101900695	Electricity Supplies for Electromobility
ČEZ Prodej, a.s.	4101833698	Electricity Supplies for Electromobility
ČEZ Prodej, a.s.	4100679093	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Prodej, a.s.	4400040118	Agreement on Billing Services
ČEZ Prodej, a.s.	5600009270	Agreement on Electromobility Services
ČEZ Prodej, a.s.	5600009320	Sensor Functionality Testing Agreement
ČEZ Prodej, a.s.	4400028061	Electric Vehicle Rental Agreement
ČEZ Prodej, a.s.	5600001485	Service Provision Agreement
ČEZ Prodej, a.s.	56000010200	License Agreement on the Provision of the Right to Use Trademarks
ČEZ Prodej, a.s.	P3A18000001412	Personal Data Processing Agreement
ČEZ Prodej, a.s.	P3A18000014429	Personal Data Processing Agreement
ČEZ Prodej, a.s.	P3A19000008665	Personal Data Processing Agreement
ČEZ Prodej, a.s.	P3A190000027899	Personal Data Processing Agreement
ČEZ Prodej, a.s.		Partial Agreement Confirmation—Virtual Natural Gas Storage with Fixed Capacity of February 5, 2019
ČEZ Prodej, a.s.		Supply Security Standard Agreement for 2019–2020 of August 19, 2019
ČEZ Prodej, a.s.		Supply Security Standard Agreement for 2018–2019 of August 6, 2018
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of June 5, 2018

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of June 29, 2018
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of January 7, 2019
ČEZ Prodej, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 18, 2019
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of June 19, 2019
ČEZ Prodej, a.s.	4100604368	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
ČEZ Prodej, a.s.	4101943511	Design Work
ČEZ Prodej, a.s.	4101979654	Security System Delivery
ČEZ Prodej, a.s.	4101979699	Security System Delivery
ČEZ Prodej, a.s.	4101997495	Security System Delivery
ČEZ Prodej, a.s.	4102009662	Security System Delivery
ČEZ Prodej, a.s.	4102100934	Security System Delivery
ČEZ Prodej, a.s.	4102084818	Electricity Supplies
ČEZ Prodej, a.s.	5600005988	Agreement on Website Services
ČEZ Prodej, a.s.	4400043691	Provision of Service (Electromobility)
ČEZ Prodej, a.s.		Agreement on Coordinated Action in the Award of a Public Contract of May 31, 2016
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract (Active LAN Element Renovation) of 2019
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract (Transit Telephone Exchange Renovation) of 2016
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of July 20, 2018
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of December 20, 2019
ČEZ Prodej, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract (2020 Licenses) of June 28, 2019
ČEZ Prodej, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract (2020–2022 Licenses) of June 28, 2019
ČEZ Prodej, a.s.		Agreement on Contracting Entities' Concerted Action in the Award of a Public Contract of July 30, 2018
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of August 14, 2018
ČEZ Prodej, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of July 4, 2019
ČEZ Prodej, a.s.		Agreement on Coordinated Action in the Award of a Public Contract of December 20, 2018
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of August 6, 2019
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of October 12, 2018
ČEZ Prodej, a.s.		Agreement on Cooperation in the Performance of a Public Contract of July 3, 2018
ČEZ Recykpace, s.r.o.	5600008281	Service Provision Agreement
ČEZ Recykpace, s.r.o.	5600006556	Corporate Website Service Agreement
ČEZ Recykpace, s.r.o.	5600006580	License Agreement on the Provision of the Right to Use Trademarks
ČEZ Recykpace, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Slovensko, s.r.o.		General Agreement on Power Supply and Consumption (EFET) of December 1, 2007
ČEZ Slovensko, s.r.o.		General Agreement on Natural Gas Supply and Consumption (EFET) of June 1, 2010
ČEZ Slovensko, s.r.o.		General Agreement on Power Certificate Supply and Consumption (EFET) of November 21, 2014
ČEZ Slovensko, s.r.o.		Comprehensive Power Supply Agreement of December 22, 2015
ČEZ Slovensko, s.r.o.	5600002650	Agreement on the Provision of Services (ICT Services)
ČEZ Slovensko, s.r.o.	5600003070	General Agreement on the Provision of Services (Financial Services, Risk Management Services, Trading Services)
ČEZ Slovensko, s.r.o.		Agreement on the Provision of Services in Connection with Power and Natural Gas Wholesale in Slovakia of August 12, 2013
ČEZ Slovensko, s.r.o.		License Agreement on Provision of the Right to Use ČEZ Trademarks on Slovakia's Territory of December 30, 2014
ČEZ Slovensko, s.r.o.		General Agreement on Financial Market Trading (ISDA) of May 11, 2016
ČEZ Slovensko, s.r.o.		Agreement on Access to Virtual Storage and Gas Storage—Flexible Service of December 5, 2017
ČEZ Slovensko, s.r.o.		Mutual Credit Facility Agreement of February 1, 2010 (Agreement Subject: Mutual Credit Facilities)
ČEZ Slovensko, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Slovensko, s.r.o.		Agreement on the Issuance of Guarantees of December 21, 2007
ČEZ Slovensko, s.r.o.		3 Agreements on Individual Supply of Origin Guarantees
ČEZ Slovensko, s.r.o.	5600003070	Service Provision Agreement
ČEZ Solární, s.r.o.		Mutual Credit Facility Agreement based on the Multi-Level Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of March 21, 2016
ČEZ Solární, s.r.o.		Agreement on the Issuance of Guarantees of December 19, 2018
ČEZ Solární, s.r.o.	4101964757	Electricity Supplies for Electromobility
ČEZ Solární, s.r.o.	4101966391	Electricity Supplies for Electromobility
ČEZ Teplárenská, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 20, 2017
ČEZ Teplárenská, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 26, 2019
ČEZ Teplárenská, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
ČEZ Teplárenská, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
ČEZ Teplárenská, a.s.	P3A18000014135	Personal Data Processing Agreement
ČEZ Teplárenská, a.s.	5600008870	License Agreement on the Provision of the Right to Use Trademarks
ČEZ Teplárenská, a.s.	4101889747	Purchase Agreement (Agreement Subject: Hot Water System Sale)
ČEZ Teplárenská, a.s.	4101916795	Purchase Agreement (Agreement Subject: Steam Piping Purchase)
ČEZ Teplárenská, a.s.		General Agreement on Power Supply and Consumption (EFET) of April 1, 2013
ČEZ Teplárenská, a.s.		Allowances Appendix to the General Agreement on Power Supply and Consumption (EFET) of April 1, 2013

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Teplárenská, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Teplárenská, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
ČEZ Teplárenská, a.s.	4100672987	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Teplárenská, a.s.	4101067636	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Teplárenská, a.s.	4101122809	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Teplárenská, a.s.	4101471845	Electricity and Heat Supplies, Water/Sewer Fees
ČEZ Teplárenská, a.s.	4400019297	Service Provision Agreement
ČEZ Teplárenská, a.s.	4400027760	Heating Plant Operation
ČEZ Teplárenská, a.s.	4400027762	Power Plant Equipment Maintenance Management
ČEZ Teplárenská, a.s.	4400028522	Gas Boiler Room Operation
ČEZ Teplárenská, a.s.	4400031149	Feed Water Chemical Analyses
ČEZ Teplárenská, a.s.	5600001112	Service Provision Agreement
ČEZ Teplárenská, a.s.	5600005275	Agreement on Gas Supply
ČEZ Teplárenská, a.s.	4101705066	Agreement on Drinking Water Sales, and Drainage and Disposal of Sewage Water
ČEZ Teplárenská, a.s.	4400019264	Service Provision Agreement
ČEZ Teplárenská, a.s.	5600009155	Service Provision Agreement
ČEZ Teplárenská, a.s.	4100276773	Electricity Supply Agreement
ČEZ Teplárenská, a.s.	4100297851	Non-Residential Facility Lease
ČEZ Teplárenská, a.s.	4100298692	Non-Residential Facility Lease
ČEZ Teplárenská, a.s.	4100305339	Non-Residential Facility Lease
ČEZ Teplárenská, a.s.	4100470611	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100470617	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100470640	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100471083	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100471103	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100471110	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100471114	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100471119	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100576636	Electricity Supply Agreement
ČEZ Teplárenská, a.s.	4100664299	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100827117	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4100936354	Heat-Exchanger Station Equipment Lease
ČEZ Teplárenská, a.s.	4100984414	Electricity Supply Agreement
ČEZ Teplárenská, a.s.	4100984418	Electricity Supply Agreement
ČEZ Teplárenská, a.s.	4101029346	Land Lease
ČEZ Teplárenská, a.s.	4101050489	Agreement on Demineralized Water Supply
ČEZ Teplárenská, a.s.	4101050543	Electricity Supply Agreement
ČEZ Teplárenská, a.s.	4101075916	Agreement on Ammonia Water Supply
ČEZ Teplárenská, a.s.	4101092828	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4101097367	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4101102226	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4101103043	Thermal Energy Supply Agreement
ČEZ Teplárenská, a.s.	4101123713	Non-Residential Facility Lease
ČEZ Teplárenská, a.s.	4400030836	Agreement on the Provision of Services (Media Services)
ČEZ Teplárenská, a.s.	000265_2017	Agreement on Change to Statutory Servitude Scope
ČEZ Teplárenská, a.s.	000395_2017	Easement Agreement
ČEZ Teplárenská, a.s.	000267_2017	Easement Agreement
ČEZ Teplárenská, a.s.	000266_2017	Easement Agreement
ČEZ Teplárenská, a.s.	4101729567	Agreement on Preliminary Utility Easement Agreement
ČEZ Teplárenská, a.s.	000144_2017	Utility Easement Agreement
ČEZ Teplárenská, a.s.	P3A18000014325	Personal Data Processing Agreement
ČEZ Teplárenská, a.s.	P3A19000034181	Personal Data Processing Agreement
ČEZ Teplárenská, a.s.		Agreement on the Transfer of Some of the Employer's Activities of March 28, 2019
ČEZ Teplárenská, a.s.	4101933136	Purchase Agreement (Work Aids)
ČEZ Teplárenská, a.s.	4101933249	Purchase Agreement (Work Aids)
ČEZ Teplárenská, a.s.	4101949826	Construction Siting Agreement
ČEZ Teplárenská, a.s.	4101956108	Purchase Agreement (Work Aids)
ČEZ Teplárenská, a.s.	4101970464	Purchase Agreement (Work Aids)
ČEZ Teplárenská, a.s.	4101970589	Purchase Agreement (Work Aids)
ČEZ Teplárenská, a.s.	4101970590	Purchase Agreement (Work Aids)
ČEZ Teplárenská, a.s.	4101977205	Purchase Agreement (Work Aids)
ČEZ Teplárenská, a.s.	4101990690	Purchase Agreement (Work Aids)
ČEZ Teplárenská, a.s.	4102009422	Purchase Agreement (Work Aids)
ČEZ Teplárenská, a.s.	4102023074	Purchase Agreement (Work Aids)
ČEZ Teplárenská, a.s.	4102054001	Purchase Agreement (Work Aids)

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ČEZ Teplárenská, a.s.	4102069462	Purchase Agreement (Work Aids)
ČEZ Teplárenská, a.s.	4102071393	Electricity Supplies for Electromobility
ČEZ Teplárenská, a.s.	4102071743	Purchase Agreement (Work Aids)
ČEZ Teplárenská, a.s.	4102084040	Purchase Agreement (Work Aids)
ČEZ Teplárenská, a.s.	4102085648	Purchase Agreement (Work Aids)
ČEZ Teplárenská, a.s.	4102093959	Purchase Agreement (Work Aids)
ČEZ Teplárenská, a.s.	4102099107	Purchase Agreement (Work Aids)
ČEZ Teplárenská, a.s.	4102101298	Purchase Agreement (Work Aids)
ČEZ Teplárenská, a.s.	4400019388	Service Provision Agreement
ČEZ Teplárenská, a.s.	4400036857	General Agreement (Welding Process Inspection)
ČEZ Teplárenská, a.s.	4400044612	Reconstruction
ČEZ Teplárenská, a.s.	4400044055	Maintenance and Repair
ČEZ Teplárenská, a.s.	4400043033	Mandate Contract
ČEZ Teplárenská, a.s.		Agreement on Coordinated Action in the Award of a Public Contract of May 31, 2016
ČEZ Teplárenská, a.s.		Agreement on Cooperation in the Performance of a Public Contract of January 5, 2016
ČEZ Teplárenská, a.s.	4101988207	Utility Easement Agreement of November 21, 2019
Distributie Energie Oltenia S.A.		General Agreement on Power Supply and Consumption (EFET) of June 1, 2014
Distributie Energie Oltenia S.A.		Agreement on the Issuance of Guaranties of April 5, 2013 (Agreement Subject: Provision of Guarantees)
Domat Control System s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of September 16, 2019
Domat Control System s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of September 16, 2019
Elektrárna Dětmarovice, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
Elektrárna Dětmarovice, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
Elektrárna Dětmarovice, a.s.		Contracting Entities' Articles of Association—Contracting Entities Association Agreement of May 30, 2014
Elektrárna Dětmarovice, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 22, 2016
Elektrárna Dětmarovice, a.s.		General Agreement on Power Supply and Consumption (EFET) of December 10, 2012
Elektrárna Dětmarovice, a.s.		Allowances Appendix to the General Agreement on Power Supply and Consumption (EFET) of December 10, 2012
Elektrárna Dětmarovice, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Elektrárna Dětmarovice, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Elektrárna Dětmarovice, a.s.	4100731793	Agreement on Non-Residential Facility Lease
Elektrárna Dětmarovice, a.s.	4100732656	Thermal Energy Supply Agreement
Elektrárna Dětmarovice, a.s.	4400028376	Agreement on the Provision of Psychological Examinations
Elektrárna Dětmarovice, a.s.	4400040068	Agreement on Technical Support Services
Elektrárna Dětmarovice, a.s.	4400023052	Service Provision Agreement
Elektrárna Dětmarovice, a.s.	P3A18000014016	Personal Data Processing Agreement
Elektrárna Dětmarovice, a.s.	5600009940	License Agreement on the Provision of the Right to Use Trademarks
Elektrárna Dětmarovice, a.s.		Agreement on Technical Substitution for the Provision of Ancillary Services (12 agreements)
Elektrárna Dětmarovice, a.s.		General Agreement on the Provision of Services concerning Transfers of Ancillary Service Agreements of December 17, 2018
Elektrárna Dětmarovice, a.s.		Agreement on Acceptance of Responsibility for Imbalances, Imbalance Payments, and Balancing Energy
Elektrárna Dětmarovice, a.s.	4101924192	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4101930114	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4101939378	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4101939401	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4101941029	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4101958833	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4101963549	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4101969659	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4101985194	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4101989206	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4101993610	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4101998547	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4101998548	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4102002808	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4102007937	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4102011992	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4102023847	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4102024969	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4102027886	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4102032814	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4102056728	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4102063062	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4102063063	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4102078195	Purchase Agreement (Work Aids)
Elektrárna Dětmarovice, a.s.	4102094331	Purchase Agreement (Work Aids)

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
Elektrárna Dětmorovice, a.s.	4102094389	Purchase Agreement (Work Aids)
Elektrárna Dětmorovice, a.s.	4102100353	Purchase Agreement (Work Aids)
Elektrárna Dětmorovice, a.s.		Agreement on Coordinated Action in the Award of a Public Contract of May 31, 2016
Elektrárna Dětmorovice, a.s.		Agreement on Cooperation in the Performance of a Public Contract of January 5, 2016
Elektrárna Dětmorovice, a.s.	4400044719	Performance of Occupational Safety and Health Coordinator Activities during On-Site Operations
Elektrárna Dětmorovice, a.s.	5600006553	Agreement on Website Services
Elektrárna Dukovany II, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of February 2, 2016
Elektrárna Dukovany II, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of September 21, 2016
Elektrárna Dukovany II, a. s.	4101598808	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
Elektrárna Dukovany II, a. s.	4101706830	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
Elektrárna Dukovany II, a. s.	4101486029	Electricity and Heat Supplies, Water/Sewer Fees
Elektrárna Dukovany II, a. s.	4101488233	Non-Residential Facility Lease
Elektrárna Dukovany II, a. s.	4400035963	Service Provision Agreement
Elektrárna Dukovany II, a. s.		Additional Contribution Agreement of June 4, 2018
Elektrárna Dukovany II, a. s.	4101742756	Secured Area Creation and Lease
Elektrárna Dukovany II, a. s.	000533_2017	Agreement on the Access and Use of Geodetic Points
Elektrárna Dukovany II, a. s.	000534_2017	Land Access Agreement
Elektrárna Dukovany II, a. s.	000540_2017	Preliminary Utility Easement Agreement
Elektrárna Dukovany II, a. s.	000538_2017	Preliminary Utility Easement Agreement
Elektrárna Dukovany II, a. s.	000536_2017	Preliminary Utility Easement Agreement
Elektrárna Dukovany II, a. s.	000539_2017	Preliminary Utility Easement Agreement
Elektrárna Dukovany II, a. s.	000322_2019	Lease Agreement
Elektrárna Dukovany II, a. s.	EDU/2017/EE002	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Dukovany Power Plant
Elektrárna Dukovany II, a. s.	69985500_1	Thermal Energy Supply Agreement
Elektrárna Dukovany II, a. s.	69989901_1	Thermal Energy Supply Agreement
Elektrárna Dukovany II, a. s.	5600006882	Service Provision Agreement
Elektrárna Dukovany II, a. s.	4102068683	Preliminary Agreement on the Implementation of Prerequisite Technical Measures
Elektrárna Dukovany II, a. s.	4102068525	Preliminary Agreement (Medium/Service Delivery and Preparation and Implementation of Prerequisite Technical Measures)
Elektrárna Dukovany II, a. s.	4102070770	Preliminary Agreement on Raw Water Supply and the Preparation and Implementation of a Prerequisite Technical Measure
Elektrárna Dukovany II, a. s.	4102068557	Preliminary Agreement (Exchange of Operating and Radiation Data and Emergency Preparedness Data)
Elektrárna Dukovany II, a. s.	4101827717	Dukovany Area Cooperation Agreement
Elektrárna Dukovany II, a. s.	32016069	Bus Transportation Agreement
Elektrárna Dukovany II, a. s.	5600008301	General Agreement on Cession of Receivables
Elektrárna Mělník III, a. s.	5600003421	Service Provision Agreement
Elektrárna Mělník III, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Elektrárna Mělník III, a. s.	5600006003	Agreement on the Provision of Services (Website Administration)
Elektrárna Počeradý, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
Elektrárna Počeradý, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
Elektrárna Počeradý, a.s.		Contracting Entities' Articles of Association—Contracting Entities Association Agreement of May 30, 2014
Elektrárna Počeradý, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 22, 2016
Elektrárna Počeradý, a.s.		Agreement on Coordinated Action in the Award of a Public Contract of May 31, 2016
Elektrárna Počeradý, a.s.	P3A18000014322	Personal Data Processing Agreement
Elektrárna Počeradý, a.s.	5600008831	License Agreement on the Provision of the Right to Use Trademarks
Elektrárna Počeradý, a.s.	940074_2013	Agreement on Rework (Agreement Subject: Electricity Generation and Sale)
Elektrárna Počeradý, a.s.		General Agreement on Power Supply and Consumption (EFET) of August 1, 2012
Elektrárna Počeradý, a.s.		Allowances Appendix to the General Agreement on Power Supply and Consumption (EFET) of August 1, 2012
Elektrárna Počeradý, a.s.	940041_2014	Agreement on the Issuance of Guarantees
Elektrárna Počeradý, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Elektrárna Počeradý, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Elektrárna Počeradý, a.s.	4100701057	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
Elektrárna Počeradý, a.s.	4400021652	Service Provision Agreement
Elektrárna Počeradý, a.s.	4400032915	Agreement on the Provision of Website Services
Elektrárna Počeradý, a.s.	4400040035	Agreement on the Provision of Technical Support Services
Elektrárna Počeradý, a.s.	4100653933	Electricity and Heat Supplies, Water/Sewer Fees
Elektrárna Počeradý, a.s.	4100657233	Electricity and Heat Supplies, Water/Sewer Fees
Elektrárna Počeradý, a.s.	4400021314	Purchase Agreement for Diesel Fuel (Forklifts)
Elektrárna Počeradý, a.s.	4400021319	Activities Associated with the CCGT Cycle
Elektrárna Počeradý, a.s.	4400021372	Electricity and Heat Supplies, Water/Sewer Fees
Elektrárna Počeradý, a.s.	4400021373	Electricity and Heat Supplies, Water/Sewer Fees
Elektrárna Počeradý, a.s.	4400035634	Supply, Assembly, and Service of Systems of Technical Protection and Electric Fire Alarm Systems
Elektrárna Počeradý, a.s.	4100725904	Agreement on Non-Residential Facility Lease

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
Elektrárna Počerady, a.s.	P3A18000014017	Personal Data Processing Agreement
Elektrárna Počerady, a.s.	69966500_1	Thermal Energy Supply Agreement
Elektrárna Počerady, a.s.	69964801_1	Thermal Energy Supply Agreement
Elektrárna Počerady, a.s.		Agreement on Technical Substitution for the Provision of Ancillary Services (13 agreements)
Elektrárna Počerady, a.s.		General Agreement on the Provision of Services concerning Transfers of Ancillary Service Agreements of December 12, 2018
Elektrárna Počerady, a.s.		General Agreement on the Provision of Services Concerning Transfers of Ancillary Service Agreements of December 12, 2018
Elektrárna Počerady, a.s.	4100725904	Lease Agreement
Elektrárna Počerady, a.s.	4101913866	Coal Supply Contract
Elektrárna Počerady, a.s.	4101925583	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4101930111	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4101934671	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4101948791	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4101955309	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4101958800	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4101961773	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4101972195	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4101989232	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4101989235	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4102000748	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4102011990	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4102011991	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4102018319	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4102018352	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4102026753	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4102042573	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4102050487	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4102053988	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4102065104	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4102065379	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4102070152	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4102073570	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4102085645	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4102091872	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4102094780	Purchase of Rotor for the Počerady Power Plant
Elektrárna Počerady, a.s.	4102095680	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.	4102097948	Purchase Agreement (Work Aids)
Elektrárna Počerady, a.s.		Agreement on Cooperation in the Performance of a Public Contract of January 5, 2016
Elektrárna Počerady, a.s.	940046_2019	Restricted Fund Management
Elektrárna Temelín II, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of February 2, 2016
Elektrárna Temelín II, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of September 21, 2016
Elektrárna Temelín II, a. s.	4101486083	Electricity and Heat Supplies, Water/Sewer Fees
Elektrárna Temelín II, a. s.	4101488258	Non-Residential Facility Lease
Elektrárna Temelín II, a. s.	4101720237	Deponie Land Lease
Elektrárna Temelín II, a. s.	4400035992	Service Provision Agreement
Elektrárna Temelín II, a. s.	000553_2017	Preliminary Utility Easement Agreement
Elektrárna Temelín II, a. s.	000552_2017	Agreement on the Access and Use of Geodetic Points
Elektrárna Temelín II, a. s.	000555_2017	Land Access Agreement
Elektrárna Temelín II, a. s.	000554_2017	Preliminary Utility Easement Agreement
Elektrárna Temelín II, a. s.	000505_2019	Lease Agreement
Elektrárna Temelín II, a. s.	000669_2019	Easement Agreement
Elektrárna Temelín II, a. s.	EDU/2019/EE005	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Dukovany Power Plant
Elektrárna Temelín II, a. s.	69985600_1	Thermal Energy Supply Agreement
Elektrárna Temelín II, a. s.	4101488258	Lease Agreement
Elektrárna Temelín II, a. s.	4101949613	Servitude Agreement
Elektrárna Temelín II, a. s.	4101990325	Lease Agreement
Elektrárna Temelín II, a. s.	4101993198	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
Elektrárna Temelín II, a. s.	4102067509	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
Elektrárna Temelín II, a. s.	5600006881	Service Provision Agreement
Elektrárna Temelín II, a. s.	4102068685	Preliminary Agreement (Grounding Grid Sharing and Interconnection)
Elektrárna Temelín II, a. s.	4102068686	Preliminary Agreement (Exchange of Operating and Radiation Data and Emergency Preparedness Data)
Elektrárna Temelín II, a. s.	4102070561	Preliminary Agreement on Raw Water Supply and the Preparation and Implementation of a Prerequisite Technical Measure
Elektrárna Temelín II, a. s.	4102068875	Preliminary Agreement on the Implementation of Prerequisite Technical Measures
Elektrárna Temelín II, a. s.	4102069176	Preliminary Agreement on Waste and Sludge Disposal at Disposal Sites and Waste Pond

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
Elektrárna Temelín II, a. s.	4102073043	Loan Agreement for Soil Stockpile Material
Elektrárna Temelín II, a. s.	4101827714	Temelín Area Cooperation Agreement
Elektrárna Temelín II, a. s.	5600008302	General Agreement on Cession of Receivables
Elektrárna Temelín II, a. s.	000697_2016	Preliminary Utility Easement Agreement
Elevion Deutschland Holding GmbH	5600008731	Agreement on Provision of Services (Agreement Subject: Provision of Services)
Elevion Deutschland Holding GmbH		Mutual Credit Facility Agreement of October 4, 2017 (Agreement Subject: Mutual Credit Facilities)
Elevion GmbH	2017/1	Loan Facility Agreement (Agreement Subject: Loan)
Elevion GmbH	4101765354	Employee Accommodation Agreement
Elevion GmbH	2019/1	Loan Facility Agreement (Agreement Subject: Loan)
Elevion GmbH		Rahmenkreditvertrag (Agreement Subject: Guarantee Facility) of October 24, 2018
Elevion GmbH		Compensation Agreement of September 21, 2017 (Agreement Subject: Compensation Agreement on Issued Guarantees)
Energetické centrum s.r.o.	5600009641	License Agreement on the Provision of the Right to Use Trademarks
Energetické centrum s.r.o.	2017/2	Loan Facility Agreement (Agreement Subject: Loan)
Energetické centrum s.r.o.	2011/04	Loan Facility Agreement (Agreement Subject: Loan)
Energetické centrum s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Energetické centrum s.r.o.	4101232014	Partial Payment of Vehicle Costs
Energetické centrum s.r.o.	5600007990	Service Provision Agreement
Energetické centrum s.r.o.	P3A20000000013	Personal Data Processing Agreement
Energocentrum Vítkovice, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
Energocentrum Vítkovice, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
Energocentrum Vítkovice, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 22, 2016
Energocentrum Vítkovice, a. s.	5600007960	License Agreement on the Provision of the Right to Use Trademarks
Energocentrum Vítkovice, a. s.		General Agreement on Power Supply and Consumption (EFET) of January 4, 2016
Energocentrum Vítkovice, a. s.		Allowances Appendix to the General Agreement on Power Supply and Consumption (EFET) of January 4, 2016
Energocentrum Vítkovice, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Energocentrum Vítkovice, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Energocentrum Vítkovice, a. s.	4400033658	Service Provision Agreement
Energocentrum Vítkovice, a. s.	4400033721	Agreement on the Servicing of Technical Protection and Electric Fire Alarm Systems
Energocentrum Vítkovice, a. s.	4101312065	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
Energocentrum Vítkovice, a. s.	4101869697	Lease Agreement
Energocentrum Vítkovice, a. s.	4400033464	Agreement on Website Services
Energocentrum Vítkovice, a. s.	4101934717	Coal Supply Contract
Energocentrum Vítkovice, a. s.	4102049854	Purchase Agreement (Work Aids)
Energocentrum Vítkovice, a. s.	4102071745	Purchase Agreement (Work Aids)
Energocentrum Vítkovice, a. s.	4102082153	Purchase Agreement (Work Aids)
Energocentrum Vítkovice, a. s.	4101972666	Purchase of Emission Allowances
Energocentrum Vítkovice, a. s.	4101879468	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
Energocentrum Vítkovice, a. s.	4101950728	Electricity Supplies for Electromobility
Energocentrum Vítkovice, a. s.	4101936094	Coal Transportation
Energotrans, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
Energotrans, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
Energotrans, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 22, 2016
Energotrans, a.s.		Agreement on Coordinated Action in the Award of a Public Contract of May 31, 2016
Energotrans, a.s.	5600005630	License Agreement on the Provision of the Right to Use Trademarks
Energotrans, a.s.		General Agreement on Power Supply and Consumption (EFET) of June 1, 2010
Energotrans, a.s.		Allowances Appendix to the General Agreement on Power Supply and Consumption (EFET) of August 1, 2012
Energotrans, a.s.		General Service Agreement concerning the Transfer of Contracts on the Provision of Supporting Services of December 17, 2018
Energotrans, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Energotrans, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Energotrans, a.s.	4101023453	Land Lease
Energotrans, a.s.	4101082607	Electricity and Heat Supplies, Water/Sewer Fees
Energotrans, a.s.	4101107641	Electricity and Heat Supplies, Water/Sewer Fees
Energotrans, a.s.	4101109868	Electricity and Heat Supplies, Water/Sewer Fees
Energotrans, a.s.	4400029382	Service Provision Agreement
Energotrans, a.s.	5600004960	Agreement on the Joint Use of the Dining Facilities
Energotrans, a.s.	5600006460	Pump Station Lease
Energotrans, a.s.	4400039887	Service Provision Agreement
Energotrans, a.s.	4101555787	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
Energotrans, a.s.	5600009800	Vehicle Sharing Agreement
Energotrans, a.s.	4400032922	Agreement on Website Services
Energotrans, a.s.	4400040111	Agreement on Technical Support Services

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
Energotrans, a.s.	4400028243	Service Contract
Energotrans, a.s.	4101749399	Lease Agreement
Energotrans, a.s.	4101681031	Lease Agreement
Energotrans, a.s.	4101771855	Thermal Energy Supply Agreement
Energotrans, a.s.	2019	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Mělník Power Plant
Energotrans, a.s.	TETR/20190023	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Trmice Heating Plant
Energotrans, a.s.	001/2013	Thermal Energy Supply Agreement
Energotrans, a.s.		Agreement on Technical Substitution for the Provision of Ancillary Services (11 agreements)
Energotrans, a.s.		Agreement on Acceptance of Responsibility and Transfer of Payments for Imbalances
Energotrans, a.s.	4101913741	Coal Supply Contract
Energotrans, a.s.	4101920396	Purchase Agreement (Work Aids)
Energotrans, a.s.	4101941357	Purchase Agreement (Work Aids)
Energotrans, a.s.	4101943487	Purchase Agreement (Work Aids)
Energotrans, a.s.	4101958768	Purchase Agreement (Work Aids)
Energotrans, a.s.	4101963314	Purchase Agreement (Work Aids)
Energotrans, a.s.	4101963370	Agreement Establishing Rights and Obligations in Information System Operation
Energotrans, a.s.	4101972196	Purchase Agreement (Work Aids)
Energotrans, a.s.	4101973784	Purchase Agreement (Work Aids)
Energotrans, a.s.	4101985199	Purchase Agreement (Work Aids)
Energotrans, a.s.	4101989928	Audit Service Agreement
Energotrans, a.s.	4101991267	Purchase Agreement (Work Aids)
Energotrans, a.s.	4101991301	Purchase Agreement (Work Aids)
Energotrans, a.s.	4102011910	Purchase Agreement (Work Aids)
Energotrans, a.s.	4102047495	Purchase Agreement (Work Aids)
Energotrans, a.s.	4102054978	Purchase Agreement (Work Aids)
Energotrans, a.s.	4102063042	Purchase Agreement (Work Aids)
Energotrans, a.s.	4102065083	Purchase Agreement (Work Aids)
Energotrans, a.s.	4102071750	Purchase Agreement (Work Aids)
Energotrans, a.s.	4102082116	Purchase Agreement (Work Aids)
Energotrans, a.s.		Agreement on Cooperation in the Performance of a Public Contract of January 5, 2016
Energotrans, a.s.		Agreement on the Cooperation in the Work Preparation and Execution of November 20, 2012
Energotrans, a.s.		Contracting Entities' Articles of Association—Contracting Entities Association Agreement of May 30, 2014
Energotrans, a.s.	P3A20000000011	Personal Data Processing Agreement
ENESA a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of May 16, 2016
ENESA a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of May 16, 2016
ENESA a.s.		Agreement on the Issuance of Guarantees of June 22, 2016
ENESA a.s.	4400046035	General Project Documentation Agreement—Central and East Regions
ENESA a.s.	4400046036	General Project Documentation Agreement—Northwest Region
ENESA a.s.	4400046082	General Project Documentation Agreement—Moravia Region
ENESA SK, organizační složka		Mutual Credit Facility Agreement of August 25, 2016 (Agreement Subject: Mutual Credit Facilities)
Free Energy Project Oreshets EAD	4102049671	Agreement on Provision of Information (Agreement Subject: Provision of Information)
High-Tech Clima S.A.		Agreement on the Issuance of Guarantees of December 12, 2018 (Agreement Subject: Provision of Guarantees)
HORMEN CE a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of April 9, 2018
HORMEN CE a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of April 9, 2018
in PROJEKT LOUNY ENGINEERING s.r.o.	4101793289	Agreement on Author's Supervision during Project Execution
in PROJEKT LOUNY ENGINEERING s.r.o.	4101855905	Contract for Work (Project Documentation Preparation)
in PROJEKT LOUNY ENGINEERING s.r.o.	4101855927	Contract for Work (Land Forestation Project Documentation Preparation)
in PROJEKT LOUNY ENGINEERING s.r.o.	4101855929	Contract for Work (Drainage Ditches Project Documentation Preparation)
in PROJEKT LOUNY ENGINEERING s.r.o.	4101856048	Contract for Work (Restoration and Revitalization Project Documentation Preparation)
in PROJEKT LOUNY ENGINEERING s.r.o.	4101856071	Contract for Work (Restoration and Revitalization Project Documentation Preparation)
in PROJEKT LOUNY ENGINEERING s.r.o.	4101876246	Contract for Work (Fire Safety Documentation Preparation)
in PROJEKT LOUNY ENGINEERING s.r.o.	4101883647	Contract for Work (Waste Pond Site Road Network Project Documentation Preparation)
in PROJEKT LOUNY ENGINEERING s.r.o.	4101904321	Contract for Work (Preparation of Project Building Permit Documentation)
in PROJEKT LOUNY ENGINEERING s.r.o.	5600008350	Agreement on Corporate Compliance Services
in PROJEKT LOUNY ENGINEERING s.r.o.	4101929205	Contract for Work (Preparation of Feasibility Study for Building Reconstruction)

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
in PROJEKT LOUNY ENGINEERING s.r.o.	4101930447	Contract for Work (Preparation of Feasibility Study for Gatehouse Reconstruction)
in PROJEKT LOUNY ENGINEERING s.r.o.	4101962983	Contract for Work (Preparation of Project Building Permit and Land Use Proceeding Documentation)
in PROJEKT LOUNY ENGINEERING s.r.o.	4101963497	Contract for Work (Preparation of Tender Specifications for Building Contractor Selection)
in PROJEKT LOUNY ENGINEERING s.r.o.	4101981794	Contract for Work (Preparation of a Building Passport)
in PROJEKT LOUNY ENGINEERING s.r.o.	4101988214	Contract for Work (Project Documentation Preparation)
in PROJEKT LOUNY ENGINEERING s.r.o.	4101996194	Contract for Work (Preparation of Project Tender Specifications for Contractor Selection)
in PROJEKT LOUNY ENGINEERING s.r.o.	4101997622	Contract for Work (Preparation of an Occupational Safety and Health Plan)
in PROJEKT LOUNY ENGINEERING s.r.o.	4102035771	Aerial Photography and Photogrammetric Curvey of the Panský les Waste Pond and Calculation of the Residual Capacity of a Part of the Waste Pond
in PROJEKT LOUNY ENGINEERING s.r.o.	4102061267	Contract for Work (Preparation of Tender Documentation for Fire Shutter Reconstruction)
in PROJEKT LOUNY ENGINEERING s.r.o.	4102064772	Contract for Work (Technical Assistance in the Preparation of a Road Reconstruction Project for Stabilized Product Transportation)
in PROJEKT LOUNY ENGINEERING s.r.o.	4400044298	Contract for Work (Technical Assistance Consisting of the Preparation of Background Technical Documents and Drawings for Conceptual Negotiations over Storage Premises for Coal Combustion Products)
in PROJEKT LOUNY ENGINEERING s.r.o.	4400045007	Preparation of Dispersion Study for Coal Storage Facility Construction
in PROJEKT LOUNY ENGINEERING s.r.o.	4400045044	Contract for Work for the Preparation of Building Demolition Project Documentation
in PROJEKT LOUNY ENGINEERING s.r.o.	4102072341	Author's Supervision
Inven Capital, SICAV, a.s.		Agreement on Subscription, Issuance and Buyback of Shares of February 21, 2018
Inven Capital, SICAV, a.s.	5600005630	License Agreement on the Provision of the Right to Use Trademarks
Inven Capital, SICAV, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Inven Capital, SICAV, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Inven Capital, SICAV, a.s.	5600005989	Agreement on the Provision of Services—Media Services (Websites)
Inven Capital, SICAV, a.s.	5600008710	Service Provision Agreement
Inven Capital, SICAV, a.s.	5600011270	License Agreement on the Provision of the Right to Use Trademarks
Inven Capital, SICAV, a.s.	5600009180	Individual Delegation Contract
Jadrová energetická spoločnosť Slovenska, a. s.	5600001570	Service Provision Agreement
KART TZB, spol. s r.o.		Agreement on the Issuance of Guarantees of January 28, 2019 (Agreement Subject: Provision of Guarantees)
KART TZB, spol. s r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of February 20, 2019
KART, spol. s r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of September 18, 2017
KART, spol. s r.o.	4102088858	Maintenance and Repair
Kofler Energies Energieeffizienz GmbH	DE2018/5	Loan Facility Agreement (Agreement Subject: Loan)
Kofler Energies Ingenieurgesellschaft mbH	DE2018/5	Loan Facility Agreement (Agreement Subject: Loan)
Kofler Energies International GmbH	DE2018/5	Loan Facility Agreement (Agreement Subject: Loan)
KOFLER ENERGIES ITALIA SRL	2019/3	Loan Facility Agreement No. 2019/3 (Agreement Subject: Loan Granting)
Kofler Energies Systems GmbH	DE2018/5	Loan Facility Agreement (Agreement Subject: Loan)
Kongresové centrum Praha, a.s.	4102015359	Service Provision Agreement
Kongresové centrum Praha, a.s.	4102048449	Service Provision Agreement
LOMY MOŘINA spol. s r.o.	216964	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	216983	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	217393	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4101904046	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4101904048	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4101907547	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4101907582	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4101909019	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4101947768	Agreement on Limestone Supplies
LOMY MOŘINA spol. s r.o.	4102071956	Agreement on Limestone Supplies
M.W. Team Invest S.R.L.		Agreement on the Issuance of Guarantees of March 8, 2019 (Agreement Subject: Provision of Guarantees)
MARTIA a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
MARTIA a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
MARTIA a.s.		Agreement on the Issuance of Guarantees of June 17, 2010
MARTIA a.s.	4400024993	Pump Station Operation
MARTIA a.s.	4400027337	Provision of Logical Unit Repair and Maintenance

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
MARTIA a.s.	4400028640	Equipment Repair and Maintenance
MARTIA a.s.	4400032201	Operating Mechanics Activities
MARTIA a.s.	4400032307	Operating Mechanics Activities
MARTIA a.s.	4400032347	Operating Mechanics Activities
MARTIA a.s.	4400032349	Operating Mechanics Activities
MARTIA a.s.	4400033366	Maintenance and Repair
MARTIA a.s.	4400033368	Equipment Repair and Maintenance
MARTIA a.s.	4400033369	Equipment Repair and Maintenance
MARTIA a.s.	4400033391	Equipment Repair and Maintenance
MARTIA a.s.	4400033392	Equipment Repair and Maintenance
MARTIA a.s.	4400033672	Service Agreement on Technical Control Information Systems
MARTIA a.s.	4400034300	Completion of Inspections, Checks, and Revisions of Restricted Electrical Equipment and Lightning Conductors
MARTIA a.s.	4400036252	Equipment Repair and Maintenance
MARTIA a.s.	4400036253	Equipment Repair and Maintenance
MARTIA a.s.	4101634929	Modernization of the Control System and Protection of the Kamyk Power Plant
MARTIA a.s.	4101655662	Modernization of Substations and Low Voltage Distributions in the Kamyk Power Plant
MARTIA a.s.	4101656681	Supply and Replacement of Stationary Transformers for the Kamyk Power Plant's Internal Consumption
MARTIA a.s.	4101721245	Equipment Repair and Maintenance
MARTIA a.s.	4101632945	Handling
MARTIA a.s.	4101774934	Agreement on the Provision of Services (Warehouse Operation)
MARTIA a.s.	4101780537	Contract for Work (Compressor Oil Cooler Overhaul)
MARTIA a.s.	4101831944	Contract for Work (Control System Upgrade)
MARTIA a.s.	4101841701	Contract for Work (Addition of Electricity Meters for Vortex Turbines)
MARTIA a.s.	4101869148	Contract for Work (Supply of Power for Internal Consumption from a Diesel Generator)
MARTIA a.s.	4101886489	Contract for Work (Pumping Station Control Computer Overhaul)
MARTIA a.s.	4101889755	Contract for Work (Air-Handling Plant Installation in a Coaling Switchgear Room)
MARTIA a.s.	4101897810	Contract for Work (Backup Power Supply)
MARTIA a.s.	4101898154	Contract for Work (Fuel Sampler Data Download)
MARTIA a.s.	4400036655	General Contract for Work (Provision of Maintenance)
MARTIA a.s.	4400036661	General Contract for Work (Provision of Maintenance)
MARTIA a.s.	4400040001	Agreement on the Provision of Services (Handling and Cleaning Works)
MARTIA a.s.	4400040604	Contract for Work (Short Coupling Replacement)
MARTIA a.s.	4400040661	Contract for Work (Maintenance and Repair)
MARTIA a.s.	4400040694	Agreement on the Provision of Services (Handling and Cleaning Works)
MARTIA a.s.	4400040695	Agreement on the Provision of Services (Handling Works)
MARTIA a.s.		Agreement on the Transfer of Some of the Employer's Activities of December 31, 2019
MARTIA a.s.	ELE/20160097	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Ledvice Power Plant
MARTIA a.s.	TETR/20130008	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Trmice Heating Plant
MARTIA a.s.	EHO/2017/010	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Hodonín Power Plant
MARTIA a.s.	EPO/2017/002	Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Poříčí Power Plant
MARTIA a.s.	69976800_1	Heat and Hot Water Supply Agreement
MARTIA a.s.	69976900_1	Thermal Energy Supply Agreement
MARTIA a.s.	69983600_1	Agreement on Heat Supply
MARTIA a.s.	69977401_1	Thermal Energy Supply Agreement
MARTIA a.s.	69972103_1	Thermal Energy Supply Agreement
MARTIA a.s.	69981300_1	Thermal Energy Supply Agreement
MARTIA a.s.	69972903_1	Thermal Energy Supply Agreement
MARTIA a.s.	69982800_1	Thermal Energy Supply Agreement
MARTIA a.s.	69984600_1	Thermal Energy Supply Agreement
MARTIA a.s.	4101666085	Field Suppressor and Electric Braking Circuitry Upgrade
MARTIA a.s.	4101901835	Maintenance and Repair
MARTIA a.s.	4101901867	Maintenance and Repair
MARTIA a.s.	4101901873	Maintenance and Repair
MARTIA a.s.	4101901878	Maintenance and Repair
MARTIA a.s.	4101936010	Provision of Power Supply for Turbine Generator Emergency Pumps
MARTIA a.s.	4101947003	Analysis Panel Installation
MARTIA a.s.	4101947238	Inspection
MARTIA a.s.	4101963322	Turbine Generator Circuit Breaker Upgrade and Relocation
MARTIA a.s.	4101976698	Construction of a Lime Dosing Line for a Fluidized Bed Boiler
MARTIA a.s.	4101977044	Control System Redundancy Implementation and Migration for a Chemical Water Treatment Plant
MARTIA a.s.	4101987372	Provision of Power Supply and Control for a Stationary Industrial Vacuum Cleaner
MARTIA a.s.	4101990471	Inspection
MARTIA a.s.	4102004441	Optimization of Boiler Combustion Process
MARTIA a.s.	4102023939	Service Provision Agreement
MARTIA a.s.	4102024607	Safety Emergency Activation of Emergency Oil Pump and Lifting Oil Pump
MARTIA a.s.	4102026111	Project Documentation
MARTIA a.s.	4102035981	Inspection

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
MARTIA a.s.	4102037145	Creation and Installation of Continuous Emission Measurement
MARTIA a.s.	4102039604	Provision of Power Supply for Turbine Generator Emergency Pumps
MARTIA a.s.	4102057974	Service Provision Agreement
MARTIA a.s.	4102060597	Additional Humidity Measurement for Mixing Center Output Material
MARTIA a.s.	4102062971	Building Equipment Delivery
MARTIA a.s.	4102065731	Inspection
MARTIA a.s.	4102079172	Implementation of Visual and Acoustic Signaling
MARTIA a.s.	4102080811	Maintenance and Repair
MARTIA a.s.	4102082209	Construction of Supply Points
MARTIA a.s.	4102082693	Service Provision Agreement
MARTIA a.s.	4102086969	Contract for Work (Implementation of Risk Reduction Measures at Coaling Logical Unit)
MARTIA a.s.	4102090663	Maintenance and Repair
MARTIA a.s.	4102094592	Sensor Purchase
MARTIA a.s.	4102096015	Construction of Backup Electric Steam Boiler Plant
MARTIA a.s.	4102096435	Overhaul of Pump Station Computers and Automatic Machinery
MARTIA a.s.	4102096671	Maintenance and Repair
MARTIA a.s.	4102098910	Inspection
MARTIA a.s.	4400032348	Performance of Measurement and Regulation Operating Mechanic Activities
MARTIA a.s.	4400033367	Repair and Maintenance of Electro and Measurement and Regulation Logical Unit Equipment
MARTIA a.s.	4400033390	Repair and Maintenance of Electro and Measurement and Regulation Logical Unit Equipment
MARTIA a.s.	4400043710	Repair of Plant Generator for Turbine Generator
MARTIA a.s.	4400043711	Transformer Overhaul
MARTIA a.s.	4400044428	Transformer Overhaul
MARTIA a.s.	4400044536	Unit Switchboard Repair
MARTIA a.s.	4400045027	Control System Inspection and Replacement of Defective Parts during Generating Unit Overhaul
MARTIA a.s.	4400045028	Replacement of Turbine Generator Cabling during Generating Unit Overhaul
MARTIA a.s.	4400045631	Partial Repair of Fluidized Bed Boiler
MARTIA a.s.	4400046177	Control System Servicing and Maintenance
MARTIA a.s.	4400044385	Maintenance and Repair
MARTIA a.s.	5600011202	Purchase Agreement (Charging Stations)
MARTIA a.s.	5600008040	Service Provision Agreement
OEM Energy sp. z o.o.		Agreement on the Issuance of Guarantees of April 13, 2018 (Agreement Subject: Provision of Guarantees)
OKD, a.s.	4101648516	Hard Thermal Coal Sales and Purchase Agreement
OKD, HBZS, a.s.	215029	Rental of Insulating Self-Rescue Equipment
OSC, a.s.	4101406238	Simulator
OSC, a.s.	4101603664	Project Change of the Inserted Generator Cooling Circuit
OSC, a.s.	4101797598	Contract for Work (Prevention of Volume Compensator Safety Valve Unsealing)
OSC, a.s.	4101830550	Contract for Work (Measuring System Upgrade)
OSC, a.s.	4101846740	Contract for Work (Unit Control Room Simulator Renovation)
OSC, a.s.	4101847713	Contract for Work (Gas Panel Upgrade)
OSC, a.s.	4101870443	Contract for Work (Implementation of New Technical Requirements in Physical Protection in Connection with Atomic Energy Act Amendment)
OSC, a.s.	4101887048	Contract for Work (Implementation of Data Transmission from Terminal to Block Information System)
OSC, a.s.	4101896197	Contract for Work (Technical Consultations and Verification of Battery Support Service Capability)
OSC, a.s.	4101898337	Contract for Work (Determination of the Impacts of Turbine Generator Zone 2 Adjustments)
OSC, a.s.	4101917360	Contract for Work (Implementation of Data Transmission from Terminal to Block Information System)
OSC, a.s.	4400042037	Equipment Repair Agreement
OSC, a.s.	4400042431	Contract for Work (Preparation of Operational Analyses for Simulator Operation)
OSC, a.s.	4102001515	Contract for Work (Preparation of Technical and User Documentation and Proposals for Application Software Modifications)
OSC, a.s.	4102008945	Contract for Work (Full-Scale Simulator Modification)
OSC, a.s.	4102092501	Display Simulator Licensing Agreement
OSC, a.s.	4102092850	Full-Scale Simulator Licensing Agreement
OSC, a.s.	4101923397	Contract for Work (Documentation Preparation and Implementation of Changes in a New Simulator Model)
OSC, a.s.	4101947965	Contract for Work (Outage System Reimplementation)
OSC, a.s.	4101963267	Contract for Work (Heating Water Heater Part Replacement)
OSC, a.s.	4102007868	Contract for Work (Modification of Safety Valve Terminal Units)
OSC, a.s.	4101957032	Verification of Turbine Generator Regulation Capabilities
OSC, a.s.	4101959750	Performance of System Software Modifications and Changes
OSC, a.s.	4101973893	Balancing Service Certification
OSC, a.s.	4102007332	Performance of System Software Modifications and Changes
OSC, a.s.	4102025739	Commercial Metering Upgrade
OSC, a.s.	4102044742	Certification Measurement of Ancillary Services in Island Operation of Turbine Generators
OSC, a.s.	4102090313	Performance of System Software Modifications and Changes
OSC, a.s.	4400042026	Provision of System Servicing and Technical Support
OSC, a.s.	4400042036	Performance of Repairs and Provision of System Technical Support
OSC, a.s.	4400042038	Performance of Repairs and Provision of System Technical Support

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
OSC, a.s.	4400043568	Generating Unit Regulation Circuit Adjustments
OSC, a.s.	4400043822	Performance of Diagnostics and Adjustment of Measurement and Regulation Circuits
OSC, a.s.	4400043833	Generating Unit Regulation Circuit Adjustments
OSC, a.s.	4400043913	Generating Unit Regulation Circuit Adjustments
Ovidiu Development S.R.L.	CZWOD5007	General Agreement on Power Supply and Consumption (EFET)
Ovidiu Development S.R.L.		General Agreement on Financial Market Trading (ISDA) of December 20, 2013
Ovidiu Development S.R.L.		Agreement on the Issuance of Guarantees of April 10, 2013 (Agreement Subject: Provision of Guarantees)
PRODECO, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
PRODECO, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
PRODECO, a.s.		Agreement on the Issuance of Guarantees of September 1, 2013
PRODECO, a.s.	P3A18000014022	Personal Data Processing Agreement
PRODECO, a.s.	5600003577	Service Provision Agreement
REN Development s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 14, 2019
REN Development s.r.o.	5600010130	Service Provision Agreement
Revitrans, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
Revitrans, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Revitrans, a.s.	5600005760	Purchase Agreement (Diesel Fuel)
Revitrans, a.s.	00032_2009	Servitude Agreement
Revitrans, a.s.	5600008682	Agreement on Surface Water Sale
Revitrans, a.s.	P3A18000014021	Personal Data Processing Agreement
Revitrans, a.s.	4100831696	Subsequent Reclamation of the Letiště Dump
Revitrans, a.s.	4102078439	Performance of Work on Pine Tree Rescue Program in Letiště Waste Pond Restoration
Revitrans, a.s.	4400045040	Maintenance and Repair
Revitrans, a.s.	5600003576	Service Provision Agreement
Sakarya Elektrik Dağıtım A.Ş.		Compensation Agreement of May 20, 2016 (Agreement Subject: Reward for Provided Guarantee)
Sakarya Elektrik Perakende Satış A.Ş.		Compensation Agreement of May 20, 2016 (Agreement Subject: Reward for Provided Guarantee)
SD - Kolejová doprava, a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
SD - Kolejová doprava, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
SD - Kolejová doprava, a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
SD - Kolejová doprava, a.s.	231232	Siding Operation
SD - Kolejová doprava, a.s.	4100660503	Agency Agreement for Coordination of Coal and Sorbent Transportation to ČEZ, a. s., Power Plants
SD - Kolejová doprava, a.s.	4101341606	Measuring of the Coal and Limestone Supplies
SD - Kolejová doprava, a.s.	4400000386	Mandate Agreement – Railway Operation
SD - Kolejová doprava, a.s.	4400004994	Siding Operation and Maintenance
SD - Kolejová doprava, a.s.	4400013836	Fuel Storage Site Thermography Measuring
SD - Kolejová doprava, a.s.	4400016432	Operating a Railway and Railway Transportation, Coal Handling, Fuel Storage Site, and Other Activities
SD - Kolejová doprava, a.s.	4400017554	Fuel Storage Site Thermography Measuring
SD - Kolejová doprava, a.s.	4400017901	Agreement on the Operation of Railway and Train Transportation
SD - Kolejová doprava, a.s.	4400020004	Agreement on Railway Goods Transportation
SD - Kolejová doprava, a.s.	4400027228	Operating a Railway and Railway Transportation, Coal Handling, Fuel Storage Site, and Other Activities
SD - Kolejová doprava, a.s.	4400030786	Agreement on Coal Handling and Transportation
SD - Kolejová doprava, a.s.	5600001981	Agreement on the Transport Road Use
SD - Kolejová doprava, a.s.	4400036636	Provision of Powder Limestone and Burnt Lime Barreling
SD - Kolejová doprava, a.s.	4101691473	Advertising Partnership Agreement (Locomotives)
SD - Kolejová doprava, a.s.	4101720252	Utility Easement Agreement
SD - Kolejová doprava, a.s.	4101916375	Easement Agreement
SD - Kolejová doprava, a.s.	4400041721	Siding Operation
SD - Kolejová doprava, a.s.	5600001542	Service Provision Agreement
SD - Kolejová doprava, a.s.	5600009206	Purchase Agreement for Diesel Fuel
SD - Kolejová doprava, a.s.	5600009202	Purchase Agreement for Diesel Fuel
SD - Kolejová doprava, a.s.	5600009190	Purchase Agreement for Diesel Fuel
SD - Kolejová doprava, a.s.	69934700_1	Agreement on Heat Supply
SD - Kolejová doprava, a.s.	69936101_1	Agreement on Heat Supply
SD - Kolejová doprava, a.s.	EPO/2011/021	Electricity Supply Agreement
SD - Kolejová doprava, a.s.	69958300_1	Agreement on Heat Supply
SD - Kolejová doprava, a.s.	69959500_1	Agreement on Heat Supply
SD - Kolejová doprava, a.s.	TETR/20180020	Electricity Supply Agreement
SD - Kolejová doprava, a.s.	69992200_1	Agreement on Heat Supply
SD - Kolejová doprava, a.s.	000294_2011	Lease Agreement
SD - Kolejová doprava, a.s.	000888_2018	Lease Agreement
SD - Kolejová doprava, a.s.	000730_2018	Lease Agreement
SD - Kolejová doprava, a.s.	P3A18000014023	Personal Data Processing Agreement
SD - Kolejová doprava, a.s.	69964900_1	Heat and Hot Water Supply Agreement

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
SD - Kolejová doprava, a.s.	69934700_1	Agreement on Heat Supply
SD - Kolejová doprava, a.s.	69943200_1	Thermal Energy Supply Agreement
SD - Kolejová doprava, a.s.	4101904094	Limestone Transportation Agreement
SD - Kolejová doprava, a.s.	4101907642	Limestone Transportation Agreement
SD - Kolejová doprava, a.s.	4101907645	Limestone Transportation Agreement
SD - Kolejová doprava, a.s.	4101909105	Limestone Transportation Agreement
SD - Kolejová doprava, a.s.	4101911166	Coal Transportation Agreement
SD - Kolejová doprava, a.s.	4101911238	Coal Transportation Agreement
SD - Kolejová doprava, a.s.	4101911254	Coal Transportation Agreement
SD - Kolejová doprava, a.s.	4101935352	Service Provision Agreement
SD - Kolejová doprava, a.s.	4101966490	Advertising Partnership Agreement
SD - Kolejová doprava, a.s.	4101980992	Service Provision Agreement
SD - Kolejová doprava, a.s.	4102019071	Lease Agreement
SD - Kolejová doprava, a.s.	4102083734	Service Provision Agreement
SD - Kolejová doprava, a.s.	4102091069	Coal Transportation Agreement
SD - Kolejová doprava, a.s.	4101660819	Utility Easement Agreement
SD - Kolejová doprava, a.s.	4400043448	Lease Agreement
SD - Kolejová doprava, a.s.	000222_2018	Utility Easement Agreement
SD - Kolejová doprava, a.s.	001129_2010	Servitude Agreement
Severočeské doly a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
Severočeské doly a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 20, 2019
Severočeské doly a.s.		Contracting Entities' Articles of Association—Contracting Entities Association Agreement of May 30, 2014
Severočeské doly a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of September 22, 2016
Severočeské doly a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Severočeské doly a.s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Severočeské doly a.s.		2 Agreements on Bill Trading and Bill Deposits of August 1, 2007 and April 6, 2010
Severočeské doly a.s.	2018/1	Loan Facility Agreement (Agreement Subject: Loan)
Severočeské doly a.s.	2018/2	Loan Facility Agreement (Agreement Subject: Loan)
Severočeské doly a.s.	4100038885	Subsequent Restoration of the Dump
Severočeské doly a.s.	4100314894	Electricity and Heat Supplies, Water/Sewer Fees
Severočeské doly a.s.	4100670482	Electricity and Heat Supplies, Water/Sewer Fees
Severočeské doly a.s.	4100979534	IT and Telecommunications Services Agreement
Severočeské doly a.s.	4400027605	Electricity and Heat Supplies, Water/Sewer Fees
Severočeské doly a.s.	4400037008	Establishment of a Shared Fire Protection Brigade
Severočeské doly a.s.	4400031844	Mid-Term Purchase Agreement (Coal)
Severočeské doly a.s.	4100033393	Contract on the Administration of Assets in Blocked Accounts
Severočeské doly a.s.	4101102373	Purchase Agreement for Chip Cards
Severočeské doly a.s.	4101912998	Purchase Agreement for Chip Cards
Severočeské doly a.s.	4101918219	Purchase Agreement for Chip Cards
Severočeské doly a.s.	4400040045	Lease Agreement
Severočeské doly a.s.	5600002203	Agreement on the Co-Financing and Cooperation during the Rented Land Restoration
Severočeské doly a.s.	5600006920	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
Severočeské doly a.s.	5600007141	Purchase Agreement for Surface Water
Severočeské doly a.s.	5600005510	Electricity, Gas, and Heat Supplies, Water/Sewer Fees
Severočeské doly a.s.	4400027900	Land Lease Agreement
Severočeské doly a.s.	000369_2017	Lease Agreement
Severočeské doly a.s.	000311_2018	Servitude Agreement
Severočeské doly a.s.	5600001494	Service Provision Agreement
Severočeské doly a.s.	000846_2015	Lease Agreement
Severočeské doly a.s.		Agreement on Power Supply from the ČEZ, a. s., Distribution Network, Ledvice Power Plant, of December 20, 2018
Severočeské doly a.s.		Agreement on Power Supply of November 29, 2018
Severočeské doly a.s.	P3A18000014020	Personal Data Processing Agreement
Severočeské doly a.s.	000520_2019	Servitude Agreement
Severočeské doly a.s.	ETU/2019/EE003	Electricity Supply Agreement
Severočeské doly a.s.	69906125_1	Thermal Energy Supply Agreement
Severočeské doly a.s.	4100981693	Lease Agreement
Severočeské doly a.s.	4101902800	Coal Supply Contract
Severočeské doly a.s.	4101902814	Coal Supply Contract
Severočeské doly a.s.	4101902817	Coal Supply Contract
Severočeské doly a.s.	4101913772	Coal Supply Contract
Severočeské doly a.s.	4101913773	Coal Supply Contract
Severočeské doly a.s.	4101913978	Coal Supply Contract
Severočeské doly a.s.	4101915148	Coal Supply Contract
Severočeské doly a.s.	4101915163	Coal Supply Contract
Severočeské doly a.s.	4101924722	Entry Card

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
Severočeské doly a.s.	4101932613	Easement Agreement
Severočeské doly a.s.	4101943525	Utilization of Coal Combustion Products
Severočeské doly a.s.	4101943526	Utilization of Coal Combustion Products
Severočeské doly a.s.	4101940437	Real Property Purchase and Easement Agreement
Severočeské doly a.s.	4101952105	Real Property Purchase and Easement Agreement
Severočeské doly a.s.	4102092662	Utility Easement Agreement
Severočeské doly a.s.	5600005063	Preliminary Sales Agreement for Coal Combustion Products
Severočeské doly a.s.	5600010250	Power Supply Operation and Minor Maintenance
Severočeské doly a.s.		Agreement on Cooperation in the Performance of a Public Contract of August 14, 2018
Severočeské doly a.s.		Agreement on Cooperation in the Performance of a Public Contract of July 3, 2018
Severočeské doly a.s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of August 26, 2019
Severočeské doly a.s.	LE/00002808	Agreement on Heat Energy Supply and Consumption
Severočeské doly a.s.		Agreement on Power Supply of May 22, 2017
Severočeské doly a.s.		Restricted Fund Asset Management Agreement of September 24, 2019
Severočeské doly a.s.	000001_2012	Servitude Agreement
Severočeské doly a.s.	000681_2016	Utility Easement Agreement
Severočeské doly a.s.	5600007644	Conduct of Audit
Severočeské doly a.s.	000326_2018	Utility Easement Agreement
Severočeské doly a.s.	000673_2019	Utility Easement Agreement
Severočeské doly a.s.		Purchase and Servitude Agreement of March 12, 2007
Severočeské doly a.s.	000464_2009	Servitude Agreement
Severočeské doly a.s.	000492_2013	Servitude Agreement
ŠKODA PRAHA a.s.	4101353504	Completion of Supporting Information on Raw Landscaping and 3D Visualizations for EIA Documentation (Environmental Impact Assessment)
ŠKODA PRAHA a.s.	4400041478	Agreement on the Provision of Services (Engineering-Consulting Services in the Power Supply Area)
ŠKODA PRAHA a.s.	001079_2014	Lease Agreement
ŠKODA PRAHA a.s.	000394_2017	Lease Agreement
ŠKODA PRAHA a.s.	69932100_1	Thermal Energy Supply Agreement
ŠKODA PRAHA a.s.	69932101_1	Thermal Energy Supply Agreement
ŠKODA PRAHA a.s.	69993401_1	Thermal Energy Supply Agreement
ŠKODA PRAHA a.s.	69993402_1	Thermal Energy Supply Agreement
ŠKODA PRAHA a.s.	4400046175	Restoration of Býšov Retention Basin Capacity
ŠKODA PRAHA a.s.	4400046187	Contract for Work (Býšov Retention Basin Capacity Enhancement)
ŠKODA PRAHA a.s.	5600001492	Service Provision Agreement
ŠKODA PRAHA a.s.	4100719207	Post-Accident Hydrogen Removal System Performance Enhancement
ŠKODA PRAHA a.s.	4100813391	Reconstruction of the Raw Water Supply Systems
ŠKODA PRAHA a.s.	4101424051	Replacement of Defective Piping Segments
ŠKODA PRAHA a.s.	4400005523	Project Reserves Utilization
ŠKODA PRAHA a.s.	4100493455	Contract for Work—Construction General Completion
ŠKODA PRAHA a.s.	4100268641	Contract for Work—Construction General Completion
ŠKODA PRAHA a.s.	4400005534	Contract for Work—Construction General Completion
ŠKODA PRAHA a.s.	4100901491	Contract for Work
ŠKODA PRAHA a.s.	4100562352	Contract for Work
ŠKODA PRAHA a.s.	4100757023	Contract for Work
ŠKODA PRAHA a.s.	4100886554	Contract for Work
ŠKODA PRAHA a.s.	4100949115	Contract for Work
ŠKODA PRAHA a.s.	4101601171	Contract for Work
ŠKODA PRAHA a.s.	4100849024	Contract for Work
ŠKODA PRAHA a.s.	000580_2014	Lease Agreement
ŠKODA PRAHA a.s.	000039_2014	Lease Agreement
ŠKODA PRAHA a.s.	4101977993	Contract for Work (Technological Optimization of Failure Reporting)
ŠKODA PRAHA Invest s.r.o.		Agreement on the Issuance and Provision of Guarantee of June 17, 2008
ŠKODA PRAHA Invest s.r.o.		Nondisclosure and Restricted Use Agreement of August 25, 2017 (on information protection)
Telco Infrastructure, s.r.o.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of September 16, 2019
Telco Infrastructure, s.r.o.	5600011131	Service Provision Agreement
Telco Pro Services, a. s.		Agreement on Coordinated Action in the Award and Performance of a Public Contract of October 14, 2019
Telco Pro Services, a. s.		Agreement on Coordinated Action in the Award of a Public Contract (Servicing, Development, and Renovation of Telecommunications Access and Transmission Network with SDH/TDM/MPLS Equipment and Appropriate Monitoring Systems) of 2019
Telco Pro Services, a. s.		Agreement on Coordinated Action in the Award of a Public Contract (Power Supply Systems for Telecommunications Equipment) of 2018
Telco Pro Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Active LAN Element Renovation) of 2019
Telco Pro Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Transit Telephone Exchange Renovation) of 2016
Telco Pro Services, a. s.	P3A18000014318	Personal Data Processing Agreement
Telco Pro Services, a. s.	5600008760	License Agreement on the Provision of the Right to Use Trademarks

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
Telco Pro Services, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral CZK Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Telco Pro Services, a. s.		Mutual Credit Facility Agreement Based on the Multilevel Flexible Online Real Bilateral EUR Cash Pooling Agreement for the Economically Linked Group of January 28, 2016
Telco Pro Services, a. s.		Mutual Credit Facility Agreement of July 29, 2013 (Agreement Subject: Mutual Credit Facilities)
Telco Pro Services, a. s.	4100771352	Non-Residential Facility Lease
Telco Pro Services, a. s.	4400039928	Lease Agreement
Telco Pro Services, a. s.	4400023736	Service Provision Agreement
Telco Pro Services, a. s.	4400024013	Purchase Agreement for Land
Telco Pro Services, a. s.	4400031250	Agreement on Website Services
Telco Pro Services, a. s.	4100765357	Lease Agreement
Telco Pro Services, a. s.	4101756925	Non-Residential Facility Lease
Telco Pro Services, a. s.	69969700_2	Agreement on Heat Supply
Telco Pro Services, a. s.	4101838378	Agreement on Information Technology and Telecommunications Services
Telco Pro Services, a. s.	4102096602	Security System Delivery
Telco Pro Services, a. s.		Agreement on Coordinated Action in the Award of a Public Contract of June 14, 2016
Telco Pro Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of June 5, 2018
Telco Pro Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract of January 7, 2019
Telco Pro Services, a. s.		Agreement on Cooperation in the Performance of a Public Contract (Active WAN Telecommunications Access Network Element Renovation) of 2018
Telco Pro Services, a. s.	4101972290	Calibration of Measuring Instruments
TENAUR, s.r.o.		Agreement on Mutual Credit Facilities Related to the Agreement on Provision of Multilevel Real Cash Pooling (ČS) of March 22, 2019
Tepló Klášterec s.r.o.	5600008660	Service Provision Agreement
Tepló Klášterec s.r.o.	000280-2017	Servitude Agreement
TMK Hydroenergy Power S.R.L.		General Agreement on Power Supply and Consumption (EFET) of November 28, 2014
TMK Hydroenergy Power S.R.L.		Agreement on the Issuance of Guarantees of July 25, 2017 (Agreement Subject: Provision of Guarantees)
Tomis Team S.A.	CZWTT6714	General Agreement on Power Supply and Consumption (EFET)
Tomis Team S.A.		General Agreement on Financial Market Trading (ISDA) of December 20, 2013
Tomis Team S.A.		Agreement on the Issuance of Guarantees of April 10, 2013 (Agreement Subject: Provision of Guarantees)
ÚJV Řež, a. s.	000153_2019	Lease Agreement
ÚJV Řež, a. s.	4101105451	Arrangements for Participation in and Transfer of Results of the Organisation for Economic Co-operation and Development's Studsvik Cladding Integrity Project in 2015-2019
ÚJV Řež, a. s.	4101303571	Agreement on Cooperation in the Area of Joint Supplier Audit Completion
ÚJV Řež, a. s.	4101481052	Remedy of Nonconforming Fire Safety Equipment
ÚJV Řež, a. s.	4400001861	Containment Works
ÚJV Řež, a. s.	4400034008	Provision of Equipment Inspections
ÚJV Řež, a. s.	4400036637	Executing Reliability Analysis and Sensitivity Analysis of the Own Consumption Power Supply
ÚJV Řež, a. s.	4400039469	Determination of Critical Points of Possible Interactions between Machinery and Electrical Systems and Components
ÚJV Řež, a. s.	4101548387	Selectivity Database Update
ÚJV Řež, a. s.	4101650278	Provision of Work of the Engineering Solutions Group
ÚJV Řež, a. s.	4101663328	Modification of Console Cranes
ÚJV Řež, a. s.	4101714800	Resealing of the Compensation Box Node
ÚJV Řež, a. s.	4101599335	McSAFE Project, Horizon2020 Program
ÚJV Řež, a. s.	4100534338	Contract for Work (Technical Assistance in Additional Cask Procurement)
ÚJV Řež, a. s.	4101282678	Contract for Work (Technical Assistance for Casks)
ÚJV Řež, a. s.	4101359690	Contract for Work (Technical Assistance in Additional Cask Procurement)
ÚJV Řež, a. s.	4101764974	Contract for Work (Documentation Preparation)
ÚJV Řež, a. s.	4101774371	Contract for Work (Rubber Compensator Lifetime Analysis)
ÚJV Řež, a. s.	4101781384	Supply of Supporting Documentation for the Change of Equipment Configuration Enabling the Cooling Water Stabilization
ÚJV Řež, a. s.	4101787595	Contract for Work (Additional Pipe Labeling and Creation of a Piping Register, including the Addition of Selected Attributes and Links to Selected Welded Joints, Pipe Hangers, and Supports and Checkpoints)
ÚJV Řež, a. s.	4101790413	Contract for Work (Reconstruction of Essential Service Water Piping, Project Documentation Preparation)
ÚJV Řež, a. s.	4101810174	Nondisclosure Agreement
ÚJV Řež, a. s.	4101829581	Contract for Work (Author's Supervision)
ÚJV Řež, a. s.	4101836876	Contract for Work (Fuel Rod Evaluation Methodology Preparation)
ÚJV Řež, a. s.	4101861822	Contract for Work (Critical Defect Size Calculations)
ÚJV Řež, a. s.	4101877344	Contract for Work (Technical Condition Assessment)
ÚJV Řež, a. s.	4101899067	Lease Agreement
ÚJV Řež, a. s.	4101902300	Purchase Agreement for an Auxiliary Adhesive Sealant Fixture
ÚJV Řež, a. s.	4101913330	Electricity Supply for Electromobility
ÚJV Řež, a. s.	4101917297	Contract for Work (Compact Breaker Selectivity Check)
ÚJV Řež, a. s.	4101917567	Purchase Agreement for Nondestructive Testing Equipment
ÚJV Řež, a. s.	4400033725	Contract for Work (Steam Generator Stand Maintenance)
ÚJV Řež, a. s.	4400034318	Contract for Work (Drafting a Qualification Procedure, Establishing Qualification Criteria, Updating the Inspection Procedure)

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ÚJV Řež, a. s.	4400040300	Contract for Work (Development and Updating of Operating Diagrams and Creation and Updating of Alphanumeric Equipment Data)
ÚJV Řež, a. s.	4400041732	Contract for Work (Visual Inspections of a Spent Fuel Pool and Refueling Pool)
ÚJV Řež, a. s.	4400042278	Contract for Work (Reduction of the Concentrations of Hazardous Substances from Large Industrial Sources)
ÚJV Řež, a. s.	4400042457	Contract for Work (Project Documentation Preparation)
ÚJV Řež, a. s.	4400042536	Contract for Work (Category 1 Inverter Bypass Frequency Setup)
ÚJV Řež, a. s.	4400042704	Contract for Work (Completion and Evaluation of Raw Water Evaporation Tests)
ÚJV Řež, a. s.	4400042706	Contract for Work (Collection of Readings and Chemical Parameters of Steam Generator Blowdown Water)
ÚJV Řež, a. s.	4400042874	Contract for Work (Comprehensive Verification of Thermal Stability of Treatment Process for Real Product Resulting from Tank Concentrate Bituminization)
ÚJV Řež, a. s.	4400043030	Contract for Work
ÚJV Řež, a. s.	4400043128	Contract for Work (Preparation of Building Passports)
ÚJV Řež, a. s.	5600009020	Contract for Work (Verification and Calibration of Ionizing Radiation Meters)
ÚJV Řež, a. s.	5600009690	Contract for Work (Waste Disposal)
ÚJV Řež, a. s.	18SML127	Nondisclosure Agreement of November 1, 2018
ÚJV Řež, a. s.	18SML113	Nondisclosure Agreement
ÚJV Řež, a. s.		Agreement on the Transfer of Some of the Employer's Activities of December 21, 2018
ÚJV Řež, a. s.		Agreement on the Issuance of Guarantees of July 1, 2019 (Agreement Subject: Provision of Guarantees)
ÚJV Řež, a. s.		Nondisclosure Agreement of September 3, 2019
ÚJV Řež, a. s.	69992700_1	Thermal Energy Supply Agreement
ÚJV Řež, a. s.	69906361_1	Thermal Energy Supply Agreement
ÚJV Řež, a. s.	90017899	Contract for Work (SCORPIO Software Maintenance)
ÚJV Řež, a. s.	4400043341	Contract for Work (Documentation Preparation)
ÚJV Řež, a. s.	4400043408	Contract for Work (Systems, Structures, and Components with Effect on Nuclear Safety)
ÚJV Řež, a. s.	4400043501	Contract for Work (Evaluation of a Computational Program for Nuclear Facility Safety Assessment)
ÚJV Řež, a. s.	4400044190	Contract for Work (Spring Assessment)
ÚJV Řež, a. s.	4400044317	Contract for Work (Titanium Capacitor Degradation Risk Analysis and Assessment)
ÚJV Řež, a. s.	4400044404	Contract for Work (Evaluation of Computational Programs for Nuclear Facility Safety Assessment)
ÚJV Řež, a. s.	4400044430	Contract for Work (Piping Thermal Fatigue Analysis)
ÚJV Řež, a. s.	4400044595	Contract for Work (Sealing Type Qualification Test)
ÚJV Řež, a. s.	4400045055	Contract for Work (Expert Assessment of Geometry Adjustment Effects)
ÚJV Řež, a. s.	4400045083	Contract for Work (Preparation of Fire Safety Design, Technical Report, Drawings)
ÚJV Řež, a. s.	4400045157	Contract for Work (Technical Assessment of Nickel-Plated Weld Condition)
ÚJV Řež, a. s.	4400045663	Contract for Work (Express Blank Assessment)
ÚJV Řež, a. s.	4400045825	Contract for Work (Provision of Support in Steam Generator Expert Team's Activities)
ÚJV Řež, a. s.	4400045826	Contract for Work (Preparation of As-Built Documentation for Building Structural Parts)
ÚJV Řež, a. s.	4400045906	Contract for Work (Classified Equipment List Revision for 2020)
ÚJV Řež, a. s.	4400045925	Contract for Work (Data Collection)
ÚJV Řež, a. s.	4400045926	Contract for Work (Completion and Evaluation of Raw Water Evaporation Tests)
ÚJV Řež, a. s.	4400046072	Contract for Work (Material Laboratory Testing)
ÚJV Řež, a. s.	4400046097	Contract for Work (Transportation of Radioactive Samples)
ÚJV Řež, a. s.	4400043733	Technical Assistance Agreement (Preparation of a List of Unclassified Equipment with Effect on Nuclear Safety)
ÚJV Řež, a. s.	4400043993	Technical Assistance Agreement (Analysis and Assessment)
ÚJV Řež, a. s.	4400044006	Technical Assistance Agreement (Analysis)
ÚJV Řež, a. s.	4400044041	Technical Assistance Agreement (Computation Comparison)
ÚJV Řež, a. s.	4400044103	Technical Assistance Agreement (Standard Preparation)
ÚJV Řež, a. s.	4400044104	Technical Assistance Agreement (Computation Implementation Validation)
ÚJV Řež, a. s.	4400044325	Technical Assistance Agreement (Classified Equipment List Revision)
ÚJV Řež, a. s.	4400044361	Technical Assistance Agreement (Radiochemical Analysis of Samples)
ÚJV Řež, a. s.	4400044852	Technical Assistance Agreement (Analysis and Assessment)
ÚJV Řež, a. s.	4400045004	Technical Assistance Agreement (Preparation of Supporting Documents and Data)
ÚJV Řež, a. s.	4400045527	Repair of Defects of Tensometric Measurements of the Containment Pretensioning System at the Temelín Nuclear Power Plant
ÚJV Řež, a. s.	4400045653	Technical Assistance Agreement
ÚJV Řež, a. s.	4400045694	Technical Assistance Agreement (Disposal of Radioactive Waste from the Temelín Nuclear Power Plant)
ÚJV Řež, a. s.	4400045755	Technical Assistance Agreement (Radiochemical Analysis of Samples)
ÚJV Řež, a. s.	4400046138	Technical Assistance Agreement (Data Analysis)
ÚJV Řež, a. s.	4101513558	Contract for Work (Assessment of Neutron Physical and Thermal Hydraulic Properties of Fuel and Reactor Core at the Dukovany Nuclear Power Plant)
ÚJV Řež, a. s.	4101701594	Contract for Work (Mapping Out the Gradual Development of the Safe Operation Strategy for the Dukovany Nuclear Power Plant)
ÚJV Řež, a. s.	4101707008	Contract for Work (Mapping Out the Gradual Development of the Safe Operation Strategy for the Dukovany Nuclear Power Plant)
ÚJV Řež, a. s.	4101768860	Contract for Work (Safety Cable Type Qualification Testing)
ÚJV Řež, a. s.	4101795267	Contract for Work (Analysis of a Phase Interruption Event at All Units, including Proposals for Measures)
ÚJV Řež, a. s.	4101828815	Contract for Work (Independent Assessment of Completeness of Delivered Analyses)
ÚJV Řež, a. s.	4101875575	Contract for Work (Power Level Stationary State Calculation)
ÚJV Řež, a. s.	4101886262	Contract for Work (Documentation Preparation)

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ÚJV Řež, a. s.	4101912416	Contract for Work (Preparation of Fire Safety Design)
ÚJV Řež, a. s.	4101916552	Contract for Work (Feasibility Study for Storing Existing Spare Racks outside the Spent Fuel Storage Pool)
ÚJV Řež, a. s.	4101929093	Contract for Work (Measuring Specific Activity in Delivered Composite Sample from Radioactive Waste Repository)
ÚJV Řež, a. s.	4101956962	Contract for Work (Report Review)
ÚJV Řež, a. s.	4101959232	Contract for Work (Risk Monitor Update)
ÚJV Řež, a. s.	4101960517	Contract for Work (Compiling a List of Relevant Criteria for Primary Circuit Depressurization Design)
ÚJV Řež, a. s.	4101963650	Contract for Work (Updating the Probabilistic Safety Assessment Model)
ÚJV Řež, a. s.	4101963751	Contract for Work (Project Analyses)
ÚJV Řež, a. s.	4101967684	Contract for Work (Analysis of Qualification Documentation for Selected Types of Safety Fittings and Drives)
ÚJV Řež, a. s.	4101968463	Contract for Work (Equipment Selection Qualification Screening)
ÚJV Řež, a. s.	4101984083	Contract for Work (Analyses of Qualification Documentation for Selected Types of Equipment)
ÚJV Řež, a. s.	4101990476	Contract for Work (Assessment of Air Mass Filtration Plant)
ÚJV Řež, a. s.	4101991641	Contract for Work (Resilience Assessment)
ÚJV Řež, a. s.	4101993143	Contract for Work (Preparation of Documentation for Remedy of Identified Electric Cabling Fault)
ÚJV Řež, a. s.	4101995429	Contract for Work (Thermal Hydraulic Analyses)
ÚJV Řež, a. s.	4101997510	Contract for Work (Overhaul of Unit Section Switchboards)
ÚJV Řež, a. s.	4102002371	Contract for Work (Assessment of Equipment Unavailability Times and Operating Check Intervals)
ÚJV Řež, a. s.	4102039969	Contract for Work (Updating Knowledge of Contamination Reduction and Handling of Large Amounts of Contaminated Water)
ÚJV Řež, a. s.	4102047811	Contract for Work (Study Preparation)
ÚJV Řež, a. s.	4102052863	Contract for Work (System Reliability Assessment)
ÚJV Řež, a. s.	4102055630	Contract for Work (Project Reserve Utilization)
ÚJV Řež, a. s.	4102068131	Contract for Work (Initiation Event Analysis)
ÚJV Řež, a. s.	4102070057	Contract for Work (Analyses of Qualification Documentation for a Selected Type of Safety Fittings and Joint Box)
ÚJV Řež, a. s.	4102074740	Contract for Work (Preparation of Change in Building Permission Proceeding Documentation)
ÚJV Řež, a. s.	4102077780	Contract for Work (Recalculation of Radiological Consequences of Selected Events)
ÚJV Řež, a. s.	4102086647	Contract for Work (Safety Cable Documentation Analysis)
ÚJV Řež, a. s.	4101865665	Technical Assistance Agreement (Preparation of Selected Documentations and Provision of Expert Assistance)
ÚJV Řež, a. s.	4101930324	Technical Assistance Agreement (Preparation of Amendment to Project Building Permit Documentation)
ÚJV Řež, a. s.	4101936674	Technical Assistance Agreement (Inspection Fault Remedy)
ÚJV Řež, a. s.	4101943399	Technical Assistance Agreement (Assessment of Pressure Conditions in Turbine Generator Upstream Steam Line)
ÚJV Řež, a. s.	4101945498	Technical Assistance Agreement (Project Documentation Preparation)
ÚJV Řež, a. s.	4101948996	Technical Assistance Agreement (System A/C Unit Capacity Assessment)
ÚJV Řež, a. s.	4101949365	Contract for Work for Replacement of Steam Generator Stop Valves
ÚJV Řež, a. s.	4101950483	Technical Assistance Agreement (Preparation of Selected Documentations and Provision of Expert Technical Assistance)
ÚJV Řež, a. s.	4101954269	Technical Assistance Agreement (Provision of Project Documentation and Author's Supervision for Future Construction)
ÚJV Řež, a. s.	4101954859	Technical Assistance Agreement (Assessment Report Review)
ÚJV Řež, a. s.	4101957108	Technical Assistance Agreement (Preparation of Qualification Analyses)
ÚJV Řež, a. s.	4101961984	Technical Assistance Agreement (Documentation Preparation)
ÚJV Řež, a. s.	4101972383	Technical Assistance Agreement (Preparation of Qualification Analysis)
ÚJV Řež, a. s.	4101972384	Technical Assistance Agreement (Collaboration in Assessment)
ÚJV Řež, a. s.	4101976005	Technical Assistance Agreement (Technical Assessment of the Existing Condition of a High-Pressure Fire-Fighting Water Solution)
ÚJV Řež, a. s.	4101976620	Technical Assistance Agreement (Updating the Evaluation of a Selected Part of Periodic Safety Review)
ÚJV Řež, a. s.	4101979477	Technical Assistance Agreement (Provision of Support in Computational Program Evaluation)
ÚJV Řež, a. s.	4101992683	Technical Assistance Agreement (Preparing Draft Methodology for Reference Source Member Determination)
ÚJV Řež, a. s.	4101992795	Technical Assistance Agreement
ÚJV Řež, a. s.	4101992887	Technical Assistance Agreement (Preparation and Calculation of Severe Accident Scenarios)
ÚJV Řež, a. s.	4102001895	Technical Assistance Agreement (Verification of Acceptability Criteria Fulfillment)
ÚJV Řež, a. s.	4102002021	Technical Assistance Agreement (Updating a Part of the Operational Safety Report)
ÚJV Řež, a. s.	4102002029	Technical Assistance Agreement (Preparation of Training Material and Provision of Employee Training)
ÚJV Řež, a. s.	4102008100	Technical Assistance Agreement (Deterministic Analyses)
ÚJV Řež, a. s.	4102008172	Technical Assistance Agreement (Support in Updating the Probabilistic Safety Assessment of the Temelin Nuclear Power Plant in 2019)
ÚJV Řež, a. s.	4102012551	Technical Assistance Agreement (Preparation of Supporting Documents and Data)
ÚJV Řež, a. s.	4102045702	Technical Assistance Agreement (Completion and Application of Probabilistic Approach to Systemic Assessment)
ÚJV Řež, a. s.	4102064506	Technical Assistance Agreement (Preparation of Amendment to Project Building Permit Documentation)
ÚJV Řež, a. s.	4102064620	Technical Assistance Agreement (Updating Input Data for Safety Analyses)
ÚJV Řež, a. s.	4102074599	Technical Assistance Agreement (Software Functionality Enhancement)
ÚJV Řež, a. s.	4102078276	Technical Assistance Agreement (Technical Assessment)
ÚJV Řež, a. s.	4102078409	Technical Assistance Agreement (Preparation of a Calculation of the Course of Thermal Hydraulic Parameters in the Containment and Radionuclide Balances)
ÚJV Řež, a. s.	4102078441	Technical Assistance Agreement (Support in the Preparation of a Summary Evaluation of Results from Periodic Safety Assessment)
ÚJV Řež, a. s.	4102079659	Technical Assistance Agreement (Documentation Preparation)
ÚJV Řež, a. s.	4102085295	Technical Assistance Agreement (Preparation of Drawings and Static Assessment of a New External Casing Support)

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
ÚJV Řež, a. s.	4102085957	Technical Assistance Agreement (Documentation Preparation)
ÚJV Řež, a. s.	4102091891	Technical Assistance Agreement (Analysis Work)
ÚJV Řež, a. s.	4102093760	Technical Assistance Agreement (Functional System Analyses)
ÚJV Řež, a. s.	4102093839	Technical Assistance Agreement (Design Base Reconstitution)
ÚJV Řež, a. s.	4102094006	Technical Assistance Agreement (Design Base Reconstitution)
ÚJV Řež, a. s.	4102098788	Technical Assistance Agreement (Data Acquisition)
ÚJV Řež, a. s.	4101105451	Transfer of Results from the International Studsvik Cladding Integrity Project
ÚJV Řež, a. s.	4101865654	Creation of Methodologies for Nuclear Fuel Licensing
ÚJV Řež, a. s.	4101944006	Update to the Operational Safety Report of the Dukovany Nuclear Power Plant
ÚJV Řež, a. s.	4101967002	Thermal Recalculation
ÚJV Řež, a. s.	4101971150	Building Equipment Delivery
ÚJV Řež, a. s.	4101994377	Service Provision Agreement
ÚJV Řež, a. s.	4102000001	Preparation of an Amendment to the Initial Design of the Temelín Nuclear Power Plant for Test Fuel Assemblies
ÚJV Řež, a. s.	4102006319	Expert Assessment of Material Use Suitability
ÚJV Řež, a. s.	4102028530	Expert Estimation of Investment Costs and Related Brief Description of the Scope of Engineering Solution for an Industrial Park Feeder
ÚJV Řež, a. s.	4102049039	Purchase Agreement
ÚJV Řež, a. s.	4102052086	Assessment of the Trial Application of a Film-Forming Product in the Steam System of the Počerady CCGT Unit
ÚJV Řež, a. s.	4102080207	Technical Support in the Implementation of a New Type of Fuel at the Dukovany Nuclear Power Plant
ÚJV Řež, a. s.	4400043174	General Agreement on Terms and Conditions for Lease of Nondestructive Testing Equipment
ÚJV Řež, a. s.	4400044681	Expert Assessment of Inconel Suitability for the Manufacture of Bolts for a Turbine Generator
ÚJV Řež, a. s.	5600010111	Verification and Calibration of Ionizing Radiation Meters in 2019
ÚJV Řež, a. s.	19NO00293	Calibration of Gauges
ÚJV Řež, a. s.	4101654337	Provision of Background Data for Document Creation
ÚJV Řež, a. s.	4101813157	Primary Circuit Analyses
ÚJV Řež, a. s.	4101925771	Sealant Supply
ÚJV Řež, a. s.	4101927484	Additional Modifications to GADUS
ÚJV Řež, a. s.	4101936052	Sealant Supply
ÚJV Řež, a. s.	4101956480	Delivery of Strand Connecting Wire for the Manufacture of Prestressing Cables
ÚJV Řež, a. s.	4101982735	Sealant Supply
ÚJV Řež, a. s.	4102000120	Sealant Supply
ÚJV Řež, a. s.	4102042004	Adhesive Sealant Supply
ÚJV Řež, a. s.	4102064468	Adhesive Sealant Supply
ÚJV Řež, a. s.	4102073400	Delivery of 40 Strain Gauges
ÚJV Řež, a. s.	4101979477	Assessment
ÚJV Řež, a. s.	4400044292	Guide Wheel Usability Report
ÚJV Řež, a. s.	4400032881	Technical Assistance Agreement for 2015–2020
Ústav aplikované mechaniky Brno, s.r.o.	4100142728	Expert Assessment of the Boilers' Residual Lifetime
Ústav aplikované mechaniky Brno, s.r.o.	4101320144	Project Documentation Preparation
Ústav aplikované mechaniky Brno, s.r.o.	4400030293	Technical Assistance in Troubleshooting
Ústav aplikované mechaniky Brno, s.r.o.	4101630450	Creation of New Software Tools
Ústav aplikované mechaniky Brno, s.r.o.	4101684024	Completion of Measurements of Material Properties
Ústav aplikované mechaniky Brno, s.r.o.	4101707506	Processing of Evidential Documentation for Individual Selected Machine System Equipment
Ústav aplikované mechaniky Brno, s.r.o.	4101224994	Agreement on Technical Support Provision
Ústav aplikované mechaniky Brno, s.r.o.	4101869023	Contract for Work (Computational Assessment of the Actual Condition of a Joining Piece after Dissimilar Metal Weld Repair)
Ústav aplikované mechaniky Brno, s.r.o.	4400031025	Contract for Work (Monitoring of Temperatures on Horizontal Piping Sections and Measurement of Shifts and Tensions and Completion of an Accredited Measurement Report)
Ústav aplikované mechaniky Brno, s.r.o.	4400041110	Contract for Work (Installation of Sensors and Temperature Measurement on the Volume Compensator Piping)
Ústav aplikované mechaniky Brno, s.r.o.	4400043821	Contract for Work (Dissimilar Metal Weld Integrity Breach Impact Analysis)
Ústav aplikované mechaniky Brno, s.r.o.	4400044003	Contract for Work (Dissimilar Metal Weld Analysis)
Ústav aplikované mechaniky Brno, s.r.o.	4400044153	Contract for Work (Performance of Computational Analyses to Identify the Cause of Leak in a Safety Valve Weld)
Ústav aplikované mechaniky Brno, s.r.o.	4400045220	Contract for Work (Temperature Measurements of Steam Generator Blowdown Discharge Piping)
Ústav aplikované mechaniky Brno, s.r.o.	4400045591	Contract for Work (Steam Generator Service Life Assessments for 2019)
Ústav aplikované mechaniky Brno, s.r.o.	4400045592	Contract for Work (Calculation of Critical Crack Size and Calculation of Fatigue Crack Growth)
Ústav aplikované mechaniky Brno, s.r.o.	4400045593	Contract for Work (Evaluation of Risky Locations with Welded Joints in 2019)

Company Name (Contracting Party)	Agreement Registration Number	Agreement Title
Ústav aplikované mechaniky Brno, s.r.o.	4400045596	Contract for Work for Sensor Installation and Temperature Measurement
Ústav aplikované mechaniky Brno, s.r.o.	4400045783	Contract for Work (Inclusion of a Ground Place in a Steam Generator Hot Chamber in the Controlled Aging Program for Continuous Monitoring)
Ústav aplikované mechaniky Brno, s.r.o.	4400044043	Technical Assistance Agreement concerning Measurement and Evaluation of Pressure Surge Measures
Ústav aplikované mechaniky Brno, s.r.o.	4400044920	Technical Assistance Agreement concerning Analysis of Dissimilar Metal Welds in Steam Generator Feed Water Distribution Systems
Ústav aplikované mechaniky Brno, s.r.o.	4400045803	Technical Assistance Agreement concerning Evaluation of Risky Welded Joint Locations in 2019
Ústav aplikované mechaniky Brno, s.r.o.	4400045804	Technical Assistance Agreement concerning Steam Generator Service Life Assessments in 2019
Ústav aplikované mechaniky Brno, s.r.o.	4400046188	Contract for Work (Preparation of Samples for Fire Safety Testing and Pressure Testing)
Ústav aplikované mechaniky Brno, s.r.o.	4102092936	Strain Gauge Installation
Ústav aplikované mechaniky Brno, s.r.o.	4102093003	Piping Heat Transfer Analysis
Ústav aplikované mechaniky Brno, s.r.o.	4101969872	Technical Assistance Agreement concerning Parameters for Primary Circuit Pressure Testing
Ústav aplikované mechaniky Brno, s.r.o.	4101986367	Technical Assistance Agreement concerning Steam Generator Blowdown Piping Computation
Ústav aplikované mechaniky Brno, s.r.o.	4102057266	Technical Assistance Agreement concerning Change of Electric Drives for Piping and Fittings
Ústav aplikované mechaniky Brno, s.r.o.	4102093114	Technical Assistance Agreement concerning Neutral Bushing Material and Sealing Suitability
Ústav aplikované mechaniky Brno, s.r.o.	4400045285	Expert Technical Assistance in Dealing with Plant Failure Conditions and Performance of Expert Technical Assessments
Ústav aplikované mechaniky Brno, s.r.o.	4400045944	Repair Weld Strength Assessment
Ústav aplikované mechaniky Brno, s.r.o.	4102050055	Casing Manufacture
Ústav aplikované mechaniky Brno, s.r.o.	4400006180	Continuous Evaluation of Low-Cycle Fatigue
Ústav aplikované mechaniky Brno, s.r.o.	4400046275	Contract for Work (Measurements, Assessment, and Analysis of Pressure Surges)
Ústav aplikované mechaniky Brno, s.r.o.	4400046301	Technical Assistance Agreement (Duct Wall Thickness Calculation)
Ústav aplikované mechaniky Brno, s.r.o.	4400045285	General Agreement (Provision of Technical Assistance in Dealing with Plant Failure Conditions and Performance of Expert Technical Assessments)
Ústav aplikované mechaniky Brno, s.r.o.	4400041319	Advisory and Consultancy Agreement for Nuclear Power Plant Technology
Výzkumný a zkušební ústav Plzeň s.r.o.	4100970009	Equipment Material Diagnostics
Výzkumný a zkušební ústav Plzeň s.r.o.	4400028805	Rotary Machinery Vibration Measuring
Výzkumný a zkušební ústav Plzeň s.r.o.	4400038142	Technical Assistance—Assessment of the Condition of Steam Turbines
Výzkumný a zkušební ústav Plzeň s.r.o.	4101549794	Agreement on the Utilization of Research and Development Results
Výzkumný a zkušební ústav Plzeň s.r.o.		Agreement on the Utilization of Results Achieved under a Research and Development Project of December 27, 2019
Výzkumný a zkušební ústav Plzeň s.r.o.	4400042837	Contract for Work (Technical Support in Vibration Diagnostic Measurement Durability and Reliability, Material Diagnostics, Stressing, and Noise Measurement)
Výzkumný a zkušební ústav Plzeň s.r.o.	4400043990	Generator Noise Measurement and Internal Vibration Assessment
Výzkumný a zkušební ústav Plzeň s.r.o.	4400043758	Contract for Work (Performance of Ceramic Gauge Calibration)
Výzkumný a zkušební ústav Plzeň s.r.o.	4400044202	Contract for Work (Performance of Weld Gauge Calibration)
Výzkumný a zkušební ústav Plzeň s.r.o.	4400044744	Contract for Work (Performance of Gauge Block and Inside Micrometer Calibration)
Výzkumný a zkušební ústav Plzeň s.r.o.	4400045702	Contract for Work (Performance of Setting Ring and Gauge Block Calibration)
Výzkumný a zkušební ústav Plzeň s.r.o.	4400045931	Contract for Work (Performance of Gauge Block Calibration)
Výzkumný a zkušební ústav Plzeň s.r.o.	4400044311	Inspection Agreement (Performance of Heat Exchanger Diagnostic Inspections)
Výzkumný a zkušební ústav Plzeň s.r.o.	4400045136	Experimental Verification of Fatigue Strength of Turbine Generator Cover Bolts

FINANCIAL SECTION



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CEZ Group

Consolidated Balance Sheet

as of December 31, 2019

in CZK Millions

ASSETS:	Note	2019	2018
Plant in service		865,106	830,955
Less accumulated depreciation and impairment		(469,476)	(445,926)
Net plant in service		395,630	385,029
Nuclear fuel, at amortized cost		14,250	14,427
Construction work in progress, net		18,208	16,452
Total property, plant and equipment	3	428,088	415,908
Investments in associates and joint-ventures	9	3,283	3,361
Restricted financial assets, net	4	20,732	18,834
Other non-current financial assets, net	5	10,923	9,948
Intangible assets, net	6	37,429	31,127
Deferred tax assets	35	1,481	1,269
Total other non-current assets		73,848	64,539
Total non-current assets		501,936	480,447
Cash and cash equivalents, net	10	9,755	7,278
Trade receivables, net	11	65,030	72,234
Income tax receivable		707	352
Materials and supplies, net	12	8,889	8,737
Fossil fuel stocks		1,764	1,066
Emission rights	13	27,029	16,655
Other current financial assets, net	5	61,114	93,303
Other current assets, net	14	11,070	9,874
Assets classified as held for sale	15	17,280	17,497
Total current assets		202,638	226,996
TOTAL ASSETS		704,574	707,443

EQUITY AND LIABILITIES:	Note	2019	2018
Stated capital		53,799	53,799
Treasury shares		(2,885)	(3,534)
Retained earnings and other reserves		199,847	184,456
Total equity attributable to equity holders of the parent	16	250,761	234,721
Non-controlling interests	9	4,603	4,560
Total equity		255,364	239,281
Long-term debt, net of current portion	17	142,570	142,440
Provisions	20	89,512	75,798
Other long-term financial liabilities	21	9,700	15,054
Deferred tax liability	35	20,626	16,699
Other long-term liabilities		31	31
Total non-current liabilities		262,439	250,022
Short-term loans	22	4,260	11,783
Current portion of long-term debt	17	25,063	6,743
Trade payables		66,244	63,093
Income tax payable		628	253
Provisions	20	14,253	12,323
Other short-term financial liabilities	21	63,187	110,287
Other short-term liabilities	23	7,544	7,461
Liabilities associated with assets classified as held for sale	15	5,592	6,197
Total current liabilities		186,771	218,140
TOTAL EQUITY AND LIABILITIES		704,574	707,443

The accompanying notes are an integral part of these consolidated financial statements.

CEZ Group

Consolidated Statement of Income

for the Year Ended December 31, 2019

in CZK Millions

	Note	2019	2018
Sales of electricity, heat, gas and coal		130,418	121,450
Sales of services and other revenues		71,363	59,868
Other operating income		4,411	3,168
Total revenues and other operating income	25	206,192	184,486
Gains and losses from commodity derivative trading	26	7,610	575
Purchase of electricity, gas and other energies	27	(55,545)	(52,168)
Fuel and emission rights	28	(21,357)	(19,064)
Services	29	(31,231)	(26,092)
Salaries and wages	30	(28,820)	(25,620)
Material and supplies		(10,262)	(8,240)
Capitalization of expenses to the cost of assets and change in own inventories		2,986	3,446
Depreciation and amortization	3, 6	(29,016)	(28,139)
Impairment of property, plant and equipment and intangible assets	7	(4,860)	(1,766)
Impairment of trade and other receivables		(386)	(559)
Other operating expenses	31	(8,882)	(7,100)
Income before other income (expenses) and income taxes		26,429	19,759
Interest on debt		(5,473)	(5,177)
Interest on provisions		(1,893)	(1,800)
Interest income	32	403	315
Share of profit (loss) from associates and joint-ventures	9	18	(308)
Impairment of financial assets		(921)	(508)
Other financial expenses	33	(813)	(1,051)
Other financial income	34	661	2,287
Total other income (expenses)		(8,018)	(6,242)
Income before income taxes		18,411	13,517
Income taxes	35	(3,911)	(3,017)
Net income		14,500	10,500
Net income attributable to:			
Equity holders of the parent		14,373	10,327
Non-controlling interests		127	173
Net income per share attributable to equity holders of the parent (CZK per share):	38		
Basic		26.9	19.3
Diluted		26.8	19.3

The accompanying notes are an integral part of these consolidated financial statements.

CEZ Group

Consolidated Statement of Comprehensive Income for the Year Ended December 31, 2019

in CZK Millions

	Note	2019	2018
Net income		14,500	10,500
Change in fair value of cash flow hedges		10,891	(16,016)
Cash flow hedges reclassified to statement of income		8,253	3,927
Cash flow hedges reclassified to assets		–	(972)
Change in fair value of debt instruments		326	(363)
Disposal of debt instruments		(7)	–
Translation differences – subsidiaries		(1,337)	107
Translation differences – associates and joint-ventures		21	115
Disposal of translation differences		–	1
Share on other equity movements of associates and joint-ventures		(8)	–
Deferred tax related to other comprehensive income	35	(3,696)	2,555
Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods		14,443	(10,646)
Change in fair value of equity instruments		(347)	87
Re-measurement gains (losses) on defined benefit plans		(48)	(22)
Deferred tax related to other comprehensive income	35	70	(11)
Net other comprehensive income not to be reclassified from equity in subsequent periods		(325)	54
Total other comprehensive income, net of tax		14,118	(10,592)
Total comprehensive income, net of tax		28,618	(92)
Total comprehensive income attributable to:			
Equity holders of the parent		28,538	(291)
Non-controlling interests		80	199

The accompanying notes are an integral part of these consolidated financial statements.

CEZ Group

Consolidated Statement of Changes in Equity

for the Year Ended December 31, 2019

in CZK Millions

Note	Attributable to equity holders of the parent								Non-controlling interests	Total equity
	Stated capital	Treasury shares	Translation difference	Cash flow hedge reserve	Debt instruments	Equity instruments and other reserves	Retained earnings	Total		
Balance as at December 31, 2017	53,799	(4,077)	(11,906)	(7,757)	678	570	218,711	250,018	4,304	254,322
Adoption of IFRS 9 and IFRS 15	-	-	143	-	-	(493)	2,800	2,450	(26)	2,424
Balance as at January 1, 2018 (restated)	53,799	(4,077)	(11,763)	(7,757)	678	77	221,511	252,468	4,278	256,746
Net income	-	-	-	-	-	-	10,327	10,327	173	10,500
Other comprehensive income	-	-	198	(10,580)	(290)	75	(21)	(10,618)	26	(10,592)
Total comprehensive income	-	-	198	(10,580)	(290)	75	10,306	(291)	199	(92)
Dividends	-	-	-	-	-	-	(17,604)	(17,604)	(17)	(17,621)
Sale of treasury shares	-	543	-	-	-	-	(333)	210	-	210
Share options	30	-	-	-	-	33	-	33	-	33
Exercised and forfeited share options	-	-	-	-	-	(45)	45	-	-	-
Transfer of measurement of equity instruments on sale	-	-	-	-	-	(27)	27	-	-	-
Acquisition of subsidiaries	8	-	-	-	-	-	-	-	756	756
Acquisition of non-controlling interests	-	-	-	-	-	-	(4)	(4)	(1)	(5)
Sale of non-controlling interests	-	-	-	-	-	-	1	1	4	5
Put options held by non-controlling interests	-	-	-	-	-	-	(92)	(92)	(659)	(751)
Balance as at December 31, 2018	53,799	(3,534)	(11,565)	(18,337)	388	113	213,857	234,721	4,560	239,281
Net income	-	-	-	-	-	-	14,373	14,373	127	14,500
Other comprehensive income	-	-	(1,269)	15,506	260	(280)	(52)	14,165	(47)	14,118
Total comprehensive income	-	-	(1,269)	15,506	260	(280)	14,321	28,538	80	28,618
Dividends	-	-	-	-	-	-	(12,806)	(12,806)	(25)	(12,831)
Sale of treasury shares	-	649	-	-	-	-	(400)	249	-	249
Share options	30	-	-	-	-	38	-	38	-	38
Exercised and forfeited share options	-	-	-	-	-	(31)	31	-	-	-
Acquisition of subsidiaries	8	-	-	-	-	-	-	-	3	3
Acquisition of non-controlling interests	-	-	(1)	-	-	-	(92)	(93)	29	(64)
Put options held by non-controlling interests	-	-	(2)	-	-	-	116	114	(44)	70
Balance as at December 31, 2019	53,799	(2,885)	(12,837)	(2,831)	648	(160)	215,027	250,761	4,603	255,364

The accompanying notes are an integral part of these consolidated financial statements.

CEZ Group

Consolidated Statement of Cash Flows

for the Year Ended December 31, 2019

in CZK Millions

	Note	2019	2018
OPERATING ACTIVITIES:			
Income before income taxes		18,411	13,517
Adjustments of income before income taxes to cash generated from operations:			
Depreciation and amortization	3, 6	29,016	28,139
Amortization of nuclear fuel	3	4,096	4,027
(Gains) and losses on non-current asset retirements		(165)	(312)
Foreign exchange rate loss (gain)		315	776
Interest expense, interest income and dividend income		4,929	4,685
Provisions		2,858	2,780
Impairment of property, plant and equipment and intangible assets	7	4,860	1,766
Valuation allowances and other non-cash expenses and income		8,630	(2,017)
Share of (profit) loss from associates and joint-ventures	9	(18)	308
Changes in assets and liabilities:			
Receivables and contract assets		6,695	(27,469)
Materials, supplies and fossil fuel stocks		(742)	905
Receivables and payables from derivatives		(15,528)	1,527
Other assets		(14,935)	(4,369)
Trade payables		3,570	17,429
Other liabilities		(50)	1,581
Cash generated from operations		51,942	43,273
Income taxes paid		(4,136)	(3,327)
Interest paid, net of capitalized interest		(5,426)	(5,091)
Interest received		403	314
Dividends received		148	182
Net cash provided by operating activities		42,931	35,351
INVESTING ACTIVITIES:			
Acquisition of subsidiaries, associates and joint-ventures, net of cash acquired	8	(3,529)	(2,214)
Disposal of subsidiaries and joint-ventures, net of cash disposed of		187	155
Additions to non-current assets, including capitalized interest		(29,802)	(26,018)
Proceeds from sale of non-current assets		2,550	3,118
Loans made		(264)	(227)
Repayment of loans		41	22
Change in restricted financial assets		(1,546)	(737)
Total cash used in investing activities		(32,363)	(25,901)
FINANCING ACTIVITIES:			
Proceeds from borrowings		210,765	125,213
Payments of borrowings		(204,416)	(119,961)
Payments of lease liabilities	24	(787)	(17)
Proceeds from other long-term liabilities		80	51
Payments of other long-term liabilities		(834)	(583)
Dividends paid to Company's shareholders		(12,836)	(17,596)
Dividends paid to non-controlling interests		(25)	(17)
Sale of treasury shares		249	210
(Acquisition) sale of non-controlling interests, net		(15)	5
Total cash used in financing activities		(7,819)	(12,695)
Net effect of currency translation and allowances in cash		(88)	(133)
Net increase (decrease) in cash and cash equivalents		2,661	(3,378)
Cash and cash equivalents at beginning of period		9,245	12,623
Cash and cash equivalents at end of period	10	11,906	9,245
Supplementary cash flow information:			
Total cash paid for interest		5,686	5,344

The accompanying notes are an integral part of these consolidated financial statements.

CEZ Group

Notes to Consolidated Financial Statements as of December 31, 2019

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1. The Company

ČEZ, a. s. (ČEZ or the Company), business registration number 45274649, is a Czech Republic joint-stock company, owned 69.8% (70.1% of voting rights) at December 31, 2019 by the Czech Republic represented by the Ministry of Finance. The remaining shares of the Company are publicly held. The address of the Company's registered office is Duhová 2/1444, Praha 4, 140 53, Czech Republic.

The Company is a parent company of the CEZ Group (the Group, see Note 9). Main business of the Group is the production, distribution, trade and sale of electricity and heat, trade and sale of natural gas and coal mining. ČEZ is an electricity generation company, which in 2019 generated approximately 62% of the electricity in the Czech Republic. In the Czech Republic the Company operates eleven fossil fuel plants, sixteen hydroelectric plants, one combined cycle gas turbine plant and two nuclear plants. The Company also operates through its subsidiaries several power plants (fossil fuel, hydro, wind, solar, gas, biogas, biomass) in the Czech Republic, eleven wind power plants in Germany, two fossil fuel plants and one hydroelectric plant in Poland, one solar plant in Bulgaria and a wind farm and a complex of hydroelectric plants in Romania. Further the Group also controls certain electricity distribution companies in the Czech Republic, Bulgaria and Romania. The average number of employees of the Company and its consolidated subsidiaries was 31,572 and 30,545 in 2019 and 2018, respectively.

Responsibility for public administration in the energy sector is exercised by the Ministry of Industry and Trade (the Ministry), the Energy Regulatory Office and the State Energy Inspection Board.

The Ministry, as the central public administration body for the energy sector, issues state approval to construct new energy facilities in accordance with specified conditions, develops the energy policy of the state and ensures fulfillment of obligations resulting from international treaties binding on the Czech Republic or obligations resulting from membership in international organizations.

The Energy Regulatory Office was established as the administrative office to exercise regulation in the energy sector of the Czech Republic, to support economic competition and to protect consumers' interests in sectors where competition is not possible. The Energy Regulatory Office decides on the granting of a license, imposition of the supply obligation beyond the scope of the license, imposition of the obligation to let another license holder use energy facilities in cases of emergency, to exercise the supply obligation beyond the scope of the license and price regulation based on special legal regulations. The State Energy Inspection Board is the inspection body supervising the activities in the energy sector. All customers can select their suppliers of electricity.

2. Summary of Significant Accounting Policies

2.1. Financial Statements

These consolidated financial statements of the Group were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

The financial statements are prepared under the historical cost convention, except when IFRS require other measurement basis as disclosed in the accounting policies below.

Explanation Added for Translation into English

These financial statements represent a translation of financial statements originally issued in Czech.

2.2. Group Accounting

2.2.1. Group Structure

The financial statements of CEZ Group include the accounts of ČEZ, a. s., its subsidiaries, associates and joint-ventures included in consolidation unit (see Note 9).

2.2.2. Subsidiaries

Subsidiaries are those entities which the Group controls. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are recognized in profit or loss as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability are recognized in accordance with IFRS 9 either in profit or loss or as a change to other comprehensive income. Changes in the fair value of contingent consideration classified as equity are not recognized.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired ("negative goodwill"), then the Group first reassesses the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination. Any excess remaining after the reassessment is recognized immediately in the income statement and is presented in the line Impairment of property, plant and equipment and intangible assets.

A change in the ownership interest of a subsidiary, without loss of control, is accounted as an equity transaction.

Losses within a subsidiary incurred are attributed to the non-controlling interest even if that results in a deficit balance.

Put options held by non-controlling interests are recorded as a derecognition of non-controlling interest and recognition of a liability at the end of the reporting period. The liability is recognized at the present value of the amount payable on exercise, and any difference between the amount of non-controlling interest derecognized and this liability is accounted for within equity. Subsequent changes to the present value of the amount payable on exercise are recorded directly in equity.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless cost cannot be recovered. Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the policies adopted by the Group.

2.2.3. Associates

Associates are entities over which the Group generally has between 20% and 50% of the voting rights, or over which the Group has significant influence, but which it does not control. Investments in associates are accounted for by the equity method of accounting. Under this method the Group's share of the post-acquisition profits or losses of associates is recognized in the income statement and its share of other post-acquisition movements in equity of associates is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the cost of the investment. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group's investment in associates includes goodwill (net of accumulated impairment losses) on acquisition.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognize further losses. In such a case, the Group recognizes its full share on net loss and its share on other comprehensive income only to the extent to recognize nil interest in an associate. This amount is included in the item Translation differences – associates and joint-ventures in the statement of comprehensive income. Then the Group discontinues of using equity method of accounting. However, additional losses are provided for, and a liability is recognized on the balance sheet in the item Other long-term liabilities, after the Group's interest is reduced to zero, only to the extent that the Group has incurred legal or constructive obligations (e.g. provided guarantees) or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

2.2.4. Joint-ventures

A joint-venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint-venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary considerations to determine control over subsidiaries. The Group recognizes its interest in the joint-venture using the equity method of accounting (see Note 2.2.3).

The financial statements of the joint-venture are prepared for the same reporting period as the parent company. Adjustments are made where necessary to bring the accounting policies into line with those of the Group. Adjustments are made in the Group's financial statements to eliminate the Group's share of unrealized gains and losses on transactions between the Group and its jointly controlled entity. Losses on transactions are recognized immediately if the loss provides evidence of a reduction in the net realizable value of current assets or an impairment loss.

2.2.5. Transactions Involving Entities under Common Control

Acquisitions of subsidiaries from entities under common control are recorded using a method similar to pooling of interests.

The assets and liabilities of the acquired subsidiaries are included in the consolidated financial statements at their book values. The difference between the cost of acquisition of subsidiaries from entities under common control and the share of net assets acquired in book values is recorded directly in equity.

2.3. Changes in Accounting Policies

2.3.1. Adoption of New IFRS Standards in 2019

The accounting policies adopted are consistent with those of the previous financial year, except for as follows. The Group has adopted the following new or amended and endorsed by EU IFRS and IFRIC interpretations as of January 1, 2019:

IFRS 16 Leases

This standard supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard deals with accounting, measurement and presentation of leases and disclosure requirements for the notes of the financial statements for both contract parties, i.e. for customer (lessee) and for supplier (lessor). Lessees will use single accounting model for all leases (with certain exceptions). Accounting by lessor is substantially unchanged from IAS 17, except where the Group leases right-of-use assets in a sublease. Therefore, IFRS 16 does not have a material impact for leases where the Group is the lessor.

The Group applied IFRS 16 using the modified retrospective approach, under which the comparative information presented for 2018 is not restated. The Group elected to use a transition practical expedient and applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

On transition to IFRS 16, the Group recognized right-of-use assets and lease liabilities, restoration provision and derecognized prepayments related to the leased assets. As of the date of application of IFRS 16, the Group also incurred investment in finance lease due to the sublease of right-of-use assets. The impact on transition is summarized below (in CZK million):

Plant in service	5,750
Intangible assets, net	36
Other non-current financial assets, net	2
Other current assets, net	(88)
Assets classified as held for sale	369
Total assets	6,069
Long-term debt including current portion	5,618
Provisions	82
Liabilities associated with assets classified as held for sale	369
Total liability	6,069

The lease liability as at January 1, 2019 can be reconciled to the operating lease commitments as of December 31, 2018 as follows (in CZK millions):

Future minimum rentals payable under non-cancellable operating lease as at December 31, 2018	2,347
Effect of discounting as at January 1, 2019 using weighted average incremental borrowing rate of 3.06% p.a.	(203)
Discounted operating lease commitments as at January 1, 2019	2,144
Commitments relating to leases previously classified as finance lease	245
Lease payments not included in non-cancellable operating lease commitments as at December 2018, 31	3,474
Lease liabilities as at January 1, 2019	5,863

Amendment IAS 19 Plan Amendment, Curtailment or Settlement

The Amendment is effective for annual periods beginning on or after January 1, 2019 with earlier application permitted. The amendment requires Group to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendment also clarifies how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. This Amendment has not yet been endorsed by the EU. The amendment did not have material impact on Group's financial statements.

Amendment IFRS 9 Prepayment Features with Negative Compensation

The Amendment is effective for annual reporting periods beginning on or after January 1, 2019 with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. The amendment did not have material impact on Group's financial statements.

Amendment IAS 28 Long-term Interests in Associates and Joint-ventures

The Amendment is effective for annual reporting periods beginning on or after January 1, 2019 with earlier application permitted. The Amendment relates to whether the measurement, in particular impairment requirements, of long-term interests in associates and joint-ventures that, in substance, form part of the 'net investment' in the associate or joint-venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendment clarifies that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying IAS 28. The amendment did not have material impact on Group's financial statements.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

The Interpretation is effective for annual periods beginning on or after January 1, 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation did not have material impact on Group's financial statements.

Annual Improvements to IFRSs 2015–2017

In December 2017 the IASB issued a collection of amendments to IAS and IFRS for annual periods beginning on or after January 1, 2019 in which they focused on areas of inconsistency in IFRSs and IASs or where the clarification of wording was required. The following standards were amended:

IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:

The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

IAS 12 Income Taxes:

The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits have been recognized.

IAS 23 Borrowing Costs:

The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

These improvements did not have material impact on Group's financial statements.

2.3.2. Adoption of New IFRS Standards in 2018

In 2018, the Group has adopted the new accounting standards IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. Other changes in accounting policies in 2018, which are described in more details in the consolidated financial statements as at December 31, 2018, did not have material impact on the Group's financial statements.

The Group has adopted the new accounting standard IFRS 9 retrospectively, with the initial application date of January 1, 2018. Due to the application of IFRS 9, some assets were reclassified from category Available-for-sale to category Fair value through profit or loss and accumulated reserve from revaluation of Available-for-sale financial assets amounting to CZK 350 million was transferred to retained earnings. In addition, in applying of IFRS 9, the Group reassessed the amount of allowance provision for doubtful receivables and other assets in accordance with IFRS 9 impairment requirements, which are described in Note 2.14.4. The application of IFRS 9 standard as of January 1, 2018 reduced equity by CZK 82 million.

The Group adopted IFRS 15 using the modified retrospective method of adoption. The effect as of the date of application, resulting from recognition of deferred connection fees received from customers prior 2009 in retained earnings, increased equity by CZK 2,506 million.

2.3.3. New IFRS Standards and IFRIC Interpretations either not yet Effective or not yet Adopted by EU

The Group is currently assessing the potential impacts of the new and revised standards and interpretations that will be effective or adopted by the EU from January 1, 2020 or later. Standards and interpretations most relevant to the Group's activities are detailed below:

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint-venture

The amendments address an acknowledged inconsistency between IFRS 10 and IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint-venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. These amendments are not expected to have significant impact to the Group's financial statements.

IFRS 17 Insurance Contracts

The standard is effective for annual periods beginning on or after January 1, 2021 with earlier application permitted if both IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have also been applied. IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity. The standard has not been yet endorsed by the EU. This standard is not expected to have significant impact to the Group's financial statements.

Conceptual Framework in IFRS Standards

The IASB issued the revised Conceptual Framework for Financial Reporting on March 29, 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after January 1, 2020. This amendment is not expected to have significant impact to the Group's financial statements.

Amendment IFRS 3: Business Combinations

The IASB issued Amendment in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendment is effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. This Amendment have not yet been endorsed by the EU. This amendment is not expected to have significant impact to the Group's financial statements.

Amendments IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material'

The Amendments are effective for annual periods beginning on or after January 1, 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. These amendments are not expected to have significant impact to the Group's financial statements.

Amendments IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform

The amendments are effective for annual periods beginning on or after January 1, 2020 and must be applied retrospectively. Earlier application is permitted. In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. Phase two will focus on issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR). The amendments published, deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis. The amendments provided temporary reliefs, applicable to all hedging relationships that are directly affected by the interest rate benchmark reform, which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. There are also amendments to IFRS 7 Financial Instruments: Disclosures regarding additional disclosures around uncertainty arising from the interest rate benchmark reform. These amendments are not expected to have significant impact to the Group's financial statements.

Amendments IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. These Amendments have not yet been endorsed by the EU. These amendments are not expected to have significant impact to the Group's financial statements.

The Group does not expect early adoption of any of the above-mentioned standards, improvements or amendments.

2.4. Estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates. Explanation of key assumptions is included in relevant sections of notes where significant estimates are being described. Significant estimates are made by the Group while determining recoverable amounts for property, plant and equipment and intangible assets (see Note 7), accounting for the nuclear provisions (see Note 20.1), provisions for reclamation of mines, mining damages and waste storage reclamation (see Note 20.2), unbilled electricity and gas (see Note 2.6), fair value of commodity contracts (see Notes 2.16 and 18), financial derivatives (see Notes 2.15 and 18) and incremental borrowing rate and lease term to measure lease liability (see Notes 2.27 and 24).

2.5. Revenues

The Group recognizes revenue from supplies of electricity, heat, gas and coal based on contract terms. Differences between contracted amounts and actual supplies for electricity and gas are settled through the market operator.

Revenues are recognized, when the Group has satisfied a performance obligation and the amount of revenue can be reliably measured. The Group will recognize revenue at an amount that reflects the consideration to which the entity expects to be entitled (after reduction for expected discounts) in exchange for transferring goods or services to a customer.

Sales are recognized net of value added tax.

Revenue from sale of assets is recognized when they are delivered and related significant risks and rewards of ownership have passed to the buyer.

Contract revenue and contract costs associated with the construction contracts is recognized as revenue and expenses respectively by reference to the stage of completion of the contract activity. The stage of completion is determined by reference to the share of incurred contract costs to total expected full contract costs. However, an expected loss on the construction contract is recognized as an expense immediately regardless the stage of completion of such a construction contract.

Connection fees received from customers are recognized in income in the period when this performance obligation is satisfied.

Government and similar grants related to income are recognized in the income statement in the period in which the Group recognizes related expenses to be offset by the grant and is presented in the line Other operating income.

2.6. Unbilled Electricity and Gas

Electricity and gas supplied to customers, which is not yet billed, is recognized in revenues at estimated amounts. The estimate of monthly change in unbilled electricity and gas is derived from the measured quantity after deduction of invoiced amounts and estimated grid losses. The estimate of total unbilled balance is also supported by extrapolation of consumption in the last measured period for individual locations. The ending balance of contract assets and liabilities is disclosed net in the balance sheet after deduction of advances received from customers and is included in the line item of Other current assets, net or Other short-term liabilities, net.

2.7. Fuel Costs

Fuel costs are expensed as fuel is consumed. Fuel expense includes the amortization of the cost of nuclear fuel (see Note 2.10).

2.8. Interest

The Group capitalizes all interest incurred in connection with its construction program that theoretically could have been avoided if expenditures for the qualifying assets had not been made. The qualifying assets include assets, for which the construction represents a substantial period of time.

2.9. Property, Plant and Equipment

Property, plant and equipment are recorded at cost, net of accumulated depreciation and impairment in value. Cost of plant in service includes purchase price, materials, labor, payroll-related costs and the cost of debt financing used during construction. The cost also includes the estimated cost of dismantling and removing the asset and restoring the site, to the extent that is recognized as a provision under IAS 37, Provisions, Contingent Liabilities and Contingent Assets. Government and similar grants received for construction of certain items of property, plant and equipment decrease the acquisition cost of the respective items.

Internally developed property, plant and equipment are recorded at their accumulated cost. The cost of maintenance, repairs, and replacement of minor items of property is charged to maintenance expense when incurred. Renewals and improvements are capitalized. Upon sale, retirement or replacement of part of an item of property, plant and equipment, the cost, related accumulated depreciation and eventual impairment of the disposed item or its replaced part are derecognized from the balance sheet. Any resulting gains or losses are included in profit or loss.

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group reviews the recoverable amounts of its property, plant and equipment to determine whether such amounts continue to exceed the assets' carrying values. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Identified impairment of property, plant and equipment is recognized directly in profit or loss in the line item Impairment of property, plant and equipment and intangible assets including goodwill.

At each reporting date, an assessment is made whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss in the line item Impairment of property, plant and equipment and intangible assets including goodwill.

The Group depreciates the original cost of property, plant and equipment less its residual value by using the straight-line method over the estimated economic lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciable useful lives used for property, plant and equipment are as follows:

	Useful lives (years)
Buildings and structures	20–50
Machinery and equipment	4–35
Vehicles	8–25
Furniture and fixtures	4–15

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

2.10. Nuclear Fuel

The Group presents nuclear fuel as part of property, plant and equipment, because its useful life exceeds 1 year. Nuclear fuel is recorded at cost, net of accumulated amortization and possible impairment in value. Nuclear fuel includes the capitalized portion of the provision for interim storage of nuclear fuel. Amortization of fuel in the reactor is based on the amount of power generated and is recognized in the income statement in the line item Fuel and Emission rights. The amortization of nuclear fuel includes charges in respect of additions to the accumulated provision for interim storage of spent nuclear fuel.

2.11. Intangible Assets

Intangible assets are valued at their acquisition costs and related expenses. Intangible assets are amortized over their useful lives using the straight-line method. The estimated useful life of intangible assets ranges from 3 to 25 years. The assets' residual values, useful lives and amortization methods are reviewed, and adjusted if appropriate, at each financial year end. Improvements are capitalized.

Intangible assets are tested for impairment (for goodwill see Note 2.12) whenever facts or changes in circumstances indicate that the carrying amount could be impaired. The recoverable amount of an intangible asset not yet available for use is tested for impairment annually, irrespective of whether there is any indication that it may be impaired. Identified impairment of intangible assets is recognized directly in profit or loss in the line item Impairment of property, plant and equipment and intangible assets including goodwill.

For assets excluding goodwill an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss in the line item Impairment of property, plant and equipment and intangible assets including goodwill.

2.12. Goodwill

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed (see Note 2.2). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates and joint-ventures is included in investments in associates and joint-ventures. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets. Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where recoverable amount of the cash-generating unit is lower than the carrying amount, an impairment loss is recognized. Impairment losses of goodwill cannot be reversed in subsequent periods. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.13. Emission Rights

Emission right represents the right of the operator of a facility, which in the course of its operation emits greenhouse gases, to emit during the calendar year equivalent of one ton of carbon dioxide. Based on the National Allocation Plans certain companies of the Group have been granted emission rights. These companies are responsible for determining and reporting the amount of greenhouse gases produced by its facilities in the calendar year and this amount has to be audited by an accredited person.

On April, 30 of the following year, at the latest, these companies are required to remit a number of allowances representing the number of tonnes of CO₂ actually emitted in previous year.

The emission rights which were granted free of charge are stated at their nominal value, i.e. at zero. Purchased emission rights are carried at cost (except for emission rights for trading). Emission rights acquired in a business combination are initially recognized at their fair value at the date of acquisition and subsequently treated similarly to purchased emission rights. The Group recognizes a provision to cover emissions made, which corresponds to the difference between emissions made and amount of the emission rights which were granted free. This provision is measured firstly with regard to the cost of emission rights and credits purchased with the intention of covering the greenhouse gases emissions of the reporting period. The provision for emissions made above the amount of these emissions rights and credits is measured at the market price ruling at the balance sheet date. The emission rights purchased for own use purpose in the next year are presented within current assets in the line Emission rights. The emission rights with an expected later use are presented as part of the intangible assets.

The Group also holds emission rights and credits for trading purposes. The portfolio of emission rights and credits held for trading is measured at fair value. The changes in fair value of the emission rights held for trading are recognized directly in profit or loss in the line Gains and losses from commodity derivative trading. The emission rights and credits for the trading purposes are presented within current assets in the line Emission rights.

At each reporting date, the Group assesses whether there is any indication that emission rights may be impaired. Where an indicator of impairment exists, the Group reviews the recoverable amounts of the cash-generating units, to which the emission rights were allocated, to determine whether such amounts continue to exceed the assets' carrying values. Any identified impairment of emission rights is recognized directly in profit or loss in the line item of Other operating expenses.

Sale and repurchase agreements with emission rights are accounted for as collateralized borrowing.

Green and similar certificates which were granted free are initially recognized at fair value and subsequently treated similarly to purchased emission rights.

2.14. Classification of Financial Instruments

A financial asset is mainly cash, an equity instrument of another entity or a contractual right to receive cash or another financial asset.

A financial liability is mainly a contractual obligation to deliver cash or another financial asset.

Financial liabilities and assets are presented as current (short-term) or non-current (long-term). Financial assets are presented as current when the Group expects to realize them within 12 months of the balance sheet date or if there is no reasonable certainty that the Group will hold the financial assets for more than 12 months of the balance sheet date.

Financial liabilities are presented as current when they are due within 12 months of the balance sheet date. The financial assets and liabilities for trading are presented as current.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.14.1. Financial Assets

Financial assets are classified into two main categories (a) at amortized cost and (b) at fair value depending on whether the financial asset is held for trading or is held within a business model whose objective is to hold assets to collect contractual cash flows.

The Group defines financial assets to the following categories:

a) financial assets at amortized cost

This category includes the financial assets held with strategy to collect contractual cash flows, which consist of both principal and interest payments. Examples for such financial assets are loans, securities held to maturity, trade receivables.

Expected credit losses, foreign exchange rate differences and interest revenues are recognized in the income statement.

b) financial assets at fair value through other comprehensive income

This category includes the financial assets held with strategy to collect contractual cash flows or to sell financial assets. This model distinguishes two types of accounting treatment:

- no recycling to the income statement – used for equity financial assets

Expected credit loss is not calculated and recognized. Changes in the fair value are recognized in other comprehensive income.

When the financial asset is derecognized no profit or loss is recognized in the income statement – it never affects profit or loss. In case that equity instrument was sold, an accumulated revaluation reserve is reclassified to retained earnings. Foreign exchange rate differences are recognized in other comprehensive income (part of revaluation reserve). Dividends from these financial assets are recognized in the income statement providing it does not result in an impairment loss of investment at the same time.

- recycling to the income statement – used for debt financial assets

Expected credit loss is recognized in the income statement. Changes in the fair value are recognized in other comprehensive income. When the financial asset is derecognized, profit or loss is recognized in the income statement (profit or loss is reclassified from other comprehensive income to the income statement). Foreign exchange rate differences in relation to revaluation reserve are recognized in other comprehensive income. Foreign exchange rate differences in relation to impairment are recognized in the income statement. Interest revenues are recognized in the income statement.

c) financial assets at fair value through profit or loss

This category includes the financial assets held with strategy of active trading with financial assets. Contractual cash flow collection is not the primary objective of business model. Examples for such financial assets are securities for trading, derivatives not used for hedging. Expected credit losses are not calculated and recognized. Changes in the fair value and foreign exchange rate differences are recognized in the income statement.

Changes in the fair values are included in lines Other financial expenses or Other financial income.

2.14.2. Financial Liabilities

Financial liabilities are classified into two main categories (a) at amortized cost and (b) at fair value through profit or loss. Classification into these categories is similar to the financial assets above.

For “Fair Value Option” liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be recognized in other comprehensive income. The remainder of the change in fair value is recognized in profit or loss. However, when recognition of the fair value change in respect of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, all changes in fair value are then recognized in profit or loss.

2.14.3. Derivatives

Specific category of the financial assets and liabilities are derivatives. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The presentation of derivatives is described in the Note 2.15.

2.14.4. Impairment of Financial Assets

Impairment of financial assets by applying the IFRS 9 requirements is based on expected credit loss (ECL) model which applies to the following financial assets:

- a) debt assets at amortized cost (trade receivables, loans, debt securities),
- b) debt assets at fair value through other comprehensive income,
- c) lease receivables,
- d) contract assets and financial guarantee contracts,
- e) bank accounts and term deposits.

An impairment analysis of receivables is performed by the Group at each reporting date on an individual basis for significant specific receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively where the individual approach is not applicable.

The Group recognizes either 12-months or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). For some trade receivables, the simplified approach is applied whereby the lifetime expected credit losses are always recognized.

For the purposes of ECL model calculation, the portfolio of financial assets is split into 3 stages. At the date of the first recognition, the financial assets are included in stage 1, with the lowest allowance which is determined using percentage of unpaid receivables in the past. Subsequent reclassification to the stages 2 and 3 is carried out according to the definition of significant increase in credit risk of a debtor. The interest revenue from receivables in the stage 3 is based on the net carrying amount.

2.15. Derivative Financial Instruments

The Group uses derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are stated at fair value. In the balance sheet such derivatives are presented as part of other current and non-current financial assets or as part of other long-term and short-term financial liabilities.

The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

For the purpose of hedge accounting, hedges are classified as either fair value hedges when they hedge the exposure to changes in the fair value of a recognized asset or liability; or cash flow hedges when they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

2.15.1. Fair Value Hedge

Gain or loss from re-measuring the hedging instrument at fair value is recognized immediately in the income statement. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognized in the income statement. Where the adjustment is to the carrying amount of a hedged interest-bearing financial instrument, the adjustment is amortized to profit or loss over the remaining term to maturity.

2.15.2. Cash Flow Hedge

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are initially recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in the income statement in the line item Other financial expenses or Other financial income.

Amounts accumulated in equity are transferred to the income statement in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recorded to the income statement when the forecast transaction is ultimately recognized. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to the income statement.

2.15.3. Other Derivatives

Certain derivative instruments are not designated for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in the income statement.

2.16. Commodity Contracts

According to IFRS 9, certain commodity contracts are treated as financial instruments and fall into the scope of the standard.

Most commodity purchase and sales contracts entered into by the Group provide for physical delivery of quantities intended to be consumed or sold as part of its ordinary business; such contracts are thus excluded from the scope of IFRS 9.

In particular, forward purchases and sales for physical delivery of energy are considered to fall outside the scope of application of IFRS 9, when the contract concerned is considered to have been entered into as part of the Group's normal business activity. This is demonstrated to be the case when all the following conditions are fulfilled:

- A physical delivery takes place under such contracts;
- The volumes purchased or sold under the contracts correspond to the Group's operating requirements;
- The contract cannot be considered as a written option as defined by the standard IFRS 9. In the specific case of electricity sales contracts, the contract is substantially equivalent to a firm forward sale or can be considered as a capacity sale.

The Group thus considers that transactions negotiated with a view to balancing the volumes between electricity purchases and sale commitments are part of its ordinary business as an integrated electric utility company and do not therefore come under the scope of IFRS 9.

Commodity contracts which fall under the scope of IFRS 9 are carried at fair value with changes in the fair value recognized in the income statement. The Group presents revenues and expenses related to commodity trading net in the line Gains and losses from commodity derivative trading.

2.17. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, current accounts with banks and short-term bank notes with a maturity of 6 months or less.

2.18. Financial Assets Restricted in Use

Restricted balances of cash and other financial assets, which are shown as restricted funds (see Note 4), relate to funding of nuclear decommissioning liabilities, mining reclamation and damages, deposits for waste storage reclamation and cash guarantees given to transaction partners. The non-current classification is based on the expected timing of the release of the funds to the Group.

2.19. Contract Assets and Liabilities

Contract asset is the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the Group's future performance).

Contract liability is the Group's obligation to transfer goods or provide services to a customer for which the Group has received consideration from the customer.

Contract assets where work is in progress (consisting of cost incurred plus recognized profits) are presented on the balance sheet net of received billings and advances as a net asset or a net liability.

Contract assets and liabilities are presented in the line Other current assets, net and Other short-term liabilities.

2.20. Materials and Supplies

Purchased inventories are valued at actual cost, using the weighted average method. Costs of purchased inventories comprise expenses which have been incurred in respect of the acquisition of materials and supplies including transportation costs. When consumed, inventories are charged to income or capitalized as part of property, plant and equipment. Work-in-progress is valued at actual cost. Costs of inventories produced internally include direct material and labor costs. Obsolete inventories are reduced to their realizable value by a provision charged to the income statement.

2.21. Fossil Fuel Stocks

Fossil fuel stocks are stated at actual cost using weighted average cost method.

2.22. Income Taxes

The provision for corporate tax is calculated in accordance with the tax regulations of the states of residence of the Group companies and is based on the income or loss reported under local accounting regulations, adjusted for appropriate permanent and temporary differences from taxable income. Income taxes are calculated on an individual company basis as the Czech tax laws do not permit consolidated tax returns. For companies located in the Czech Republic income taxes are provided at a rate of 19% for the years ended December 31, 2019 and 2018, respectively, from income before income taxes after adjustments for certain items which are not deductible, or taxable, for taxation purposes. The Czech corporate income tax rate enacted for 2020 and on is 19%.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets and liabilities are recognized regardless of when the temporary difference is likely to reverse. Deferred tax assets and liabilities are not discounted. A deferred tax liability is recognized for all taxable temporary differences, except:

- where the deferred tax liability arises from initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the reported net income nor taxable profit or loss
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint-ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities of Group companies are not offset in the balance sheet.

Current tax and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

Change in the carrying amount of deferred tax assets and liabilities due to change in tax rate is recognized in the income statement, except to the extent that it relates to items previously charged or credited to equity.

2.23. Long-term Debt

Borrowings are initially recognized at the amount of the proceeds received, net of transaction costs. They are subsequently carried at amortized cost using the effective interest rate method, the difference between net proceeds and redemption value is being recognized in the net income over the life of the borrowings as interest expense.

Transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges.

The carrying amount of long-term debt, which is hedged against the changes in its fair value, is adjusted by the changes in the fair value attributable to the hedged risk. The changes in the fair value of the hedged long-term debt are recognized in profit or loss and are included in the income statement line Other financial expenses or Other financial income. The adjustment to the carrying amount of the hedged long-term debt in a fair value hedge is subsequently amortized to profit or loss using the effective interest rate method.

2.24. Nuclear Provisions

The Group has recognized provisions for its obligations to decommission its nuclear power plants at the end of their operating lives, to store the related spent nuclear fuel and other radioactive waste initially on an interim basis and provision for its obligation to provide financing for subsequent permanent storage of spent fuel and irradiated parts of reactors (see Note 20.1).

The provisions recognized represent the best estimate of the expenditures required to settle the present obligation at the current balance sheet date. Such cost estimates, expressed at current price levels at the date of the estimate, are discounted at December 31, 2019 and 2018 using a long-term real rate of interest to take into account the timing of payments in amount of 0.70% and 1.25% per annum, respectively. The initial discounted cost amounts are capitalized as part of property, plant and equipment and are depreciated over the period when the nuclear power plants generate electricity. Each year, the provisions are increased to reflect the accretion of discount and to accrue an estimate for the effects of inflation, with the charges being presented in the income statement on the line Interest on provisions. At December 31, 2019 and 2018 the estimate for the effect of expected inflation rate is 1.50% and 1.25%, respectively.

The decommissioning process is expected to continue for approximately a fifty-year period subsequent to the final operation of the plants. It is currently anticipated that the permanent storage facility for spent nuclear fuel will become available in 2065 and the process of final disposal of the spent nuclear fuel will then continue until approximately 2090. While the Group has made its best estimate in establishing its nuclear provisions, because of potential changes in technology as well as safety and environmental requirements, plus the actual time scale to complete decommissioning and fuel storage activities, the ultimate provision requirements could vary significantly from the Group's current estimates.

Changes in a decommissioning liability and in liability for final storage of spent nuclear fuel that result from a change in the current best estimate of timing and/or amount of cash flows required to settle the obligation or from a change in the discount rate are added to (or deducted from) the amount recognized as the related asset. However, to the extent that such a treatment would result in a negative asset, the effect of the change is recognized in the income for the current period.

2.25. Provisions for Decommissioning and Reclamation of Mines and Mining Damages

The Group has recognized provisions for obligations to decommission and reclaim mines at the end of their operating lives (see Note 20.2). The provisions recognized represent the best estimate of the expenditures required to settle the present obligation at the current balance sheet date. Such cost estimates, expressed at current price levels, are discounted at December 31, 2019 and 2018 using a long-term real rate of interest to take into account the timing of payments in amount of 0.70% and 1.25% per annum, respectively. The initial discounted cost amounts are capitalized as part of property, plant and equipment and are depreciated over the lives of the mines. Each year, the provisions are increased to reflect the accretion of discount and to accrue an estimate for the effects of inflation, with the charges being presented in the income statement on the line Interest on provisions. At December 31, 2019 and 2018 the estimate for the effect of expected inflation rate is 1.50% and 1.25%, respectively.

Changes in a decommissioning liability that result from a change in the current best estimate of timing and/or amount of cash flows required to settle the obligation or from a change in the discount rate are added to (or deducted from) the amount recognized as the related asset. However, to the extent that such a treatment would result in a negative asset, the effect of the change is recognized in the income for the current period.

2.26. Exploration for and Evaluation of Mineral Resources

Expenditures on exploration for and evaluation of mineral resources are charged to expense when incurred.

2.27. Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date and requires evaluation of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys the right to use the asset.

The Group doesn't apply the standard IFRS 16 to leases of intangible assets, but the Group has identified contracts for which an intangible asset from a right-of-use have been recognized. These are the cases where the Group acquires the right to place advertising on a building or other tangible asset.

2.27.1. Group as a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

a) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

For contracts that are concluded for an indefinite period, the Group applies judgement for determination of the expected lease period.

b) Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets, as follows:

	Depreciation period (years)
Lands	4-34
Buildings	1-37
Vehicles, machinery and equipment	1-12
Inventory and other tangible assets	8-10

2.27.2. Group as a Lessor

The Group leases out its tangible assets including own tangibles and right-of-use assets. The Group has classified the leases as financial or operating leases. Operating leases are the leases, in which the Group does not transfer substantially all the risk and rewards incidental to ownership of an assets.

Rental income arising from operating lease is accounted for on a straight-line basis over the lease terms and included in revenue in the income statement due to its operating nature.

For the leases classified as financial leases the Group recognizes net investment in the lease measured at the present value of lease payments to be made over the lease term. In calculating the present value of net investment in the lease, the Group uses the interest rate implicit in the lease. In the case of a sublease, if the interest rate implicit in the sublease is not readily determined, the Group uses the discount rate used for the head lease.

2.28. Treasury Shares

Treasury shares are presented in the balance sheet as a deduction from equity. The acquisition of treasury shares is presented in the statement of equity as a reduction in equity. No gain or loss is recognized in the income statement on the sale, issuance, or cancellation of treasury shares. Consideration received is presented in the financial statements as an addition to equity.

2.29. Share Options

Members of Board of Directors and selected managers have been granted options to purchase common shares of the Company. Expense related to the share option plan was measured on the date of the grant by reference to the fair value of the share options granted. The expense is accrued over the vesting period of the equity instruments granted. The expense recognized reflects the best estimate of the number of share options, which will ultimately vest.

2.30. Translation of Foreign Currencies

The consolidated financial statements are presented in Czech crowns (CZK), which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity for qualifying cash flow hedges.

Translation differences on debt securities and other monetary financial assets measured at fair value are included in foreign exchange gains and losses. Translation differences on non-monetary items such as equity instruments held for trading are reported as part of the fair value gain or loss. Translation differences on equity securities available-for-sale are included in equity.

The assets and liabilities of foreign subsidiaries are translated at the rate of exchange ruling at the balance sheet date. The income statements items of foreign subsidiaries are translated at average exchange rates for the year. The exchange differences arising on the retranslation are taken directly to other comprehensive income. On disposal of a foreign entity, accumulated exchange differences are recognized in the income statement as a component of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign operation and are translated at the closing exchange rate.

Exchange rates used as at December 31, 2019 and 2018 for the translation of assets and liabilities denominated in foreign currencies were as follows:

	2019	2018
CZK per 1 EUR	25.410	25.725
CZK per 1 USD	22.621	22.466
CZK per 1 PLN	5.970	5.980
CZK per 1 BGN	12.992	13.153
CZK per 1 RON	5.313	5.516
CZK per 100 JPY	20.844	20.447
CZK per 1 TRY	3.805	4.247

2.31. Non-current Assets Held for Sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized.

3. Property, Plant and Equipment

Property, plant and equipment at December 31, 2019 is as follows (in CZK millions):

	Buildings	Plant and equipment	Land and other	Total plant in service	Nuclear fuel	Construction work in progress	Total
Cost at December 31, 2018	292,301	530,045	8,609	830,955	23,121	18,121	872,197
Recognition of right-of-use asset on application of IFRS 16	3,700	759	1,291	5,750	–	–	5,750
Cost at January 1, 2019	296,001	530,804	9,900	836,705	23,121	18,121	877,947
Additions	813	798	29	1,640	–	26,366	28,006
Disposals	(584)	(3,330)	(35)	(3,949)	(3,141)	(456)	(7,546)
Bring into use	10,550	9,584	60	20,194	3,626	(23,820)	–
Acquisition of subsidiaries	102	246	2	350	–	280	630
Change in capitalized part of provisions	187	11,363	749	12,299	–	–	12,299
Reclassification and other	54	(37)	(3)	14	–	(5)	9
Currency translation differences	(833)	(1,291)	(23)	(2,147)	–	(17)	(2,164)
Cost at December 31, 2019	306,290	548,137	10,679	865,106	23,606	20,469	909,181
Accumulated depreciation and impairment at January 1, 2019	(129,180)	(315,590)	(1,156)	(445,926)	(8,694)	(1,669)	(456,289)
Depreciation and amortization of nuclear fuel ¹⁾	(8,151)	(18,983)	(176)	(27,310)	(3,803)	–	(31,113)
Net book value of assets disposed	10	(75)	(3)	(68)	–	–	(68)
Disposals	584	3,330	4	3,918	3,141	–	7,059
Reclassification and other	(49)	57	4	12	–	–	12
Impairment losses recognized	(1,389)	(890)	(12)	(2,291)	–	(593)	(2,884)
Impairment losses reversed	565	486	5	1,056	–	–	1,056
Currency translation differences	349	783	1	1,133	–	1	1,134
Accumulated depreciation and impairment at December 31, 2019	(137,261)	(330,882)	(1,333)	(469,476)	(9,356)	(2,261)	(481,093)
Total property, plant and equipment at December 31, 2019	169,029	217,255	9,346	395,630	14,250	18,208	428,088

¹⁾ The amortization of nuclear fuel also includes charges in respect of additions to the accumulated provision for interim storage of spent nuclear fuel in the amount of CZK 293 million.

Property, plant and equipment at December 31, 2018 is as follows (in CZK millions):

	Buildings	Plant and equipment	Land and other	Total plant in service	Nuclear fuel	Construction work in progress	Total
Cost at January 1, 2018	297,677	527,125	8,557	833,359	23,436	18,248	875,043
Additions	17	215	14	246	–	24,026	24,272
Disposals	(568)	(2,718)	(31)	(3,317)	(3,171)	(453)	(6,941)
Bring into use	8,768	10,805	68	19,641	2,856	(22,496)	1
Transfer to assets held for sale	(14,210)	(9,314)	(280)	(23,804)	–	(1,253)	(25,057)
Acquisition of subsidiaries	698	1,797	43	2,538	–	67	2,605
Change in capitalized part of provisions	(107)	2,184	240	2,317	–	–	2,317
Reclassification and other	58	(79)	–	(21)	–	(3)	(24)
Currency translation differences	(32)	30	(2)	(4)	–	(15)	(19)
Cost at December 31, 2018	292,301	530,045	8,609	830,955	23,121	18,121	872,197
Accumulated depreciation and impairment at January 1, 2018	(130,883)	(305,191)	(1,136)	(437,210)	(8,218)	(1,596)	(447,024)
Depreciation and amortization of nuclear fuel ¹⁾	(7,579)	(19,041)	(81)	(26,701)	(3,647)	–	(30,348)
Net book value of assets disposed	45	(96)	–	(51)	–	–	(51)
Disposals	568	2,718	–	3,286	3,171	–	6,457
Transfer to assets held for sale	8,570	6,504	153	15,227	–	6	15,233
Reclassification and other	(42)	52	–	10	–	–	10
Impairment losses recognized	(131)	(595)	(94)	(820)	–	(92)	(912)
Impairment losses reversed	247	62	1	310	–	4	314
Currency translation differences	25	(3)	1	23	–	9	32
Accumulated depreciation and impairment at December 31, 2018	(129,180)	(315,590)	(1,156)	(445,926)	(8,694)	(1,669)	(456,289)
Total property, plant and equipment at December 31, 2018	163,121	214,455	7,453	385,029	14,427	16,452	415,908

¹⁾ The amortization of nuclear fuel also includes charges in respect of additions to the accumulated provision for interim storage of spent nuclear fuel in the amount of CZK 380 million.

As at December 31, 2019 and 2018 a composite depreciation rate of Plant in service was 3.2%.

As at December 31, 2019 and 2018 capitalized interest costs amounted to CZK 261 million and CZK 260 million, respectively, and the interest capitalization rate was 3.9% and 4.3%, respectively.

Group's plant in service pledged as security for liabilities at December 31, 2019 and 2018 is CZK 14,045 million and CZK 14,827 million, respectively.

Construction work in progress contains mainly refurbishments performed on nuclear plants, including the acquisition of nuclear fuel, and investment in the electricity distribution network of subsidiary ČEZ Distribuce, a. s. As of December 31, 2019, the construction work in progress includes the preparation of new nuclear power sources of CZK 2,640 million.

The Group drew in 2019 and 2018 grants related to the property, plant and equipment in amount CZK 204 million and CZK 171 million, respectively.

Group as a Lessee

The net book value of assets leased under finance leases included in property, plant and equipment at December 31, 2018 amounted to CZK 65 million. Financial lease contracts were acquired to the Group mainly through acquisitions of subsidiaries during 2018.

Set out below are the carrying amounts and other information at December 31, 2019 and for the year ended 2019, respectively, about right-of-use assets recognized in total property, plant and equipment (in CZK millions):

	2019			
	Buildings	Plant and equipment	Land and other	Total plant in service
Additions of right-of-use assets	136	158	78	372
Depreciation charge for right-of-use assets	(456)	(240)	(82)	(778)
Carrying amount as at December 31	3,581	728	1,243	5,552

Group as a Lessor

The carrying amounts of property, plant and equipment that are subject to an operating lease (in CZK millions):

	2019			
	Buildings	Plant and equipment	Land and other	Total plant in service
Carrying amount as at December 31	716	54	646	1 416

4. Restricted Financial Assets, Net

Restricted financial assets at December 31, 2019 and 2018 consist of the following (in CZK millions):

	2019	2018
Czech government bonds	16,119	15,205
Cash in banks, net	4,613	3,629
Total restricted financial assets, net	20,732	18,834

The Czech government bonds are measured at fair value through other comprehensive income. The restricted financial assets contain in particular restricted financial assets to cover the costs of nuclear decommissioning, to cover the costs for mine reclamation and mining damages and for waste storage reclamation.

5. Other Financial Assets, Net

Other financial assets, net at December 31, 2019 and 2018 consist of the following (in CZK millions):

	2019			2018		
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total
Term deposits	–	3	3	–	505	505
Other financial receivables	688	56	744	505	35	540
Investment in finance lease	305	48	353	302	51	353
Debt financial assets	10	–	10	10	–	10
Total financial assets at amortized cost	1,003	107	1,110	817	591	1,408
Equity financial assets – investments in Inven Capital, SICAV, a.s.	1,468	–	1,468	2,139	–	2,139
Commodity and other derivatives	908	59,540	60,448	1,249	91,299	92,548
Total financial assets at fair value through profit or loss	2,376	59,540	61,916	3,388	91,299	94,687
Veolia Energie ČR, a.s.	2,444	–	2,444	2,790	–	2,790
Other financial assets	267	–	267	265	–	265
Total equity financial assets	2,711	–	2,711	3,055	–	3,055
Fair value of cash flow hedge derivatives	4,732	1,064	5,796	2,185	126	2,311
Debt financial assets	101	403	504	503	1,287	1,790
Total financial assets at fair value through other comprehensive income	7,544	1,467	9,011	5,743	1,413	7,156
Total	10,923	61,114	72,037	9,948	93,303	103,251

Derivatives balance comprises mainly the positive fair values of commodity trading contracts.

ČEZ, a. s. concluded two put option agreements with Vršanská uhelná a.s. in March 2013. Under these contracts the Company has the right to transfer 100% of the shares of its subsidiary Elektrárna Počerady, a.s. to Vršanská uhelná a.s. First option for the year 2016 was not exercised, second option can be exercised in 2024 for cash consideration of CZK 2 billion. The option agreement could be inactivated until December 31, 2019, which the Group did not apply, which results in the sale in 2024. The contracts represent derivatives that will be settled by the delivery of unquoted equity instrument. Elektrárna Počerady, a.s. is not quoted on any market. There is significant variability in the range of reasonable fair values for this equity instrument (there is no similar power plant in the Czech Republic for sale and also no similar transaction took place) and thus it is difficult to reasonably assess the probabilities of various estimates. As a result, the fair value cannot be reliably measured. Consequently, the put option is measured at cost. There was no option premium paid on the options and therefore the cost of these instruments is zero.

Movements in impairment provisions of other financial assets (in CZK millions):

	2019	2018
Balance as at January 1	(196)	–
Additions	(1)	(196)
Reversals	1	–
Derecognition of impaired assets	188	–
Currency translation differences	6	–
Balance as at December 31	(2)	(196)

Creation of the impairment provisions in 2018 represent in particular the value of 100% impairment provision to the loan provided to the company Akcez Enerji A.S. This loan was derecognized during the year 2019.

Debt financial assets at December 31, 2019 are contracted to mature in the following periods after the balance sheet date (in CZK millions):

	Debt financial assets at fair value through other comprehensive income	Debt financial assets at amortized cost	Investment in finance lease	Other financial receivables
Due in 2020	403	–	48	56
Due in 2021	101	–	49	263
Due in 2022	–	–	44	67
Due in 2023	–	10	82	60
Thereafter	–	–	130	298
Total	504	10	353	744

Debt financial assets at December 31, 2018 are contracted to mature in the following periods after the balance sheet date (in CZK millions):

	Debt financial assets at fair value through other comprehensive income	Debt financial assets at amortized cost	Investment in finance lease	Other financial receivables
Due in 2019	1,287	–	51	35
Due in 2020	402	–	49	186
Due in 2021	101	–	46	61
Due in 2022	–	10	41	53
Thereafter	–	–	166	205
Total	1,790	10	353	540

Debt financial assets at December 31, 2019 have following effective interest rate structure (in CZK millions):

	Debt financial assets at fair value through other comprehensive income	Debt financial assets at amortized cost	Investment in finance lease	Other financial receivables
Less than 2.00% p. a.	504	10	1	470
2.00% to 2.99% p. a.	–	–	7	103
3.00% to 3.99% p. a.	–	–	266	6
4.00% to 4.99% p. a.	–	–	10	9
5% p. a. and more	–	–	69	156
Total	504	10	353	744

Debt financial assets at December 31, 2018 have following effective interest rate structure (in CZK millions):

	Debt financial assets at fair value through other comprehensive income	Debt financial assets at amortized cost	Investment in finance lease	Other financial receivables
Less than 2.00% p. a.	1,790	10	1	532
2.00% to 2.99% p. a.	–	–	3	–
3.00% to 3.99% p. a.	–	–	269	–
4.00% to 4.99% p. a.	–	–	8	8
5% p. a. and more	–	–	72	–
Total	1,790	10	353	540

The following table analyses the debt financial assets at December 31, 2019 by currency (in CZK millions):

	Debt financial assets at fair value through other comprehensive income	Debt financial assets at amortized cost	Investment in finance lease	Other financial receivables
CZK	504	10	93	434
EUR	–	–	260	310
Total	504	10	353	744

The following table analyses the debt financial assets at December 31, 2018 by currency (in CZK millions):

	Debt financial assets at fair value through other comprehensive income	Debt financial assets at amortized cost	Investment in finance lease	Other financial receivables
CZK	503	10	84	398
EUR	1,287	–	269	104
Other	–	–	–	38
Total	1,790	10	353	540

6. Intangible Assets, Net

Intangible assets, net at December 31, 2019 are as follows (in CZK millions):

	Software	Rights and other	Emission rights, green and similar certificates	Goodwill	Intangibles in progress	Total
Cost at December 31, 2018	14,319	11,889	7,164	13,815	733	47,920
Recognition of right-of-use asset on application of IFRS 16	-	36	-	-	-	36
Cost at January 1, 2019	14,319	11,925	7,164	13,815	733	47,956
Additions	32	80	10,224	-	1,138	11,474
Disposals	(291)	(70)	(5,214)	-	(2)	(5,577)
Bring to use	855	105	-	-	(960)	-
Acquisition of subsidiaries	328	680	-	2,450	1	3,459
Impairment of goodwill	-	-	-	(1,544)	-	(1,544)
Reclassification and other	5	-	-	-	(3)	2
Currency translation differences	(29)	(50)	(95)	(155)	(2)	(331)
Cost at December 31, 2019	15,219	12,670	12,079	14,566	905	55,439
Accumulated amortization and impairment at January 1, 2019	(11,863)	(4,930)	-	-	-	(16,793)
Amortization	(1,047)	(659)	-	-	-	(1,706)
Net book value of assets disposed	(4)	(5)	-	-	-	(9)
Disposals	291	70	-	-	-	361
Reclassification and other	(3)	-	-	-	-	(3)
Impairment losses recognized	-	(19)	-	-	-	(19)
Impairment losses reversed	2	118	-	-	-	120
Currency translation differences	23	16	-	-	-	39
Accumulated amortization and impairment at December 31, 2019	(12,601)	(5,409)	-	-	-	(18,010)
Net intangible assets at December 31, 2019	2,618	7,261	12,079	14,566	905	37,429

Intangible assets, net at December 31, 2018 are as follows (in CZK millions):

	Software	Rights and other	Emission rights, green and similar certificates	Goodwill	Intangibles in progress	Total
Cost at January 1, 2018	13,943	13,039	3,517	12,940	662	44,101
Additions	31	10	2,759	-	1,483	4,283
Disposals	(342)	(43)	-	-	(181)	(566)
Bring to use	1,166	24	-	-	(1,190)	-
Acquisition of subsidiaries	-	222	-	1,598	-	1,820
Disposal of subsidiaries	-	(4)	-	(7)	-	(11)
Impairment of goodwill	-	-	-	(727)	-	(727)
Transfer to assets held for sale	(497)	(1,310)	-	-	(42)	(1,849)
Reclassification and other	7	3	866	-	(3)	873
Currency translation differences	11	(52)	22	11	4	(4)
Cost at December 31, 2018	14,319	11,889	7,164	13,815	733	47,920
Accumulated amortization and impairment at January 1, 2018	(11,748)	(5,530)	-	-	(19)	(17,297)
Amortization	(865)	(573)	-	-	-	(1,438)
Net book value of assets disposed	(1)	-	-	-	-	(1)
Disposals	342	43	-	-	-	385
Disposal of subsidiaries	-	4	-	-	-	4
Transfer to assets held for sale	444	857	-	-	19	1,320
Reclassification and other	(9)	-	-	-	-	(9)
Impairment losses recognized	(26)	(53)	-	-	-	(79)
Impairment losses reversed	-	291	-	-	-	291
Currency translation differences	-	31	-	-	-	31
Accumulated amortization and impairment at December 31, 2018	(11,863)	(4,930)	-	-	-	(16,793)
Net intangible assets at December 31, 2018	2,456	6,959	7,164	13,815	733	31,127

Research and development costs, net of grants and subsidies received, that are not eligible for capitalization have been expensed in the period incurred and amounted to CZK 482 million in 2019 and CZK 396 million in 2018.

Group's intangible assets, net pledged as security for liabilities at December 31, 2019 and 2018 is CZK 261 million and CZK 199 million, respectively.

At December 31, 2019 the net book value of intangible assets under the right-of-use assets is CZK 30 million.

At December 31, 2019 and 2018 goodwill allocated to cash-generating units is as follows (in CZK millions):

	2019	2018
Companies of Elevion Group excluding Hermos	3,800	3,535
Czech distribution	2,200	2,200
Energotrans	1,675	1,675
Companies of ČEZ ESCO Group	1,143	1,040
Hermos	1,084	–
Polish power plants (Chorzów, Skawina)	949	1,173
Euroklimat	832	–
Romanian distribution	781	1,824
Companies of Kofler Energies Group	673	621
Romanian sale	495	513
Severočeské doly	292	292
TMK Hydroenergy Power	260	270
Metrolog	118	118
Energetické centrum	–	261
Other	264	293
Total	14,566	13,815

7. Impairment of Property, Plant and Equipment and Intangible Assets

The following table summarizes the impairments of property, plant and equipment and intangible assets by cash-generating units in 2019 (in CZK millions):

	Impairment losses				Total	Impairment reversals			Total
	Goodwill	Intangible assets other than goodwill	Property, plant and equipment	Property, plant and equipment held for sale		Intangible assets other than goodwill	Property, plant and equipment	Total	
Bulgarian distribution	–	–	–	(1,589)	(1,589)	–	–	–	(1,589)
Polish power plants (Chorzów, Skawina)	(222)	–	(1,159)	–	(1,381)	–	–	–	(1,381)
Romanian distribution	(995)	–	(172)	–	(1,167)	–	4	4	(1,163)
Romanian wind power farms	–	–	(53)	–	(53)	120	993	1,113	1,060
Elektrárna Dětmarovice	–	–	(708)	–	(708)	–	–	–	(708)
ČEZ Teplárenská	(66)	(15)	(606)	–	(687)	–	–	–	(687)
Energetické centrum	(261)	(4)	(35)	–	(300)	–	–	–	(300)
ČEZ	–	–	(114)	–	(114)	–	–	–	(114)
Other	–	–	(37)	–	(37)	–	59	59	22
Total	(1,544)	(19)	(2,884)	(1,589)	(6,036)	120	1,056	1,176	(4,860)

The following table summarizes the impairments of property, plant and equipment and intangible assets by cash-generating units in 2018 (in CZK millions):

	Impairment losses				Total	Impairment reversals			Total
	Goodwill	Intangible assets other than goodwill	Property, plant and equipment	Property, plant and equipment held for sale		Intangible assets other than goodwill	Property, plant and equipment	Total	
ČEZ Teplárenská	(727)	(53)	(2)	–	(782)	–	–	–	(782)
Bulgarian distribution	–	–	–	(621)	(621)	–	–	–	(621)
Romanian wind power farms	–	(1)	(109)	–	(110)	291	219	510	400
Polish power plants (Chorzów, Skawina)	–	–	(279)	–	(279)	–	–	–	(279)
ČEZ OZ uzavřený investiční fond	–	–	(222)	–	(222)	–	30	30	(192)
ČEZ	–	–	(188)	–	(188)	–	–	–	(188)
Romanian distribution	–	–	(71)	–	(71)	–	23	23	(48)
Other	–	(26)	(52)	(22)	(100)	–	44	44	(56)
Total	(727)	(80)	(923)	(643)	(2,373)	291	316	607	(1,766)

In 2019 and 2018 the Group performed impairment tests of goodwill and tests of other non-current assets where there was an indication that the carrying amounts could be impaired.

The impairment loss of property, plant and equipment of cash-generating unit Bulgarian distribution in 2019 was recognized with regard to the fact that the assets are classified as held for sale (Note 15) and the contracted sale price is fixed and denominated in EUR (so-called "locked box") and the carrying amount of assets as of the December 31, 2019 exceeded the contracted amount. Recognized impairment of goodwill and property, plant and equipment of cash-generating unit Polish power plants (Chorzów, Skawina) in 2019 was caused mainly by decrease in planned profitability of CEZ Skawina S.A. especially due to increase of market prices of emission rights and due to increase of the rate for discounting of the cash flows from 5.2% in 2018 to 5.8% in 2019. Recognized impairment of goodwill and property, plant and equipment of cash-generating unit Romanian distribution in 2019 was caused mainly by the increase of the rate for discounting of the cash flows from 6.2% in 2018 to 6.4% in 2019, by increased amounts for expected renewal investments and by overall decrease in expected cash flows. The Group reversed impairment of the property, plant and equipment and intangible assets of the cash-generating unit Romanian wind power farms in 2019 mainly due to increase in market prices of electricity and due to positive effect of the development of RON/EUR exchange rate to the green certificates classified as intangible assets. Recognized impairment of property, plant and equipment of cash-generating unit Elektrárna Dětmarovice in 2019 was caused mainly by the decrease in the outlook for the expected profitability of the generation source over its useful life in the region especially due to the increase in market prices of emission rights. Recognized impairment of goodwill and property, plant and equipment of cash-generating unit ČEZ Teplárenská in 2019 was caused mainly by the decrease in the expected profitability from the sale of heat as the cost of heat production increased. Recognized impairment of goodwill and property, plant and equipment of cash-generating unit Energetické centrum in 2019 was caused mainly by the decrease in the expected profitability from the sale of heat.

Recognized impairment of non-current assets of cash-generating unit ČEZ Teplárenská in 2018 was caused mainly due to increase of the rate used for discounting of cash flows from 3.2% in 2017 to 4.0% in 2018. The impairment loss of property, plant and equipment of cash-generating unit Bulgarian distribution in 2018 was recognized with regard to the fact that the assets are classified as held for sale (Note 15) and the contracted sale price is fixed and denominated in EUR (so-called "locked box") and the carrying amount of assets as of the December 31, 2018 exceeded the contracted amount. The Group reversed impairment of the property, plant and equipment and intangible assets of the cash-generating unit Romanian wind power farms in 2018 mainly due to increase in market prices of electricity and due to positive effect of the development of RON/EUR exchange rate to the green certificates classified as intangible assets. Recognized impairment of property, plant and equipment of cash-generating unit Polish power plants in 2018 was caused mainly by decrease in expected profitability of CEZ Skawina S.A. and increased amount of capital expenditures for refurbishments. Recognized impairment of cash-generating unit ČEZ OZ uzavřený investiční fond in 2018 was caused mainly in relation to the expected decrease in future regulated revenues.

Description of selected parameters related to testing and determination of recoverable amounts

The impairment test involves determining the recoverable amount of the cash-generating unit, which corresponds to the value in use except for Bulgarian distribution and Bulgarian sale as at December 31, 2019 and 2018 when fair value less costs of disposal was used. Value in use is the present value of the future cash flows expected to be derived from a cash-generating unit and is assessed from a company internal perspective.

Values in use are determined based on a complex projection of cash flows or on the medium-term budget for a period of 5 years and on the anticipated development of the expected cash flows in the long-term, which is valid when the impairment test is performed. These budgets are based on the past experience, as well as on the anticipated future market trends and on the macroeconomic development of the respective region.

a. The value in use based on complex projection of cash flows of respective companies for the period covering remaining useful life of tested assets was used for determination of the recoverable amounts of the following cash-generating units:

ČEZ, a. s. generation assets are tested for any possible impairment as a single cash-generating unit with the exception of specific assets, e.g. the gas fired power plant in Počerady. Company's cash-generating unit of generation assets is characterized by portfolio management in the deployment and maintenance of various power plants and the cash flows generated from these activities.

As part of testing the recoverable value of fixed assets of the cash-generating unit of ČEZ, a. s. (hereinafter the ČEZ Value), we performed a sensitivity analysis of the test results to changes in certain key parameters of the used model – changes in wholesale power prices (hereinafter the EE Prices), changes in the discount rate used in the calculation of the present value of future cash flows and changes in CZK/EUR exchange rate.

The development of commodity prices and, in particular, the development of wholesale power prices in Germany (as German power prices have a major impact on the development of wholesale power prices in the Czech Republic) are the key assumptions used for the ČEZ Value model. The developments of wholesale prices are primarily determined by the EU political decisions, the development of global demand and supply of commodities and the technological progress.

The development of EE price is influenced by a number of external factors, including, in particular, changes in the structure and availability of generation capacity in the Czech Republic and neighboring countries, the macroeconomic development of the Central European region and the regulation of the energy sector in the EU and Germany (fundamental impacts of premature decommissioning of German nuclear power plants in 2020–2022 and impacts of the EU approved climate and energy targets for 2030) and also by targets of the Czech Republic State Energy Concept. The model was constructed for a period adequate to the useful life of the power plants, i.e. for a period that significantly exceeds the period for which commodities, including wholesale power price contracts, are traded on public liquid markets. In addition, the power market is subject to structural changes (the Market Design) and major industry regulation; consequently, complete abandonment of market-based power pricing mechanisms and implementation of alternative, centrally regulated payments for the availability and supply of power plants within the period of useful life of the power plants is actually possible.

With respect to the fact that we are using a long-term model, there are certain internal factors and assumptions that affect the ČEZ Value sensitivity to the development of power prices, such as varying deployment of the generation portfolio depending on the development of power prices, emission allowances and variable generation costs and, in a longer perspective, also the development of fixed costs reflecting the development of the power plants gross margin.

The sensitivity test results reflect expert estimates of the status and development of the above factors in the period of the model and the status of commercial securing of the generation portfolio as at December 31, 2019.

The test considers long-term EE prices at the level used to prepare Company's business plan for 2020–2024. The plan was prepared in the fourth quarter 2019 whereas the plan was based on the active market parameters observed in August and September 2019 (power prices on EEX energy exchange in Germany, prices on PXE energy exchange in the Czech Republic, price of CO₂ emission rights, FX rate CZK/EUR, interest rates etc.). There is a liquidity for power contracts traded on EEX for the period covering the horizon of the business plan and with regard to links between German and Czech power transmission network, the EEX prices are basic market price indicator for EE prices in the Czech Republic. For the purposes of the sensitivity analysis, the input EE prices, emission rights prices and foreign exchange rates were applied to the relevant opened positions of the Company.

A change of the assumed EE prices as per the models by 1%, with other parameters remaining unchanged, would have an impact of approximately CZK 7.8 billion on the ČEZ Value test results. Future cash flows of the model were discounted using a 4.1% rate. A change of 0.1 percentage point in the discount rate, with other parameters remaining unchanged, would change the ČEZ Value by approximately CZK 5.1 billion. A change of 1% in the CZK/EUR exchange rate, with other parameters remaining unchanged, would result in a change of approximately CZK 6.7 billion in the ČEZ Value.

The cash flow projections of Romanian wind power farms are based on approved renewable energy support in the form of granted green certificates and a discount rate of 6.6%. The projection of the cash flows includes assumption of receiving one green certificate as approved by Romanian Energy Regulatory Authority ANRE. The recovery of deferred green certificates and other green certificates classified as intangible assets is expected till 2028. One of the main factors influencing the value of future cash flows is the price of green certificates. Current value of the green certificate in the model is EUR 29.4, which is the floor price set by regulation. Change of the discount rate by 1 percentage point, all other variables held constant, would result in change of value in use by approximately CZK 0.8 billion.

The generation sources in Poland (power plants Chorzów and Skawina) also belong among tested non-current assets where cash flow projections covering remaining useful life were used and the future cash flows were discounted using rate of 5.8%.

b. The value in use derived from the projection of cash flows based on financial budget for a period of 5 years and on the expected future development of cash flows generated from the respective assets was applied when determining the recoverable amount of the following cash-generating units:

The discount rate of 3.3% was used for Czech distribution. Cash flows beyond the five-year period for Czech distribution were based on the terminal value of regulatory asset base.

The discount rate of 3.7% was used for Energotrans and ČEZ Teplárenská. Cash flows beyond the five-year period are extrapolated using 2.0% growth rate for Energotrans and using 2.5% growth rate ČEZ Teplárenská.

The discount rate of 3.7% was used for Energetické centrum. Cash flows beyond the five-year period are extrapolated using 2.0% growth rate.

The discount rate of 4.1% was used for companies of Elevion Group and Kofler Energies Group. There is no growth rate considered for cash flows beyond five-year period.

The discount rate of 6.4% was used for Romanian distribution. Cash flows beyond the five-year period for Romanian distribution were based on the terminal value of regulatory asset base. Change of the discount rate by 1 percentage point, all other variables held constant, would result in change of value in use by approximately CZK 1.6 billion.

c. The calculations of value in use for all cash-generating units are most sensitive to the following assumptions:

Gross margins – Gross margins are based on experience from historical trends in the preceding periods, current outlook of market and non-market parameters, eventually with regard to operational efficiency improvements. Gross margins are affected especially by wholesale electricity prices, prices of emission rights and prices of green and similar certificates.

Raw materials price inflation – Estimates are obtained from published indices for the countries from which materials are sourced, as well as data relating to specific commodities. Forecast figures are used if data is available, otherwise past actual raw material price movements have been used as an indicator of future price movements.

Discount rate – Discount rates reflect management's estimate of the risk specific to each unit. The basis used to determine the value assigned is weighted average cost of capital (WACC) of the related subsidiaries.

Estimated growth rate – The basis used to determine the value assigned to estimated growth rate is the anticipated future development of the market, gross domestic product, nominal wages and interest rates and the forecast of regulatory environment, where subsidiaries conduct the business.

8. Changes in the Group Structure

8.1. Changes in the Group Structure in 2019

Acquisitions of Subsidiaries in 2019

Through new acquisitions, the Group is following strategic plan for developing of energy services in the Czech Republic and Slovakia and in foreign markets close to the Czech Republic, primarily in Germany, northern Italy and Poland.

On January 1, 2019 the Group acquired a 100% interest in the company ITX MEDIA, a.s., which owned and operated 22 heat pumps in two Teplice areas.

On January 7, 2019 the Group acquired a 100% interest (effective interest 95%) in German company H & R Elektromontagen GmbH.

On January 9, 2019 the Group acquired a 100% interest (effective interest 95%) in German company GBM Gesellschaft für Büromanagement mbH.

On January 25, 2019 the Group acquired a 100% interest (effective interest 95%) in German company En.plus GmbH, which deals with designing and installation of air-conditioning and cooling equipment.

On May 13, 2019 the Group acquired a 51% interest in Slovak company e-Dome a. s., which provides energy services.

On May 15, 2019 the Group acquired a 100% interest (effective interest 95%) in German companies Hermos AG and Hermos Schaltanlagen GmbH (further also as "Hermos"), that deliver solutions consisting of engineering, manufacturing of switchgears, software for automation systems and IT systems and from after-sale services.

On May 16, 2019 the Group acquired a 100% interest (effective interest 95%) in German company FEA Automation GmbH, which deals with buildings automation systems.

On June 21, 2019 the Group acquired a 100% interest (effective interest 95%) in German company Detlef Walther GmbH.

On June 24, 2019 the Group acquired a 100% interest (effective interest 95%) in German company Kälteanlagenbau Schröder GmbH.

On June 28, 2019 the Group acquired a 100% interest in the company HA.EM OSTRAVA, s.r.o., which supplies and installs technological equipment.

On July 11, 2019 the Group acquired a 70% interest in Italian company BUDRIO GFE 312 SOCIETA' AGRICOLA S.R.L.

On July 11, 2019 and July 12, 2019 the Group acquired a 100% interests in companies SYNECO ENERGY SERVICE S.R.L., SYNECO GROUP S.R.L., SYNECO PROJECT S.R.L. and SYNECO tec GmbH, that provide energy consulting and services, planning and development.

On August 30, 2019 the Group acquired a 76% interest in Polish company Euroklimat sp. z o.o., which is a contractor for sanitary installations and provides fitting, maintenance and design services. The part of the transaction is call option of CEZ Group and the symmetrical put option of sellers for the remaining 24%. With regard to the fact, that the contractual terms of these options effectively transfer economic benefits of the ownership to CEZ Group as at the acquisition date, the transaction is accounted for as the acquisition of 100% with the contingent consideration which will be paid after the option is exercised.

On September 6, 2019 the Group acquired a 100% interest (effective interest 95%) in German company Elektro-Technik-Pfisterer-GmbH.

On December 17, 2019 the Group acquired a 100% interest in German company GWE Verwaltungs GmbH. On December 19, 2019 the Group acquired a 100% interest in German company GWE Wärme- und Energietechnik GmbH & Co. KG. These companies offer services in area of planning, construction and optimization of cogeneration units.

The fair values of acquired identifiable assets and liabilities and the purchase considerations have been stated provisionally and could be adjusted in the subsequent period. The following table presents the current best estimate of fair values of acquired identifiable assets and liabilities as of the date of acquisitions (in CZK millions):

	Hermos	Euroklimat	En.plus	Other	Total
Share of the Group being acquired	100%	100%	100%		
Property, plant and equipment, net	452	68	18	92	630
Intangible assets, net	652	235	92	30	1,009
Other non-current assets	21	16	–	7	44
Cash and cash equivalents	201	10	–	70	281
Trade receivables, net	195	278	195	161	829
Contract assets	380	7	29	19	435
Another current assets	39	126	3	32	200
Long-term debt, net of current portion	(67)	(42)	–	(5)	(114)
Long-term provisions	(45)	(24)	–	(2)	(71)
Deferred tax liability	(198)	(44)	(28)	(1)	(271)
Short-term loans	(25)	–	(103)	(28)	(156)
Current portion of long-term debt	(12)	(4)	–	–	(16)
Trade payables	(163)	(191)	(47)	(194)	(595)
Short-term provisions	(90)	(7)	(14)	(21)	(132)
Another current liabilities	(205)	(94)	(15)	(20)	(334)
Total net assets	1,135	334	130	140	1,739
Share of net assets acquired	1,135	334	130	135	1,734
Goodwill	1,101	824	222	303	2,450
Total purchase consideration	2,236	1,158	352	438	4,184
Liabilities from acquisition of the subsidiary	–	(317)	(66)	(66)	(449)
Cash outflow on acquisition in 2019	2,236	841	286	372	3,735
Less: Cash and cash equivalents in the subsidiary acquired	(201)	(10)	–	(70)	(281)
Cash outflow on acquisition in 2019, net	2,035	831	286	302	3,454

If the acquisitions had taken place at the beginning of the year 2019, net income for CEZ Group as of December 31, 2019 would have been CZK 14,551 million and the revenues and other operating income from continuing operations would have been CZK 208,124 million. The amounts of goodwill recognized as a result of the business combinations comprise the value of expected synergies arising from the acquisitions.

From the acquisition date, the newly acquired subsidiaries have contributed the following balances to the Group's statement of income (in CZK millions):

	Hermos	Euroklimat	En.plus	Other	Total
Revenues and other operating income	1,119	449	958	532	3,058
Income before other income (expense) and income taxes	129	16	41	40	226
Net income	116	11	28	32	187
Net income attributable:					
Equity holders of the parent	111	11	26	34	182
Non-controlling interests	5	–	2	(2)	5

The following table summarizes the cash flows related to acquisitions in 2019 (in CZK millions):

Cash outflow on acquisitions of the subsidiaries	3,735
Cash outflow on investments in joint-ventures	2
Payments of payables from acquisitions in previous periods	73
Less: Cash and cash equivalents acquired	(281)
Total cash outflows on acquisitions	3,529

Acquisitions of Non-controlling Interests in 2019

On July 23, 2019 the Group acquired remaining non-controlling 49% share in the company ČEZ LDS s.r.o.

8.2. Changes in the Group Structure in 2018

Acquisitions of Subsidiaries in 2018

The fair values of acquired identifiable assets and liabilities as of the date of acquisitions were as follows (in CZK millions):

	Kofler Energies	ČEZ Energo	HS Prešov	Metrolog	Other	Total
Share of the Group being acquired	100%	–	55%	100%		
Property, plant and equipment, net	20	2,035	364	83	103	2,605
Intangible assets, net	131	1	1	51	38	222
Investment in financial lease, net of current portion	236	–	–	–	–	236
Deferred tax assets	44	–	2	3	2	51
Other non-current assets	8	3	–	–	11	22
Cash and cash equivalents	37	131	58	99	165	490
Trade receivables, net	140	31	27	44	215	457
Other financial assets, net	44	–	–	–	18	62
Another current assets	69	103	13	46	128	359
Long-term debt, net of current portion	(239)	(733)	(74)	–	(42)	(1,088)
Deferred tax liability	(62)	(135)	(1)	(13)	(15)	(226)
Other long-term liabilities	(2)	–	(1)	–	(11)	(14)
Trade payables	(130)	(49)	(17)	(45)	(135)	(376)
Another current liabilities	(151)	(83)	(123)	(20)	(194)	(571)
Total net assets	145	1,304	249	248	283	2,229
Share of net assets acquired	145	653	144	248	283	1,473
Goodwill	618	49	372	120	439	1,598
Negative goodwill	–	–	–	–	(1)	(1)
Total purchase consideration	763	702	516	368	721	3,070
Liabilities from acquisition of the subsidiary	–	–	–	(40)	(110)	(150)
Book value of previously held investment in joint-venture	–	(601)	–	–	–	(601)
Gain from remeasurement of previously held investment to fair value ¹⁾	–	(101)	–	–	–	(101)
Cash outflow on acquisition in 2018	763	–	516	328	611	2,218
Less: Cash and cash equivalents in the subsidiary acquired	(37)	(131)	(58)	(99)	(165)	(490)
Cash outflow on acquisition in 2018, net	726	(131)	458	229	446	1,728

¹⁾ Gain from remeasurement of previously held investment in ČEZ Energo, s.r.o. to fair value was included in statement of income in the line Share of profit (loss) from associates and joint-ventures.

If the combinations had taken place at the beginning of the year 2018, net income for CEZ Group as of December 31, 2018 would have been CZK 10,539 million and the revenues and other operating income from continuing operations would have been CZK 186,689 million. The amounts of goodwill recognized as a result of the business combinations comprise the value of expected synergies arising from the acquisitions.

From the acquisition date, the newly acquired subsidiaries have contributed the following balances to the Group's statement of income (in CZK millions):

	Kofler Energies	ČEZ Energo	HS Prešov	Metrolog	Other	Total
Revenues and other operating income	491	430	68	579	234	1,802
Income (loss) before other income (expense) and income taxes	36	10	8	39	36	129
Net income (loss)	29	(23)	(3)	32	31	66
Net income (loss) attributable:						
Equity holders of the parent	29	(12)	(2)	32	28	75
Non-controlling interests	–	(11)	(1)	–	3	(9)

New Investments in Associates and Joint-ventures in 2018

Overview about these transactions provides the following table (in CZK millions):

	Bytkomfort	Other	Total
Share acquired in 2018	49%	50%	
Total net assets	208	91	299
Share of net assets acquired	102	45	147
Goodwill	136	179	315
Total purchase consideration	238	224	462
Related outstanding payables	–	(8)	(8)
Cash outflow on investment	238	216	454

The following table summarizes the cash flows related to acquisitions in 2018 (in CZK millions):

Cash outflow on acquisitions of the subsidiaries	2,218
Cash outflow on investments in joint-ventures	454
Advanced payments for investments in joint-ventures	14
Payments of payables from acquisitions in previous periods	18
Less: Cash and cash equivalents acquired	(490)
Total cash outflows on acquisitions	2,214

Acquisitions and Sale of Non-controlling Interests in 2018

On January 2, 2018 the Group acquired remaining non-controlling 25% share in the company ENESA a.s. On December 10, 2018 the Group acquired remaining non-controlling 49% share in the company ČEZ Bytové domy, s.r.o.

On January 2, 2018 the Group sold 0.04% share in the company ČEZ OZ uzavřený investiční fond a.s.

Loss of Control in the Company Eco-Wind Construction S.A.

On September 13, 2018 the bankruptcy of the company Eco-Wind Construction S.A. was announced. As a result of taking control over the company by a bankruptcy trustee appointed by the court, the Group lost control over the company. Due to the loss of control, the net assets were derecognized from the consolidated balance sheet and the related gain from the loss of control of CZK 157 million was recognized in the statement of income on the line Other financial income.

9. Investments in Subsidiaries, Associates and Joint-ventures

The consolidated financial statements of CEZ Group include the financial figures of ČEZ, a. s. and its subsidiaries, associates and joint-ventures listed in the following table:

Subsidiaries	Country	Operating segment	% equity interest ¹⁾		% voting interest
			Change in 2019	2019	2019
New acquisitions					
BUDRIO GFE 312 SOCIETA' AGRICOLA S.R.L.	IT	S	70.00	70.00	70.00
Detlef Walther GmbH	DE	S	95.00	95.00	100.00
e-Dome a. s.	SK	S	51.00	51.00	51.00
Elektro-Technik-Pfisterer-GmbH	DE	S	95.00	95.00	100.00
En.plus GmbH	DE	S	95.00	95.00	100.00
Euroklimat sp. z o.o.	PL	S	100.00	100.00	76.00
FEA Automation GmbH	DE	S	95.00	95.00	100.00
GBM Gesellschaft für Büromanagement mbH	DE	S	100.00	–	–
GWE Verwaltungs GmbH	DE	S	100.00	100.00	100.00
GWE Wärme- und Energietechnik GmbH & Co. KG	DE	S	100.00	100.00	100.00
H & R Elektromontagen GmbH	DE	S	95.00	95.00	100.00
HA.EM OSTRAVA, s.r.o.	CZ	S	100.00	100.00	100.00
Hermos AG	DE	S	95.00	95.00	100.00
Hermos Gesellschaft für Steuer-, Meß- und Regeltechnik mbH	DE	S	95.00	95.00	100.00
HERMOS International GmbH	DE	S	95.00	95.00	100.00
HERMOS SDN. BHD	MY	S	95.00	95.00	100.00
Hermos Schaltanlagen GmbH	DE	S	95.00	95.00	100.00
Hermos Sp. z.o.o.	PL	S	95.00	95.00	100.00
Hermos Systems GmbH	DE	S	95.00	95.00	100.00
ITX MEDIA a.s.	CZ	GenT	100.00	–	–
Kälteanlagenbau Schröder GmbH	DE	S	95.00	95.00	100.00
SYNECO ENERGY SERVICE S.R.L.	IT	S	100.00	100.00	100.00
SYNECO GROUP S.R.L.	IT	S	100.00	100.00	100.00
SYNECO PROJECT S.R.L.	IT	S	100.00	100.00	100.00
SYNECO tec GmbH	AT	S	100.00	100.00	100.00
Asset deals					
Ferme éolienne d'Allas-Nieul SAS	FR	GenN	100.00	100.00	100.00
Ferme éolienne de Feuillade et Souffrignac SAS	FR	GenN	100.00	100.00	100.00
Ferme éolienne de Genouillé SAS	FR	GenN	100.00	100.00	100.00
Ferme éolienne de la Petite Valade SAS	FR	GenN	100.00	100.00	100.00
Ferme éolienne de Nueil-sous-Faye SAS	FR	GenN	100.00	100.00	100.00
Ferme éolienne de Saugon SAS	FR	GenN	100.00	100.00	100.00
Ferme éolienne des Besses SAS	FR	GenN	100.00	100.00	100.00
Ferme éolienne du Blessonnier SAS	FR	GenN	100.00	100.00	100.00
Changes of non-controlling interest					
ČEZ Distribuční systavy a.s.	SK	S	49.00	100.00	100.00
ČEZ LDS s.r.o.	CZ	S	49.00	100.00	100.00
Newly established subsidiaries					
Telco Infrastructure, s.r.o.	CZ	SuppS	100.00	100.00	100.00
Sale					
EASY POWER s.r.o.	CZ	S	(51.00)	–	–
Merger within the Group					
AYIN, s.r.o.	CZ	GenT	(100.00)	–	–
CEZ Trade Polska sp. z o.o.	PL	S	(100.00)	–	–
ČEZ Bytové domy, s.r.o.	CZ	S	(100.00)	–	–
Domat Holding s.r.o.	CZ	S	(100.00)	–	–
EVČ s.r.o.	CZ	S	(100.00)	–	–
Ferme Eolienne de Saint-Aulay SAS	FR	GenN	(100.00)	–	–
GBM Gesellschaft für Büromanagement mbH	DE	S	(100.00)	–	–
HAu.S GmbH	DE	S	(95.00)	–	–
ITX MEDIA a.s.	CZ	GenT	(100.00)	–	–
REN Development s.r.o.	CZ	GenN	(100.00)	–	–
ŠKODA PRAHA Invest s.r.o.	CZ	GenT	(100.00)	–	–
Other subsidiaries with no change in ownership interest or voting rights in 2019					
A.E. Wind S.A.	PL	GenN	–	100.00	100.00
AirPlus, spol. s r.o.	CZ	S	–	100.00	100.00
Areál Třeboradice, a.s.	CZ	GenT	–	100.00	100.00
AZ KLIMA a.s.	CZ	S	–	100.00	100.00

¹⁾ The equity interest represents effective ownership interest of the Group.

Subsidiaries	Country	Operating segment	% equity interest ¹⁾		% voting interest
			Change in 2019	2019	2019
AZ KLIMA SK, s.r.o.	SK	S	–	100.00	100.00
Baltic Green Construction sp. z o.o.	PL	GenN	–	100.00	100.00
Baltic Green I sp. z o.o.	PL	GenN	–	100.00	100.00
Baltic Green II sp. z o.o.	PL	GenN	–	100.00	100.00
Baltic Green III sp. z o.o.	PL	GenN	–	100.00	100.00
Baltic Green IX sp. z o.o.	PL	GenN	–	100.00	100.00
Baltic Green V sp. z o.o.	PL	GenN	–	100.00	100.00
Baltic Green VI sp. z o.o.	PL	GenN	–	100.00	100.00
Baltic Green VIII sp. z o.o.	PL	GenN	–	100.00	100.00
BANDRA Mobiliengesellschaft mbH & Co. KG	DE	GenN	–	100.00	100.00
Bara Group EOOD	BG	GenN	–	100.00	100.00
CASANO Mobiliengesellschaft mbH & Co. KG	DE	GenN	–	100.00	100.00
Centrum výzkumu Řež s.r.o.	CZ	GenT	–	52.46	100.00
CEZ Bulgaria EAD	BG	D	–	100.00	100.00
CEZ Bulgarian Investments B.V.	NL	GenN	–	100.00	100.00
CEZ Deutschland GmbH	DE	GenN	–	100.00	100.00
CEZ Elektro Bulgaria AD	BG	S	–	67.00	67.00
CEZ Erneuerbare Energien Beteiligungs GmbH	DE	GenN	–	100.00	100.00
CEZ Erneuerbare Energien Beteiligungs II GmbH	DE	GenN	–	100.00	100.00
CEZ Erneuerbare Energien Verwaltungs GmbH	DE	GenN	–	100.00	100.00
CEZ ESCO Bulgaria EOOD	BG	S	–	100.00	100.00
Elevion Deutschland Holding GmbH	DE	S	–	95.00	92.00
CEZ ESCO II GmbH	DE	S	–	100.00	100.00
CEZ ESCO Polska sp. z o.o.	PL	S	–	100.00	100.00
CEZ ESCO Romania S.A.	RO	S	–	100.00	100.00
CEZ France SAS	FR	GenN	–	100.00	100.00
CEZ Holdings B.V.	NL	GenN	–	100.00	100.00
CEZ Hungary Ltd.	HU	GenT	–	100.00	100.00
CEZ Chorzów II sp. z o.o.	PL	GenT	–	100.00	100.00
CEZ Chorzów S.A.	PL	GenT	–	100.00	100.00
CEZ ICT Bulgaria EAD	BG	D	–	67.00	100.00
CEZ MH B.V.	NL	SuppS	–	100.00	100.00
CEZ New Energy Investments B.V. ²⁾	NL	GenN	–	100.00	100.00
CEZ Polska sp. z o.o.	PL	SuppS	–	100.00	100.00
CEZ Produkty Energetyczne Polska sp. z o.o.	PL	GenT	–	100.00	100.00
CEZ Razpredelenie Bulgaria AD	BG	D	–	67.00	67.00
CEZ Romania S.A.	RO	D	–	100.00	100.00
CEZ Skawina S.A.	PL	GenT	–	100.00	100.00
CEZ Slovensko, s.r.o.	SK	S	–	100.00	100.00
CEZ Srbija d.o.o.	RS	GenT	–	100.00	100.00
CEZ Towarowy Dom Maklerski sp. z o.o.	PL	GenT	–	100.00	100.00
CEZ Trade Bulgaria EAD	BG	S	–	100.00	100.00
CEZ Trade Romania S.R.L.	RO	GenT	–	100.00	100.00
CEZ Ukraine LLC	UA	SuppS	–	100.00	100.00
CEZ Vanzare S.A.	RO	S	–	100.00	100.00
CEZ Windparks Lee GmbH	DE	GenN	–	100.00	100.00
CEZ Windparks Luv GmbH	DE	GenN	–	100.00	100.00
CEZ Windparks Nordwind GmbH	DE	GenN	–	100.00	100.00
ČEZ Asset Holding, a. s.	CZ	SuppS	–	100.00	100.00
ČEZ Bohunice a.s.	CZ	GenT	–	100.00	100.00
ČEZ Distribuce, a. s.	CZ	D	–	100.00	100.00
ČEZ Energetické produkty, s.r.o.	CZ	GenT	–	100.00	100.00
ČEZ Energetické služby, s.r.o.	CZ	S	–	100.00	100.00
ČEZ Energo, s.r.o.	CZ	S	–	50.10	50.10
ČEZ ENERGOSEKVIS spol. s r.o.	CZ	GenT	–	100.00	100.00
ČEZ ESCO, a.s.	CZ	S	–	100.00	100.00
ČEZ ICT Services, a. s.	CZ	SuppS	–	100.00	100.00
ČEZ Korporátní služby, s.r.o.	CZ	SuppS	–	100.00	100.00
ČEZ Obnovitelné zdroje, s.r.o.	CZ	GenN	–	100.00	100.00
ČEZ OZ uzavřený investiční fond a.s.	CZ	GenN	–	99.96	99.96
ČEZ Prodej, a.s.	CZ	S	–	100.00	100.00
ČEZ Recyklace, s.r.o.	CZ	GenN	–	99.00	99.00
ČEZ Solární, s.r.o.	CZ	S	–	100.00	100.00
ČEZ Teplárenská, a.s.	CZ	GenT	–	100.00	100.00
D-I-E ELEKTRO AG	DE	S	–	95.00	100.00

¹⁾ The equity interest represents effective ownership interest of the Group.

²⁾ The company name CEZ New Energy Investment B.V. was changed to CEZ ESCO International B.V. in 2020.

Subsidiaries	Country	Operating segment	% equity interest ¹⁾		% voting interest
			Change in 2019	2019	2019
Distributie Energie Oltenia S.A.	RO	D	-	100.00	100.00
Domat Control System s.r.o.	CZ	S	-	100.00	100.00
EAB Automation Solutions GmbH	DE	S	-	95.00	100.00
EAB Elektroanlagenbau GmbH Rhein/Main	DE	S	-	95.00	100.00
EGP INVEST, spol. s r.o., v likvidaci	CZ	GenT	-	52.46	100.00
Elektrárna Dětmorovice, a.s.	CZ	GenT	-	100.00	100.00
Elektrárna Dukovany II, a. s.	CZ	GenT	-	100.00	100.00
Elektrárna Mělník III, a. s.	CZ	GenT	-	100.00	100.00
Elektrárna Počerady, a.s.	CZ	GenT	-	100.00	100.00
Elektrárna Temelín II, a. s.	CZ	GenT	-	100.00	100.00
Elektro-Decker GmbH	DE	S	-	95.00	100.00
Elevion GmbH	DE	S	-	95.00	100.00
Energetické centrum s.r.o.	CZ	GenT	-	100.00	100.00
Energocentrum Vítkovice, a. s.	CZ	S	-	100.00	100.00
Energotrans, a.s.	CZ	GenT	-	100.00	100.00
ENESA a.s.	CZ	S	-	100.00	100.00
ESCO City I sp. z o.o.	PL	S	-	100.00	100.00
ESCO City II sp. z o.o.	PL	S	-	100.00	100.00
ESCO City III sp. z o.o.	PL	S	-	100.00	100.00
ESCO City IV sp. z o.o.	PL	S	-	100.00	100.00
ESCO City V sp. z o.o.	PL	S	-	100.00	100.00
ESCO City VI sp. z o.o.	PL	S	-	100.00	100.00
ETS Efficient Technical Solutions GmbH	DE	S	-	95.00	100.00
ETS Efficient Technical Solutions Shanghai Co. Ltd.	CN	S	-	95.00	100.00
ETS Engineering Kft.	HU	S	-	95.00	100.00
Ferme Eolienne d'Andelaroche SAS	FR	GenN	-	100.00	100.00
Ferme Eolienne de la Piballe SAS	FR	GenN	-	100.00	100.00
Ferme Eolienne de Neuville-aux-Bois SAS	FR	GenN	-	100.00	100.00
Ferme Eolienne de Saint-Laurent-de-Céris SAS	FR	GenN	-	100.00	100.00
Ferme Eolienne de Seigny SAS	FR	GenN	-	100.00	100.00
Ferme Eolienne de Thorigny SAS	FR	GenN	-	100.00	100.00
Ferme Eolienne des Breuils SAS	FR	GenN	-	100.00	100.00
Ferme Eolienne des Grands Clos SAS	FR	GenN	-	100.00	100.00
Ferme Eolienne du Germancé SAS	FR	GenN	-	100.00	100.00
Free Energy Project Oreshets EAD	BG	GenN	-	100.00	100.00
High-Tech Clima d.o.o.	RS	S	-	100.00	100.00
High-Tech Clima S.A.	RO	S	-	100.00	100.00
HORMEN CE a.s.	CZ	S	-	51.00	51.00
Hybridkraftwerk Culemeyerstraße Projekt GmbH	DE	S	-	100.00	100.00
Inven Capital, SICAV, a.s.	CZ	GenN	-	100.00	100.00
Jäger & Co. Gesellschaft mit beschränkter Haftung	DE	S	-	95.00	100.00
KART, spol. s r.o.	CZ	S	-	100.00	100.00
Kofler Energies Energieeffizienz GmbH	DE	S	-	100.00	100.00
Kofler Energies Ingenieurgesellschaft mbH	DE	S	-	100.00	100.00
Kofler Energies International GmbH	DE	S	-	100.00	100.00
KOFLER ENERGIES ITALIA SRL	IT	S	-	100.00	100.00
Kofler Energies Systems GmbH	DE	S	-	100.00	100.00
M.W. Team Invest S.R.L.	RO	GenN	-	100.00	100.00
MARTIA a.s.	CZ	GenT	-	100.00	100.00
Metrolog sp. z o.o.	PL	S	-	100.00	100.00
NEK Facility Management GmbH	DE	S	-	100.00	100.00
OEM Energy sp. z o.o.	PL	S	-	51.00	51.00
OSC, a.s.	CZ	GenT	-	66.67	66.67
Ovidiu Development S.R.L.	RO	GenN	-	100.00	100.00
PRODECO, a.s.	CZ	M	-	100.00	100.00
Revitrans, a.s.	CZ	M	-	100.00	100.00
Rudolf Fritz GmbH	DE	S	-	95.00	100.00
SD - Kolejová doprava, a.s.	CZ	M	-	100.00	100.00
CEZ SERVIS, s.r.o.	SK	S	-	100.00	100.00
Severočeské doly a.s.	CZ	M	-	100.00	100.00
SPRAVBYKOMFORT, a.s. Prešov	SK	S	-	55.00	55.00
ŠKODA PRAHA a.s.	CZ	GenT	-	100.00	100.00
Telco Pro Services, a. s.	CZ	SuppS	-	100.00	100.00
TENAUR, s.r.o.	CZ	S	-	100.00	100.00
Tepelné hospodářství města Ústí nad Labem s.r.o.	CZ	GenT	-	55.83	55.83

¹⁾ The equity interest represents effective ownership interest of the Group.

Subsidiaries	Country	Operating segment	% equity interest ¹⁾		% voting interest
			Change in 2019	2019	2019
TMK Hydroenergy Power S.R.L.	RO	GenN	–	100.00	100.00
Tomis Team S.A.	RO	GenN	–	100.00	100.00
ÚJV Řež, a. s.	CZ	GenT	–	52.46	52.46
Ústav aplikované mechaniky Brno, s.r.o.	CZ	GenT	–	52.46	100.00
Windpark Baben Erweiterung GmbH & Co. KG	DE	GenN	–	100.00	100.00
Windpark Badow GmbH & Co. KG	DE	GenN	–	100.00	100.00
Windpark FOHREN-LINDEN GmbH & Co. KG	DE	GenN	–	100.00	100.00
Windpark Frauenmark III GmbH & Co. KG	DE	GenN	–	100.00	100.00
Windpark Gremersdorf GmbH & Co. KG	DE	GenN	–	100.00	100.00
Windpark Cheinitz-Zethlingen GmbH & Co. KG	DE	GenN	–	100.00	100.00
Windpark Mengerlinghausen GmbH & Co. KG	DE	GenN	–	100.00	100.00
Windpark Naundorf GmbH & Co. KG	DE	GenN	–	100.00	100.00
Windpark Zagelsdorf GmbH & Co. KG	DE	GenN	–	100.00	100.00
WPG Projekt GmbH	DE	S	–	100.00	100.00

¹⁾ The equity interest represents effective ownership interest of the Group.

Associates and Joint-ventures	Country	Operating segment	% equity interest ³⁾		% voting interest
			Change in 2019	2019	2019
New Investments					
Socrates JVCo Verwaltungs GmbH	DE	GenN	50.00	50.00	50.00
Socrates Windprojekt GmbH & Co. KG	DE	GenN	50.00	50.00	50.00
Windpark Bad Berleburg GmbH & Co. KG	DE	GenN	50.00	50.00	50.00
Windpark Berka GmbH & Co. KG	DE	GenN	50.00	50.00	50.00
Windpark Harenstetter Heide GmbH & Co. KG	DE	GenN	50.00	50.00	50.00
Windpark Palmohl GmbH & Co. KG	DE	GenN	50.00	50.00	50.00
Windpark Soeste GmbH & Co. KG	DE	GenN	50.00	50.00	50.00
Mergers					
AK-EL Yalova Elektrik Üretim A.S.	TR	GenT	(37.36)	–	–
Other companies with no change in ownership interest or voting rights in 2019					
Akcez Enerji A.S.	TR	D	–	50.00	50.00
AK-EL Kemah Elektrik Üretim ve Ticaret A.S.	TR	GenT	–	37.36	50.00
Akenerji Dogal Gaz Ithalat Ihracat ve Toptan Ticaret A.S.	TR	GenT	–	37.36	50.00
Akenerji Elektrik Enerjisi Ithalat Ihracat ve Toptan Ticaret A.S.	TR	GenT	–	37.36	50.00
Akenerji Elektrik Üretim A.S.	TR	GenT	–	37.36	37.36
Bytkomfort, s.r.o.	SK	S	–	49.00	49.00
Elevation Co-Investment GmbH & Co. KG	DE	S	–	37.50	37.50
GP JOULE PPX Verwaltungs-GmbH	DE	GenN	–	50.00	50.00
GP JOULE PP1 GmbH & Co. KG	DE	GenN	–	50.00	50.00
Green Wind Deutschland GmbH	DE	GenN	–	50.00	50.00
Jadrová energetická spoločnosť Slovenska, a. s.	SK	GenT	–	49.00	50.00
juwi Wind Germany 100 GmbH & Co. KG	DE	GenN	–	51.00	51.00
KLF-Distribúcia, s.r.o.	SK	S	–	50.00	50.00
LOMY MOŘINA spol. s r.o.	CZ	M	–	51.05	51.05
Sakarya Elektrik Dagitim A.S.	TR	D	–	50.00	50.00
Sakarya Elektrik Perakende Satis A.S.	TR	S	–	50.00	50.00
Windpark Moringen Nord GmbH & Co. KG	DE	GenN	–	50,00	50,00
Windpark Prezelle GmbH & Co. KG	DE	GenN	–	50,00	50,00

³⁾ The equity interest represents effective ownership interest of the Group.

Used shortcuts:

Country ISO code	Country	Country ISO code	Country
AT	Austria	MY	Malaysia
BG	Bulgaria	NL	Netherlands
CN	China	PL	Poland
CZ	Czech Republic	RO	Romania
DE	Germany	RS	Serbia
FR	France	SK	Slovakia
HU	Hungary	TR	Turkey
IT	Italy	UA	Ukraine

Segment	Operating segment
GenT	Generation – Traditional Energy
GenN	Generation – New Energy
D	Distribution
S	Sales
M	Mining
SuppS	Support Services

Subsidiaries with Non-controlling Interests

The following table shows the composition of Group's non-controlling interests and dividends paid to non-controlling interests by respective subsidiaries (in CZK millions):

	2019		2018	
	Non-controlling interests	Dividends paid	Non-controlling interests	Dividends paid
CEZ Razpredelenie Bulgaria AD	2,708	–	2,818	–
ÚJV Řež, a. s.	912	–	859	–
CEZ Elektro Bulgaria AD	658	–	578	–
Other	325	25	305	17
Total	4,603	25	4,560	17

Assets and liabilities of both Bulgarian companies are classified as held for sale since February 22, 2018.

The following table shows summarized financial information of subsidiaries that have material non-controlling interests for the year ended December 31, 2019 (in CZK millions):

	CEZ Razpredelenie Bulgaria AD	ÚJV Řež, a. s.	CEZ Elektro Bulgaria AD
Ownership share of non-controlling interests	33.00%	47.54%	33.00%
Current assets	1,497	1,154	4,088
Non-current assets	10,457	1,850	112
Current liabilities	(2,411)	(562)	(2,046)
Non-current liabilities	(1,712)	(513)	(158)
Equity	7,831	1,929	1,996
Attributable to:			
Equity holders of the parent	5,123	1,017	1,338
Non-controlling interests	2,708	912	658
Revenues and other operating income	4,716	1,398	7,740
Income (loss) before other income (expenses) and income taxes	(238)	145	302
Income (loss) before income taxes	(281)	139	297
Income taxes	44	(26)	(30)
Net income (loss)	(237)	113	267
Attributable to:			
Equity holders of the parent	(159)	59	179
Non-controlling interests	(78)	54	88
Total comprehensive income	(355)	111	239
Attributable to:			
Equity holders of the parent	(245)	58	159
Non-controlling interests	(110)	53	80
Operating cash flow	1,636	203	299
Investing cash flow	(1,438)	(83)	–
Financing cash flow	(215)	(17)	(20)
Net effect of currency translation in cash	(3)	(1)	(13)
Net increase (decrease) in cash and cash equivalents	(20)	102	266

The following table shows summarized financial information of subsidiaries that have material non-controlling interests for the year ended December 31, 2018 (in CZK millions):

	CEZ Razpredelenie Bulgaria AD	ÚJV Řež, a. s.	CEZ Elektro Bulgaria AD
Ownership share of non-controlling interests	33.00%	47.54%	33.00%
Current assets	1,609	1,143	4,176
Non-current assets	10,534	1,734	52
Current liabilities	(2,173)	(628)	(2,359)
Non-current liabilities	(1,785)	(430)	(113)
Equity	8,185	1,819	1,756
Attributable to:			
Equity holders of the parent	5,367	960	1,178
Non-controlling interests	2,818	859	578
Revenues and other operating income	4,606	1,632	6,829
Income before other income (expenses) and income taxes	291	112	149
Income before income taxes	256	85	146
Income taxes	(37)	(22)	(16)
Net income	219	63	130
Attributable to:			
Equity holders of the parent	146	33	87
Non-controlling interests	73	30	43
Total comprehensive income	257	59	143
Attributable to:			
Equity holders of the parent	164	31	96
Non-controlling interests	93	28	47
Operating cash flow	952	148	69
Investing cash flow	(943)	(144)	(1)
Financing cash flow	(178)	(79)	(27)
Net effect of currency translation in cash	2	(3)	12
Net increase (decrease) in cash and cash equivalents	(167)	(78)	53

Interests in Associates and Joint-ventures

The following table shows the composition of Group's investment in associates and joint-ventures and share of main financial results from associates and joint-ventures for the year ended December 31, 2019 (in CZK millions):

	Carrying amount of investment	Dividends received	Group's share of associate's and joint-venture's:		
			Net income (loss)	Other comprehensive income	Total comprehensive income
Akcezný Group	–	–	24	60	84
Akenerji Group	–	–	–	–	–
Jadrová energetická spoločnosť Slovenska, a. s.	2,589	–	(24)	(32)	(56)
Bytkomfort, s.r.o.	239	2	7	(2)	5
LOMY MOŘINA spol. s r.o.	179	5	8	–	8
Other	276	–	3	(13)	(10)
Total	3,283	7	18	13	31

The Group is a guarantor for the liabilities of companies within the joint-venture with Akcez Enerji A.S. in the amount of USD 106.3 million and TRY 72.3 million as of December 31, 2019 (see Note 19.2). Based on calculation of recoverable amount from future cash flows a provision in the amount of CZK 1,362 million was recognized as of December 31, 2019. Because the Group's total cumulative share on losses of Akcez group did not exceeded the amount of the guarantee provided as at December 31, 2019, the Group recognized its share on losses of Akcez group in full (in the statement of income included in the line Share of profit (loss) from associates and joint-ventures). As of December 31, 2019, the provision in the amount of CZK 528 million was recorded on the balance sheet this way including the unwinding of discount and this amount was increased by CZK 834 million (in the statement of income on the line Impairment of financial assets) in order to arrive to the required amount of the provision CZK 1,362 million as at December 31, 2019.

In 2017 the share on losses of joint-venture Akenerji Elektrik Üretim A.S. exceeded the carrying amount of Group's investment in this joint-venture. The Group has made no obligations on behalf of Akenerji Elektrik Üretim A.S., so therefore the Group discontinued of using equity method of accounting as of December 31, 2017 (Note 2.2.3). The amount of unrecognized share of the Group on losses of Akenerji Group amounted to CZK 4,260 million as of December 31, 2019.

The joint-ventures Akcez Enerji A.S. and Akenerji Elektrik Üretim A.S. are formed by partnership of CEZ Group and Akkök Group in Turkey to invest mainly into power generation and electricity distribution projects. The joint-venture Jadrová energetická spoločnosť Slovenska, a. s. is a joint-venture formed by CEZ Group and the Slovak Government to prepare the project of building a new nuclear power source in Slovakia.

The following table shows the composition of Group's investment in joint-ventures and share of main financial results from joint-ventures for the year ended December 31, 2018 (in CZK millions):

	Carrying amount of investment	Dividends received	Group's share of associate's and joint-venture's:		
			Net income (loss)	Other comprehensive income	Total comprehensive income
Akcez Group	–	–	(425)	96	(329)
Akenerji Group	–	–	–	–	–
Jadrová energetická spoločnosť Slovenska, a. s.	2,645	–	(26)	19	(7)
ČEZ Energo, s.r.o. ¹⁾	–	–	31	–	31
Bytkomfort, s.r.o.	242	–	3	–	3
LOMY MOŘINA spol. s r.o.	176	5	6	–	6
Other	298	–	2	–	2
Total	3,361	5	(409)	115	(294)

¹⁾ The group gained control in the company ČEZ Energo, s.r.o. in 2018 (Note 8). Gain from remeasurement of previously held investment in ČEZ Energo, s.r.o. to fair value in the amount of CZK 101 million was included in statement of income in the line Share of profit (loss) from associates and joint-ventures.

The Group is a guarantor for the liabilities of companies within the joint-venture with Akcez Enerji A.S. in the amount of USD 112.7 million and TRY 75.6 million as of December 31, 2018 (see Note 19.2). Due to the development of Turkey's macroeconomic and political situation leading to a further weakening of the Turkish currency (TRY) the risk of potential obligation in case of claim from guarantees provided by the Group increased in connection with increased probability of lack of future cash flows to settle all liabilities of Akcez group. Based on calculation of recoverable amount from future cash flows a provision in the amount of CZK 908 million was recognized as of December 31, 2018. Because the Group's total cumulative share on losses of Akcez group did not exceeded the amount of the guarantee provided as at December 31, 2018, the Group recognized its share on losses of Akcez group in full (in the statement of income included in the line Share of profit (loss) from associates and joint-ventures). As of December 31, 2018, the liability in the amount of CZK 589 million was recorded on the balance sheet and the Group recognized additional provision in the amount of CZK 319 million (in the statement of income on the line Impairment of financial assets). The liability recorded from share on losses of Akcez group was reclassified on the balance sheet from the line Other long-term financial liabilities to the line Provisions within the current liabilities.

In 2017 the share on losses of joint-venture Akenerji Elektrik Üretim A.S. exceeded the carrying amount of Group's investment in this joint-venture. The Group has made no obligations on behalf of Akenerji Elektrik Üretim A.S., so therefore the Group discontinued of using equity method of accounting as of December 31, 2017 (Note 2.2.3). The amount of unrecognized share of the Group on losses of Akenerji Group amounted to CZK 3,666 million as of December 31, 2018.

The following tables present summarized financial information of material associates and joint-ventures for the year ended December 31, 2019 (in CZK millions):

	Current assets	Out of which: Cash and cash equivalents	Non-current assets	Current liabilities	Non-current liabilities	Equity	Share of the Group	Recognized liability / unrecognized share on loss	Goodwill	Total carrying amount of the investment
Akcez Enerji A.S.	52	17	3,669	560	3,295	(134)				
Sakarya Elektrik Dagitim A.S.	1,895	102	3,191	1,259	2,290	1,537				
Sakarya Elektrik Perakende Satis A.S.	4,129	771	1,069	4,083	128	987				
Akcez Group						(1,010)	(505)	505	-	-
Akenerji Elektrik Üretim A.S.	924	209	11,133	1,715	19,766	(9,424)				
Akenerji Group						(11,403)	(4,260)	4,260	-	-
Jadrová energetická spoločnosť Slovenska, a. s.	1,496	1,486	3,800	12	-	5,284	2,589	-	-	2,589
Bytkomfort, s.r.o.	48	20	207	26	17	212	104	-	135	239
LOMY MOŘINA spol. s r.o.	146	100	251	31	15	351	179	-	-	179

	Revenues and other operating income	Depreciation and amortization	Interest income	Interest expense	Income taxes	Net income (loss)	Other comprehensive income	Total comprehensive income
Akcez Enerji A.S.	-	-	16	(325)	-	(936)	47	(889)
Sakarya Elektrik Dagitim A.S.	4,593	(42)	200	(434)	(199)	764	(134)	631
Sakarya Elektrik Perakende Satis A.S.	20,124	(69)	211	(18)	(68)	229	(164)	65
Akenerji Elektrik Üretim A.S.	7,125	(485)	44	(1,833)	482	(2,210)	826	(1,384)
Jadrová energetická spoločnosť Slovenska, a. s.	14	(15)	6	-	(1)	(49)	(66)	(115)
Bytkomfort, s.r.o.	255	(24)	-	(1)	(3)	15	-	15
LOMY MOŘINA spol. s r.o.	231	(20)	-	-	(2)	16	-	16

The following tables present summarized financial information of material joint-ventures for the year ended December 31, 2018 (in CZK millions):

	Current assets	Out of which: Cash and cash equivalents	Non-current assets	Current liabilities	Non-current liabilities	Equity	Share of the Group	Recognized liability / unrecognized share on loss	Goodwill	Total carrying amount of the investment
Akcez Enerji A.S.	91	15	4,095	975	3,625	(414)				
Sakarya Elektrik Dagitim A.S.	1,522	13	3,277	1,955	1,937	907				
Sakarya Elektrik Perakende Satis A.S.	5,170	415	662	4,815	142	875				
Akcez Group						(1,178)	(589)	589	-	-
Akenerji Elektrik Üretim A.S.	1,314	21	12,348	6,205	15,555	(8,098)				
Egemer Elektrik Üretim A.S. ¹⁾	-	-	-	-	-	-				
Akenerji Group						(9,813)	(3,666)	3,666	-	-
Jadrová energetická spoločnosť Slovenska, a. s.	1,574	1,566	3,836	11	-	5,399	2 645	-	-	2,645
Bytkomfort, s.r.o.	53	30	218	33	24	214	105	-	137	242
LOMY MOŘINA spol. s r.o.	152	114	235	26	16	345	176	-	-	176

	Revenues and other operating income	Depreciation and amortization	Interest income	Interest expense	Income taxes	Net income (loss)	Other comprehensive income	Total comprehensive income
Akcez Enerji A.S.	-	-	174	(316)	8	(1,374)	(152)	(1,526)
Sakarya Elektrik Dagitim A.S.	4,254	(6)	97	(308)	(98)	600	(336)	264
Sakarya Elektrik Perakende Satis A.S.	21,988	(53)	111	(126)	(18)	50	(252)	(202)
Akenerji Elektrik Üretim A.S.	1,700	(272)	151	(842)	(88)	(814)	(1,211)	(2,025)
Egemer Elektrik Üretim A.S. ¹⁾	6,194	(272)	8	(1,244)	4	(5,569)	1,565	(4,004)
Jadrová energetická spoločnosť Slovenska, a. s.	16	(15)	5	-	(2)	(53)	39	(14)
Bytkomfort, s.r.o.	243	(22)	-	(1)	(5)	18	-	18
LOMY MOŘINA spol. s r.o.	224	(23)	-	-	(4)	12	-	12

¹⁾ The company Egemer Elektrik Üretim A.S. merged into the company Akenerji Elektrik Üretim A.S. as of December 31, 2018.

10. Cash and Cash Equivalents, Net

The composition of cash and cash equivalents, net at December 31, 2019 and 2018 is as follows (in CZK millions):

	2019	2018
Cash on hand and current accounts with banks	4,648	4,272
Short-term securities	1	401
Term deposits	5,108	2,607
Allowance to cash and cash equivalents	(2)	(2)
Total	9,755	7,278

At December 31, 2019 and 2018, cash and cash equivalents included foreign currency deposits of CZK 3,338 million and CZK 1,726 million, respectively.

The weighted average interest rate on short-term securities and term deposits at December 31, 2019 and 2018 was 1.0% and 0.5%, respectively. For the years 2019 and 2018 the weighted average interest rate was 1.5% and 1.0%, respectively.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at December 31, 2019 and 2018 (in CZK millions):

	2019	2018
Cash and cash equivalents as a separate line in the balance sheet	9,755	7,278
Cash and cash equivalents attributable to assets classified as held for sale (Note 15)	2,151	1,967
Total	11,906	9,245

11. Trade Receivables, Net

The composition of trade receivables, net at December 31, 2019 and 2018 is as follows (in CZK millions):

	2019	2018
Trade receivables	69,076	76,210
Allowances	(4,046)	(3,976)
Total	65,030	72,234

The information about receivables from related parties is included in Note 36.

Group's receivables pledged as security for liabilities at December 31, 2019 and 2018 are CZK 20 million and CZK 25 million, respectively.

At December 31, 2019 and 2018, the ageing analysis of receivables, net is as follows (in CZK millions):

	2019	2018
Not past due	61,668	69,131
Past due:		
Less than 3 months	1,483	1,284
3–6 months	351	360
6–12 months	287	445
more than 12 months	1,241	1,014
Total	65,030	72,234

Receivables include impairment allowance based on the collective assessment of impairment of receivables that are not individually significant.

The most significant item of receivables overdue for more than 12 months is related to receivables of the company ČEZ Distribuce, a. s. The company ČEZ Distribuce, a. s. undertakes several litigations concerning the collection of the price component related to the costs of support for the generation of electricity from renewable energy sources and combined generation of electricity and heat in 2013. The management of the company ČEZ Distribuce, a. s. is convinced that in the event of a negative judgment against ČEZ Distribuce in these and similar litigations, the company will be able to demand the reimbursement of fees and accessories from company OTE, a.s. and in this regard the management is committed to make all necessary actions to ensure that eventual loss in such disputes will have no negative impact on the company ČEZ Distribuce, a. s.

Movements in allowance for doubtful receivables (in CZK millions):

	2019	2018
Balance as at January 1	(3,976)	(4,623)
Allowances classified as held for sale as at January 1	(1,063)	–
Adoption of IFRS 9	–	(93)
Additions	(1,654)	(1,810)
Reversals	1,249	1,356
Derecognition of impaired assets	199	141
Transfer to assets held for sale	1,166	1,063
Currency translation differences	33	(10)
Balance as at December 31	(4,046)	(3,976)

12. Materials and Supplies, Net

The composition of materials and supplies, net at December 31, 2019 and 2018 is as follows (in CZK millions):

	2019	2018
Gross costs incurred on wind projects in Poland in development	326	309
Allowance to wind projects in Poland	(309)	(299)
Wind projects in Poland in development, net	17	10
Materials	8,557	8,468
Other work in progress	495	355
Other supplies	174	196
Allowance for obsolescence	(354)	(292)
Total	8,889	8,737

13. Emission Rights

The following table summarizes the movements in the quantity (in thousand tons) and book value of emission rights and credits held by the Group during 2019 and 2018 (in CZK millions):

	2019		2018	
	in thousands tons	in millions CZK	in thousands tons	in millions CZK
Emission rights and credits for own use:				
Emission rights and credits for own use at January 1	40,597	9,040	29,676	3,255
Emission rights acquired in business combinations	–	–	9	2
Emission rights granted	685	–	5,599	–
Settlement of prior year actual emissions with register	(26,818)	(4,996)	(26,733)	(3,197)
Emission rights purchased	39,149	16,967	31,933	8,990
Emission rights sold	(8)	–	(10)	–
Emission credits purchased	123	1	123	1
Currency translation differences	–	(1)	–	(11)
Emission rights and credits for own use at December 31	53,728	21,011	40,597	9,040
Emission rights and credits held for trading:				
Emission rights and credits held for trading at January 1	14,814	9,401	21,824	4,542
Settlement of prior year actual emissions with register	–	–	(1,134)	(382)
Emission rights purchased	74,429	46,518	114,047	42,684
Emission rights sold	(66,758)	(41,971)	(119,923)	(44,841)
Fair value adjustment	–	54	–	7,398
Emission rights and credits held for trading at December 31	22,485	14,002	14,814	9,401

The composition of emission rights and green and similar certificates at December 31, 2019 and 2018 (in CZK millions):

	2019			2018		
	Non-current	Current	Total	Non-current	Current	Total
Emission rights	9,132	25,881	35,013	3,625	14,816	18,441
Green and similar certificates	2,947	1,148	4,095	3,539	1,839	5,378
Total	12,079	27,029	39,108	7,164	16,655	23,819

Non-current emission rights for own use and non-current green and similar certificates are part of intangible assets (Note 6).

During 2019 and 2018 total emissions of greenhouse gases made by the Group amounted to an equivalent of 25,935 thousand tons and 26,818 thousand tons of CO₂, respectively. At December 31, 2019 and 2018 the Group recognized a provision for CO₂ emissions in total amount of CZK 6,801 million and CZK 5,588 million, respectively (see Notes 2.13 and 20).

14. Other Current Assets, Net

The composition of other current assets, net at December 31, 2019 and 2018 is as follows (in CZK millions):

	2019	2018
Unbilled electricity and gas supplied to the retail customers	2,566	1,810
Received advances from retail customers	(1,475)	(935)
Unbilled supplies to retail customers, net	1,091	875
Gross contract assets based on percentage of completion, net	11,411	7,195
Received billings and advances	(9,198)	(5,814)
Net contract assets	2,213	1,381
Advances paid, net	2,692	2,523
Prepayments	1,335	1,408
Accruals	2,186	2,053
Taxes and fees, excluding income tax	1,553	1,634
Total	11,070	9,874

15. Assets and Associated Liabilities Classified as Held for Sale

On February 23, 2018, a sales contract for the sale of interests in Bulgarian companies CEZ Razpredelenie Bulgaria AD (including its interest in CEZ ICT Bulgaria EAD), CEZ Trade Bulgaria EAD, CEZ Bulgaria EAD, CEZ Elektro Bulgaria AD, Free Energy Project Oreshets EAD and Bara Group EOOD was signed. The requirements of standard IFRS 5 to classify the assets as held for sale were met by granting prior consent to the transaction by the supervisory board of ČEZ, a. s. which took place on February 22, 2018. Following the refusal of the transaction by the Bulgarian anti-trust authority, the transaction could not be carried out.

On June 20, 2019, a sales contract for the sale of the above-mentioned interests in Bulgarian companies was signed with the company Eurohold AD. The transaction is a subject to approval by the Bulgarian anti-trust authority and the Bulgarian Energy Regulatory Office.

On October 24, 2019, Bulgarian anti-trust authority refused the transaction for the sale of Bulgarian assets to the company Eurohold. CEZ Group filed an administrative action against this decision and is considering further legal steps that will protect the interest of CEZ Group. The sales contract from June 20, 2019, remains in force, as well as the intention to sell these assets to company Eurohold.

As of December 31, 2019, the Group performed an impairment test for any potential impairment loss related to assets held for sale reflecting the contractual sales price of EUR 335 million. As a result of the test, there was an impairment in the amount of CZK 1,589 million, which was presented in the statement of income on the line Impairment of property, plant and equipment and intangible assets (Note 7).

If the intention to sell should be abandoned in the future, or the sale should no longer be highly probable in the next twelve months respectively, CEZ Group does not expect negative effects on net income caused by the reclassification from assets held for sale. On hypothetical reclassification from assets held for sale as of December 31, 2019, net income for the year 2019 would be increased by CZK 116 million due to partial reversal of previously recognized impairment.

The assets classified as held for sale and associated liabilities at December 31, 2019 and 2018 are as follows (in CZK millions):

	2019	2018
	Bulgarian companies	Bulgarian companies
Property, plant and equipment, net	10,539	10,411
Intangible assets, net	461	446
Other non-current assets	145	128
Cash and cash equivalents	2,151	1,967
Trade receivables, net	2,875	4,092
Another current assets	1,109	453
Assets classified as held for sale	17,280	17,497
Long-term debt, net of current portion	1,357	1,313
Non-current provisions	183	144
Other long-term financial liabilities	247	218
Deferred tax liability	247	291
Short-term loans	170	309
Current portion of long-term debt	251	224
Trade payables	2,498	2,999
Current provisions	432	479
Another current liabilities	207	220
Liabilities associated with assets classified as held for sale	5,592	6,197

The assets and results associated with the assets classified as held for sale are reported in the operating segments Generation – New Energy, Distribution and Sales.

16. Equity

As at December 31, 2019 and 2018, the share capital of the Company registered in the Commercial Register totaled CZK 53,798,975,900 and consisted of 537,989,759 shares with a nominal value of CZK 100 per share. All shares are bearer common shares that are fully paid and listed and do not convey any special rights.

Movements of treasury shares in 2019 and 2018 (in pieces):

	2019	2018
Number of treasury shares at beginning of period	3,125,021	3,605,021
Sales of treasury shares	(573,781)	(480,000)
Number of treasury shares at end of period	2,551,240	3,125,021

Treasury shares remaining at end of period are presented at cost as a deduction from equity.

Declared dividends per share before tax were CZK 24 in 2019 and CZK 33 in 2018. Dividends for the year 2019 will be declared at the general meeting, which will be held in the first half of 2020.

Capital Management

The primary objective of the Group's capital management is to keep its credit rating on the investment grade and on the level that is common in the industry and to maintain healthy capital ratios in order to support its business and maximize value for shareholders. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

The Group primarily monitors capital using the ratio of net debt to EBITDA. Considering the current structure and stability of cash flow and the development strategy, the goal of the Group is the level of this ratio in range 2.5 to 3.0. In addition, the Group also monitors capital using a total debt to total capital ratio. The Group's policy is to keep the total debt to total capital ratio below 50% in the long term.

EBITDA consists of income before income taxes and other income (expenses) plus depreciation and amortization, plus impairment of property, plant and equipment and intangible assets and less gain (or loss) on sale of property, plant and equipment. The Group includes within total debt the long-term and short-term interest bearing loans and borrowings. Net debt is defined as total debt less cash and cash equivalents and highly liquid financial assets. Highly liquid financial assets consist for capital management purposes of short-term and long-term debt financial assets and short-term and long-term bank deposits. Total capital is total equity attributable to equity holders of the parent plus total debt. The items related to assets classified as held for sale, which are presented separately on the balance sheet, are always included in these calculations.

The calculation and evaluation of the ratios is done using consolidated figures (in CZK millions):

	2019	2018
Long-term debt	167,633	149,183
Short-term loans	4,260	11,783
Long-term debt associated with assets classified as held for sale (Note 15)	1,608	1,537
Short-term loans associated with assets classified as held for sale (Note 15)	170	309
Total debt ¹⁾	173,671	162,812
Less:		
Cash and cash equivalents	(9,755)	(7,278)
Cash and cash equivalents classified as held for sale (Note 15)	(2,151)	(1,967)
Highly liquid financial assets:		
Current debt financial assets (Note 5)	(403)	(1,287)
Non-current debt financial assets (Note 5)	(111)	(513)
Current term deposits (Note 5)	(3)	(505)
Total net debt	161,248	151,262
Income before income taxes and other income (expenses)	26,429	19,759
Depreciation and amortization	29,016	28,139
Impairment of property, plant and equipment and intangible assets	4,860	1,766
Gains and losses on sale of property, plant and equipment (Note 25 and 31)	(130)	(129)
EBITDA	60,175	49,535
Equity attributable to equity holders of the parent	250,761	234,721
Total debt	173,671	162,812
Total capital	424,432	397,533
Net debt to EBITDA ratio	2.68	3.05
Total debt to total capital ratio	40.9%	41.0%

¹⁾ Part of total debt are accrued interest expenses, which amounted to CZK 2,151 million and CZK 2,200 million as at December 31, 2019 and 2018, respectively.

17. Long-term Debt

Long-term debt at December 31, 2019 and 2018 is as follows (in CZK millions):

	2019	2018
3.005% Eurobonds, due 2038 (JPY 12,000 million)	2,516	2,468
2.845% Eurobonds, due 2039 (JPY 8,000 million)	1,679	1,647
5.000% Eurobonds, due 2021 (EUR 750 million)	19,228	19,457
6M Euribor + 1.25% Eurobonds, due 2019 (EUR 50 million)	–	1,287
4.875% Eurobonds, due 2025 (EUR 750 million)	19,671	19,909
4.500% Eurobonds, due 2020 (EUR 750 million)	19,478	19,693
2.160% Eurobonds, due in 2023 (JPY 11,500 million)	2,416	2,370
4.600% Eurobonds, due in 2023 (CZK 1,250 million)	1,287	1,287
2.150%*IR CPI Eurobonds, due 2021 (EUR 100 million) ¹⁾	2,602	2,634
4.102% Eurobonds, due 2021 (EUR 50 million)	1,273	1,288
4.375% Eurobonds, due 2042 (EUR 50 million)	1,271	1,286
4.500% Eurobonds, due 2047 (EUR 50 million)	1,269	1,284
4.383% Eurobonds, due 2047 (EUR 80 million)	2,062	2,087
3.000% Eurobonds, due 2028 (EUR 725 million)	19,133	19,419
0.875% Eurobonds, due 2022 (EUR 500 million)	12,675	12,824
0.875% Eurobonds, due 2026 (EUR 750 million)	18,847	–
4.250% U.S. bonds, due 2022 (USD 289 million)	6,578	6,525
5.625% U.S. bonds, due 2042 (USD 300 million)	6,817	6,768
4.500% Registered bonds, due 2030 (EUR 40 million)	1,006	1,017
4.750% Registered bonds, due 2023 (EUR 40 million)	1,056	1,068
4.700% Registered bonds, due 2032 (EUR 40 million)	1,048	1,060
4.270% Registered bonds, due 2047 (EUR 61 million)	1,531	1,549
3.550% Registered bonds, due 2038 (EUR 30 million)	780	790
Total bonds and debentures	144,223	127,717
Less: Current portion	(21,163)	(3,419)
Bonds and debentures, net of current portion	123,060	124,298
Long-term bank loans and lease liabilities:		
Less than 2.00% p. a.	7,651	13,726
2.00% to 2.99% p. a.	9,458	4,041
3.00% to 3.99% p. a.	2,773	919
4.00% p. a. and more	3,528	2,780
Total long-term bank loans and lease liabilities	23,410	21,466
Less: Current portion	(3,900)	(3,324)
Long-term bank loans and lease liabilities, net of current portion	19,510	18,142
Total long-term debt	167,633	149,183
Less: Current portion	(25,063)	(6,743)
Total long-term debt, net of current portion	142,570	142,440

¹⁾ The interest rate is based on inflation realized in Eurozone Countries (Harmonized Index of Consumer Prices – HICP) and is fixed through the closed swap to the rate 4.553% p. a.

The interest rates indicated above are historical rates for fixed rate debt and current market rates for floating rate debt. The actual interest payments are affected by interest rate risk hedging carried out by the Group.

All long-term debt is recognized in original currencies while the related hedging derivatives are recognized using the method described in Note 2.15.

The future maturities of long-term debt are as follows (in CZK millions):

	2019	2018
Within 1 year	25,063	6,743
Between 1 and 2 years	26,598	22,675
Between 2 and 3 years	24,790	26,058
Between 3 and 4 years	6,437	24,286
Between 4 and 5 years	1,687	5,910
Thereafter	83,058	63,511
Total long-term debt	167,633	149,183

The following table analyses the long-term debt by currency (in millions):

	2019		2018	
	Foreign currency	CZK	Foreign currency	CZK
EUR	5,426	137,875	4,767	121,914
USD	592	13,395	592	13,293
JPY	31,716	6,611	31,714	6,485
PLN	390	2,326	440	2,634
RON	650	3,455	492	2,716
HUF	117	9	–	–
CZK	–	3,962	–	2,141
Total long-term debt		167,633		149,183

Long-term debt with floating interest rates exposes the Group to interest rate risk. The following table summarizes long-term debt with floating rates of interest by contractual reprising dates at December 31, 2019 and 2018 without considering interest rate hedging (in CZK millions):

	2019	2018
Floating rate long-term debt		
with interest rate fixed to 1 month	13	19
with interest rate fixed from 1 to 3 months	5,467	6,317
with interest rate fixed from 3 months to 1 year	8,622	12,186
Total floating rate long-term debt	14,102	18,522
Fixed rate long-term debt	153,531	130,661
Total long-term debt	167,633	149,183

Fixed rate long-term debt exposes the Group to the risk of changes in fair values of these financial instruments. For related fair value information and risk management policies of all financial instruments see Note 18 and Note 19.

The following table analyses the changes in liabilities and receivables arising from financing activities in 2019 and 2018 (in CZK millions):

	Debt	Other financial liabilities	Other long-term liabilities	Other current financial assets, net	Total liabilities / assets from financing activities
Amount at January 1, 2018	154,307	55,373	3,335	(43,098)	
Less: Liabilities / assets from other than financing activities	–	(53,319)	(3,304)	43,063	
Liabilities / assets arising from financing activities at January 1, 2018	154,307	2,054	31	(35)	156,357
Cash flows	5,235	(18,151)	–	6	(12,910)
Foreign exchange movement	1,698	1	–	–	1,699
Changes in fair values	255	–	–	–	255
Acquisition of subsidiaries	1,209	18	–	–	1,227
Liabilities associated to assets classified as held for sale	(1,846)	(104)	–	–	(1,950)
Declared dividends	–	17,621	–	–	17,621
Other ¹⁾	108	(273)	–	–	(165)
Liabilities / assets arising from financing activities at December 31, 2018	160,966	1,166	31	(29)	162,134
Liabilities / assets arising from other than financing activities	–	124,175	–	(93,274)	
Total amount on balance sheet at December 31, 2018	160,966	125,341	31	(93,303)	
Less: Liabilities / assets from other than financing activities	–	(124,175)	–	93,274	
Adoption of IFRS 16	5,987	–	–	–	
Liabilities / assets arising from financing activities at January 1, 2019	166,953	1,166	31	(29)	168,121
Cash flows	5,570	(13,626)	–	3	(8,053)
Additions of leases	293	–	–	–	293
Foreign exchange movement	(61)	(18)	–	–	(79)
Changes in fair values	(1,453)	–	–	–	(1,453)
Acquisition of subsidiaries	286	–	–	–	286
Liabilities associated to assets classified as held for sale	71	1	–	–	72
Declared dividends	–	12,831	–	–	12,831
Other	234	12	–	–	246
Liabilities / assets arising from financing activities at December 31, 2019	171,893	366	31	(26)	172,264
Liabilities / assets arising from other than financing activities	–	72,521	–	(61,088)	
Total amount on balance sheet at December 31, 2019	171,893	72,887	31	(61,114)	

¹⁾ This includes reclassification of liability recorded from share on losses of Akcez group from line Other long-term financial liabilities to line Provisions within current liabilities in the amount of CZK 259 million.

The column Debt consists of balance sheet items Long-term debt, net of current portion, Current portion of long-term debt and Short-term loans. In terms of financing activities, item Other financial liabilities consists of dividend payable and other financial liabilities (short-term and long-term including short-term portion), item Other long-term liabilities consists especially of long-term deposits and received advanced payments, item Other current financial assets, net consists of advanced payments to dividend administrator.

18. Fair Value of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents, Current Investments

The carrying amount of cash and other current financial assets approximates fair value due to the relatively short-term maturity of these financial instruments.

Securities Held for Trading

The fair values of equity and debt securities that are held for trading are estimated based on quoted market prices.

Non-current Debt and Equity Financial Assets

The fair values of non-current debt and equity financial assets, which are publicly traded on active markets, are determined based on quoted market prices. The fair values of non-current debt and equity financial assets, which are not publicly traded on active markets, are determined using appropriate valuation models.

Short-term Receivables and Payables

The carrying amount of receivables and payables approximates fair value due to the short-term maturity of these financial instruments.

Short-term Loans

The carrying amount approximates fair value because of the short period to maturity of those instruments.

Long-term Debt

The fair value of long-term debt is based on the quoted market price for the same or similar issues or on the current rates available for debt with the same maturity profile. The carrying amount of long-term debt and other payables with variable interest rates approximates their fair values.

Derivatives

The fair value of derivatives is based upon mark to market valuations.

Carrying amounts and the estimated fair values of financial assets (except for derivatives) at December 31, 2019 and 2018 are as follows (in CZK millions):

	2019		2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets at amortized cost:				
Other financial receivables	688	688	505	505
Investment in finance lease	305	305	302	302
Debt financial assets	10	10	10	10
Non-current assets at fair value through other comprehensive income:				
Restricted debt financial assets	16,119	16,119	15,205	15,205
Debt financial assets	101	101	503	503
Equity financial assets	2,711	2,711	3,055	3,055
Non-current assets at fair value through profit or loss:				
Equity financial assets	1,468	1,468	2,139	2,139
Current assets at amortized cost:				
Term deposits	3	3	505	505
Other financial receivables	56	56	35	35
Investment in finance lease	48	48	51	51
Current assets at fair value through other comprehensive income:				
Debt financial assets	403	403	1,287	1,287

Carrying amounts and the estimated fair values of financial liabilities (except for derivatives) at December 31, 2019 and 2018 are as follows (in CZK millions):

	2019		2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term debt	(167,633)	(179,164)	(149,183)	(158,115)
Other long-term financial liabilities	(3,360)	(3,360)	(1,435)	(1,435)
Short-term loans	(4,260)	(4,260)	(11,783)	(11,783)
Other short-term financial liabilities	(343)	(343)	(1,229)	(1,229)

Carrying amounts and the estimated fair values of derivatives at December 31, 2019 and 2018 are as follows (in CZK millions):

	2019		2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash flow hedges:				
Short-term receivables	1,064	1,064	126	126
Long-term receivables	4,732	4,732	2,185	2,185
Short-term liabilities	(939)	(939)	(9,637)	(9,637)
Long-term liabilities	(5,464)	(5,464)	(12,732)	(12,732)
Commodity derivatives:				
Short-term receivables	59,225	59,225	91,025	91,025
Long-term receivables	–	–	100	100
Short-term liabilities	(61,733)	(61,733)	(99,217)	(99,217)
Other derivatives:				
Short-term receivables	315	315	274	274
Long-term receivables	908	908	1,149	1,149
Short-term liabilities	(172)	(172)	(204)	(204)
Long-term liabilities	(876)	(876)	(887)	(887)

18.1. Fair Value Hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between the levels of financial instruments at fair value in 2019 and 2018.

As at December 31, 2019, the fair value hierarchy was the following (in CZK millions):

Assets measured at fair value:	Total	Level 1	Level 2	Level 3
Commodity derivatives	59,225	1,413	57,812	–
Cash flow hedges	5,796	696	5,100	–
Other derivatives	1,223	3	1,220	–
Restricted debt securities	16,119	16,119	–	–
Debt financial assets at fair value through other comprehensive income	504	504	–	–
Equity financial assets at fair value through profit or loss	1,468	–	–	1,468
Equity financial assets at fair value through other comprehensive income	2,711	–	–	2,711

Liabilities measured at fair value:	Total	Level 1	Level 2	Level 3
Commodity derivatives	(61,733)	(5,193)	(56,540)	–
Cash flow hedges	(6,403)	(1,122)	(5,281)	–
Other derivatives	(1,048)	(15)	(1,033)	–

Assets and liabilities for which fair values are disclosed:	Total	Level 1	Level 2	Level 3
Term deposits	3	–	3	–
Other financial receivables	744	–	744	–
Debt financial assets	10	–	10	–
Investment in finance lease	353	–	353	–
Long-term debt	(179,164)	(131,473)	(47,691)	–
Short-term loans	(4,260)	–	(4,260)	–
Other financial liabilities	(3,703)	–	(3,703)	–

As at December 31, 2018, the fair value hierarchy was the following (in CZK millions):

Assets measured at fair value:	Total	Level 1	Level 2	Level 3
Commodity derivatives	91,125	6,292	84,833	–
Cash flow hedges	2,311	25	2,286	–
Other derivatives	1,423	3	1,420	–
Restricted debt securities	15,205	15,205	–	–
Debt financial assets at fair value through other comprehensive income	1,790	1,790	–	–
Equity financial assets at fair value through profit or loss	2,139	–	–	2,139
Equity financial assets at fair value through other comprehensive income	3,055	–	–	3,055

Liabilities measured at fair value:	Total	Level 1	Level 2	Level 3
Commodity derivatives	(99,217)	(11,562)	(87,655)	–
Cash flow hedges	(22,369)	(4,593)	(17,776)	–
Other derivatives	(1,091)	(32)	(1,059)	–

Assets and liabilities for which fair values are disclosed:	Total	Level 1	Level 2	Level 3
Term deposits	505	–	505	–
Other financial receivables	540	–	540	–
Debt financial assets	10	–	10	–
Investment in finance lease	353	–	353	–
Long-term debt	(158,115)	(112,369)	(45,746)	–
Short-term loans	(11,783)	–	(11,783)	–
Other financial liabilities	(2,664)	–	(2,664)	–

The Group enters into derivative financial instruments with various counterparties, principally large power and utility groups and financial institutions with high credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly commodity forward and futures contracts, foreign exchange forward contracts, interest rate swaps and options. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations and option pricing models (e.g. Black-Scholes). The models incorporate various inputs including the forward rate curves of the underlying commodity, foreign exchange spot and forward rates and interest rate curves.

The following table shows roll forward of the financial assets measured at fair value – Level 3, for the years ended December 31, 2019 and 2018 (in CZK millions):

	Equity financial assets at fair value through profit or loss	Equity financial assets at fair value through other comprehensive income
Balance at January 1, 2018	1,658	3,111
Additions	389	–
Disposals	(26)	(143)
Revaluation	118	87
Balance at December 31, 2018	2,139	3,055
Additions	230	3
Disposals	(962)	–
Revaluation	61	(347)
Balance at December 31, 2019	1,468	2,711

The main investment in the portfolio Equity financial assets at fair value through other comprehensive income is 15% interest in the company Veolia Energie ČR, a.s. (Note 5). Equity instruments of the company are not quoted on any market. Fair value at December 31, 2019 and 2018 was determined using available public EBITDA data and the usual range of 8 to 10 EBITDA multiples which corresponds to the transactions observed on the market for acquisition of the 100% interest before the adjustment for outstanding debt. The fair value at December 31, 2019 and 2018 was determined using 9 EBITDA multiple as the best estimate of the fair value.

Equity financial assets at fair value through profit or loss include investments of the CEZ Group's investment fund in the company Inven Capital, SICAV, a.s. (Note 5). The fair value of the investments included in this portfolio was determined at 31 December 2019 and 2018 by valuator's appraisal. The fair value is stated especially with regard to capital contributions and to other forms of financing made by the co-investors recently. In addition, the valuation takes into account further developments and eventual subsequent significant events, such as received bids for redemption.

18.2. Offsetting of Financial Instruments

The following table shows the recognized financial instruments that are offset, or subject to enforceable master netting agreement or other similar agreements but not offset, as of December 31, 2019 and 2018 (in CZK millions):

	2019		2018	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Derivatives	66,244	(69,184)	94,859	(122,677)
Other financial instruments ¹⁾	43,151	(40,984)	44,492	(41,372)
Collaterals paid (received) ²⁾	1,182	(683)	2,878	(1,611)
Gross financial assets / liabilities	110,577	(110,851)	142,229	(165,660)
Assets / liabilities set off under IAS 32	–	–	–	–
Amounts presented in the balance sheet	110,577	(110,851)	142,229	(165,660)
Effect of master netting agreements	(93,251)	93,251	(128,574)	128,574
Net amount after master netting agreements	17,326	(17,600)	13,655	(37,086)

¹⁾ Other financial instruments consist of invoices due from derivative trading and are included in Trade receivables, net or Trade payables.

²⁾ Collaterals paid are included in Trade receivables, net and collaterals received are included in Trade payables.

When trading with derivative instruments, ČEZ enters into the EFET and ISDA framework contracts. These contracts generally allow mutual offset of receivables and payables upon the premature termination of agreement. The reason for premature termination is insolvency or non-fulfillment of agreed terms by the counterparty. The right to mutual offset is either embedded in the framework contract or results from the security provided. There is CSA (Credit Support Annex) concluded with some counterparties defining the permitted limit of exposure. When the limit is exceeded, there is a transfer of cash reducing exposure below an agreed level. Cash security (collateral) is also included in the final offset.

The information about offset of unbilled electricity supplied to retail customers with advances received is included in Note 14 and 23. The information about offset of construction contracts and related billings and advances received is included in Note 14.

Short-term derivative assets are included in the balance sheet in Other current financial assets, net, long-term derivative assets in Other non-current financial assets, net, short-term derivative liabilities in Other short-term financial liabilities and long-term derivative liabilities in Other long-term financial liabilities.

19. Financial Risk Management

Risk Management Approach

A risk management system is being successfully developed in order to protect the Group's value while taking the level of risk acceptable for the shareholders. In the Group, the risk is defined as a potential difference between the actual and the expected (planned) developments and is measured by means of the extent of such difference in CZK and the likelihood with which such a difference may occur.

A risk capital concept is applied within the Group. The concept allows the setting of basic cap for partial risk limits and, in particular, the unified quantification of all kinds of risks. The value of aggregate annual risk limit (Profit@Risk) is approved by the Board of Directors based on the Risk Management Committee proposal for every financial year. The proposed limit value is derived from historical volatility of profit, revenues and costs of the Group (the top-down method). The approved value in CZK is set on the basis of a 95% confidence level and expresses a maximum profit decrease, which is the Group willing to take in order to reach the planned annual profit.

The bottom-up method is used for setting and updating the Risk frames. The Risk frames include the definition of risk and departments/units of the Group for which the frame is obligatory; definition of rules and responsibilities for risk management; permitted instruments and methods of risk management and actual risk limits, including a limit which expresses the share in the annual Profit@Risk limit.

The main Business Plan market risks are quantified in the Group (EBITDA@Risk based on MonteCarlo simulation in Y+1 to Y+5 horizon). The market risks are actively managed through gradual electricity sales and emission allowances' purchases in the following 6-year horizon, closed long-term contracts for electricity sale and emission allowances purchase and the FX and IR risk hedging in medium-term horizon. In Business Plan horizon, the risk management is also based on Debt Capacity concept which enables to assess the impact of main Investment and other Activities (incl. the risk characteristics), on expected cash flow and total debt in order to maintain corporate rating.

Risk Management Organization

The supreme authority responsible for risk management in ČEZ, a. s. is the CFO, except for approval of the aggregate annual budget risk limit (Profit@Risk) within the competence of the ČEZ, a. s. Board of Directors. CFO decides, based on the recommendation of the Risk Management Committee, on the development of a system of risk management, on an overall allocation of risk capital to the individual risks and organizational units, he approves obligatory rules, responsibilities and limit structure for the management of partial risks.

The Risk Management Committee (advisory committee of CFO) continuously monitors an overall risk impact on the Group, including Group risk limits utilization, status of risks linked to Business Plan horizon, hedging strategies status, assessment of impact of Investment and other Activities on potential Group debt capacity and cash flow in order to maintain corporate rating.

Overview and Methods of Risk Management

The Group applies a unified categorization of the Group's risks which reflects the specifics of a corporate, i.e. non-banking company, and focuses on primary causes of unexpected development. The risks are divided into four basic categories listed below.

1. Market risks	2. Credit risks	3. Operation risks	4. Business risks
1.1 Financial (FX, IR)	2.1 Counterparty default	3.1 Operating	4.1 Strategic
1.2 Commodity	2.2 Supplier default	3.2 Internal change	4.2 Political
1.3 Volumetric	2.3 Settlement	3.3 Liquidity management	4.3 Regulatory
1.4 Market liquidity		3.4 Security	4.4 Reputation

From the view of risk management, the Group activities can be divided into two basic groups:

- Activities with the unified quantification of the share of respective activity in the aggregate risk limit of the Group (i.e. using specific likelihood, it is possible to objectively determine what risk is associated with an activity/planned profit). These risks are managed by the rules and limits set by the CFO of ČEZ, a. s. based on the recommendation of the Risk Management Committee and, concurrently, in accordance with governing documents of the respective units/processes of the Group.
- Activities whose share in the aggregate risk limit of the Group has not been quantified so far or for objective reasons. These risks are managed by the responsible owners of the relevant processes in accordance with internal governing documents of the respective units/processes of the Group.

For all risks quantified on a unified basis, a partial risk limit is set whose continuous utilization is evaluated on a monthly basis and is usually defined as a sum of the actually expected deviation of expected annual profit from the plan and the potential risk of loss on a 95% confidence. The Group's methodologies and data provide for a unified quantification of the following risks:

- Market risks: financial (currency, interest and stock price) risks, commodity prices (electricity, emission allowances, coal, gas, crude oil), volume (volume of electricity produced by wind power plants)
- Credit risks: financial and business counterparty risk and electricity, gas and heat end customer risk
- Operational risks: risks of nuclear and fossil power plants operation in the Czech Republic, investment risks.

The development of the Group's quantified risks is reported to the Risk Management Committee every month through 3 regular reports:

- Annual budget risks (annual Profit@Risk limit utilization)
- Business plan risks (EBITDA@Risk based on MonteCarlo simulation)
- Debt capacity (actual deviation from the optimal debt within Y+5 horizon, derived from rating agency requirements on debt indicators in order to preserve the ČEZ rating).

19.1. Qualitative Description of Risks Associated with Financial Instruments

Commodity Risks

The development of electricity, emission allowances, coal and gas prices is a key risk factor of the Group's value. The current system of commodity risk management is focused on (i) the margin from the own electricity production sales, i.e. from trades resulting in optimizing the sales of the Group's production and in optimizing the emission allowances position for production (the potential risk is managed on the EaR, VaR and the EBITDA@Risk bases), and (ii) the margin from the proprietary trading of commodities within the whole Group (the potential risk is managed on the VaR basis).

Market Financial Risks (currency, interest and stock price risks)

The development of foreign exchange rates, interest rates and stock prices is a significant risk factor of the Group's value. The current system of financial risk management is focused mainly on (i) the future cash flows and (ii) financial trades which are realized for the purposes of an overall risk position management in accordance with the risk limits (the potential risk is managed on the basis of VaR, EBITDA@Risk and complementary position limits). Own financial instruments (i.e. active and passive financial trades and derivative trades) are realized entirely in the context of an overall expected cash flows of the Group (including operational and investment foreign currency flows).

Credit Risks

With respect to the Group's activities managed on a centralized level, credit exposures of individual financial partners and wholesale partners are managed in accordance with individual credit limits. The individual limits are set and continuously updated according to the counterparty's credibility (in accordance with international rating and internal financial evaluation of counterparties with no international rating).

With respect to the electricity sales to end customers in the Czech Republic, the actual credibility is monitored for each business partner based on payment history (in addition, the financial standing is considered for selected partners). This credibility determines the payment conditions of partners (i.e. it indirectly determines an amount of an approved credit exposure) and also serves to quantify both the expected and the potential losses.

The Group's maximum exposure to credit risk to receivables and other financial instruments as at December 31, 2019 and 2018 is the carrying value of each class of financial assets except for financial guarantees. Credit risk from balances with banks and financial institutions is managed by the Group's risk management department in cooperation with Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

In accordance with the credit risk methodology applied to the banking sector per Basel II, every month the expected and potential losses are quantified on a 95% confidence level. It means that the share of all credit risks mentioned above in the aggregate annual Profit@Risk limit is quantified and evaluated.

Liquidity Risks

The Group's liquidity risk is primarily perceived as an operational risk (risk of liquidity management) and a risk factor is the internal ability to effectively manage the future cash flows planning process in the Group and to secure the adequate liquidity and effective short-term financing (the risk is managed on a qualitative basis). The fundamental liquidity risk management (i.e. liquidity risk within the meaning for banking purposes) is covered by the risk management system as a whole. In any given period, the future deviations of the Group's expected cash flows are managed in accordance with the aggregate risk limit and in the context of the actual and the targeted debt/equity ratio of the Group.

19.2. Quantitative Description of Risks Associated with Financial Instruments

Commodity Risks

The required quantitative information on risks (i.e. a potential change of market value resulting from the effects of risk factors as at December 31) was prepared based on the assumptions given below:

- the indicator of risk associated with financial instruments is defined as the monthly parametric VaR (95% confidence) which expresses a maximum potential decrease in fair value of contracts classified as derivatives under IFRS 9 (the underlying commodities in the Group's derivative transactions are: electricity, EUA and CER/ERU emission allowances, gas, coal ARA, Richards Bay, Newcastle and crude oil and crude oil products) on the given confidence level
- highly probable forecasted future electricity generation sales with the delivery in the CZ power grid are included in the VAR calculation to reflect the hedging character of significant portion of the existing derivative sales of electricity with delivery in Germany
- for the calculation of volatility and correlations (between commodity prices), the SMA (Simple Moving Average) method is applied to 60 daily time series
- the source of market data is mainly EEX, PXE and ICE
- the indicator VaR illustrates mainly the impact of revaluation of above-mentioned financial instruments to statement of income.

Potential impact of the above risk factors as at December 31 (in CZK millions):

	2019	2018
Monthly VaR (95%) – impact of changes in commodity prices	2,361	1,974

Currency Risks

The required quantitative information on risks (i.e. a potential change of market value resulting from the effects of currency risk as at December 31) was prepared based on the assumptions given below:

- the indicator of currency risk is defined as the monthly VaR (95% confidence)
- for the calculation of VaR, based on volatility and internal correlations of each considered currency, the method of historical simulation VaR is applied to 90 daily historical time series
- the relevant currency position is defined mainly as a discounted value of foreign currency cash flows from all contracted financial instruments, from expected foreign currency operational revenues and costs in 2020 and from highly probable forecasted foreign currency revenues, costs or capital expenditures that are being hedged by financial instruments etc.
- the relevant currency positions reflect all significant foreign-currency flows of the Group companies in the monitored basket of foreign currencies
- the source of market FX and interest rate data is mainly IS Reuters and IS Bloomberg
- the indicator VaR illustrates mainly the impact of revaluation of above-mentioned currency position to statement of income.

Potential impact of the currency risk as at December 31 (in CZK millions):

	2019	2018
Monthly currency VaR (95% confidence)	122	254

Interest Risks

For the quantification of the potential impact of the interest risk was chosen the sensitivity of the interest revenue and cost to the parallel shift of yield curves. The approximate quantification (as at December 31) was based on the following assumptions:

- parallel shift of the yield curves (+10bp) was selected as the indicator of interest risk
- the statement of income sensitivity is measured as an annual change of the interest revenue and cost resulting from the interest-sensitive positions as at December 31
- the considered interest positions reflect all significant interest-sensitive positions of the Group companies
- the source of market interest rates is mainly IS Reuters and IS Bloomberg.

Potential impact of the interest risk as at December 31 (in CZK millions):

	2019	2018
IR sensitivity* to parallel yield curve shift (+10bp)	(6)	(6)

* Negative result denotes higher increase in interest costs than in interest revenues.

Credit Exposure

The Group is exposed to credit risk arising on all financial assets presented on the balance sheet and from provided guarantees. Credit exposure from provided guarantees not recorded on balance sheet at December 31 (in CZK millions):

	2019	2018
Guarantees off balance sheet provided to joint-ventures*	1,317	1,945

* Some of the guarantees could be called until June 2026 at the latest.

The guarantees provided relate to bank loans. The beneficiary may claim the guarantee only upon failure to comply with certain conditions of loans. The companies whose liabilities are the subject to the guarantees currently comply with their obligations.

Liquidity Risk

Maturity profile of financial liabilities based on contractual undiscounted payments as at December 31, 2019 (in CZK millions):

	Loans	Bonds and debentures	Trade payables and other financial liabilities	Derivatives ¹⁾	Guarantees issued ²⁾
Due in 2020	8,511	26,229	66,586	431,118	1,317
Due in 2021	4,690	27,057	3,002	75,296	–
Due in 2022	5,863	22,122	274	25,772	–
Due in 2023	1,945	7,331	37	4,074	–
Due in 2024	1,840	2,541	47	946	–
Thereafter	7,745	95,220	–	28,120	–
Total	30,594	180,500	69,946	565,326	1,317

Contractual maturity of undiscounted cash-flow of financial liabilities as at December 31, 2018 (in CZK millions):

	Loans	Bonds and debentures	Trade payables and other financial liabilities	Derivatives ¹⁾	Guarantees issued ²⁾
Due in 2019	15,276	6,240	63,885	444,227	1,945
Due in 2020	3,631	24,194	62	104,613	–
Due in 2021	3,113	27,193	–	34,950	–
Due in 2022	5,131	22,071	–	16,952	–
Due in 2023	1,318	7,148	7	4,714	–
Thereafter	5,627	78,976	–	29,525	–
Total	34,096	165,822	63,954	634,981	1,945

¹⁾ Contractual maturities for derivatives represent contractual cash out-flows of these instruments, but at the same time the Group will receive corresponding consideration. For fair values of derivatives see Note 18.

²⁾ Maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

The committed credit facilities available to the Group as at December 31, 2019 and 2018 amounted to CZK 26.9 billion and CZK 15.8 billion, respectively. In addition, in December 2019, the Company signed a committed loan facility agreement with the European Investment Bank to support financing of the grid renewal and further development program in the Czech Republic up to EUR 330 million, i.e. CZK 8.4 billion, which was not drawn as of December 31, 2019.

19.3. Hedge Accounting

The Group enters into cash flow hedges of future highly probable cash inflows from the sales denominated in EUR against the currency risk. The hedged cash flows are expected to occur in the period from 2020 to 2026. The hedging instruments as at December 31, 2019 and 2018 are the EUR denominated liabilities from the issued Eurobonds and bank loans in the total amount of EUR 5.1 billion and EUR 4.0 billion, respectively, and currency forward contracts and swaps. The fair value of these derivative hedging instruments (currency forward contracts and swaps) amounted to CZK 695 million and CZK 178 million at December 31, 2019 and 2018, respectively.

The Group also enters into cash flow hedges of highly probable future sales of electricity in the Czech Republic from 2020 to 2025. The hedging instruments are the futures and forward contracts electricity sales in Germany. The fair value of these derivative hedging instruments amounted to CZK (1,302) million and CZK (20,236) million at December 31, 2019 and 2018, respectively.

The Group applied cash flow hedges of future highly probable purchases of emission allowances which had been expected to occur in 2018. The hedging instruments were the futures contracts for the purchase of allowances equivalent to 6.0 million tons of CO₂ emissions. The final settlement of the purchase of these hedged emission allowances was in December 2018.

In 2019 and 2018 the amounts removed from equity in respect of cash flow hedges were recognized in profit or loss and included in the lines Sales of electricity, heat, gas and coal, Gains and losses from commodity derivative trading, Other financial expenses and Other financial income and on the balance sheet in the lines Intangible assets, net and Emission rights. In 2019 and 2018 the Group recognized in profit or loss the ineffectiveness that arises from cash flow hedges in the amount of CZK 503 million and CZK (29) million, respectively. The ineffectiveness in 2019 and 2018 was mainly caused by the fact that the hedged cash flows are no more highly probable to occur.

20. Provisions

Provisions at December 31, 2019 and 2018 are as follows (in CZK millions):

	2019			2018		
	Non-current	Current	Total	Non-current	Current	Total
Nuclear provisions	73,563	2,199	75,762	61,363	2,283	63,646
Provision for reclamation of mines and mining damages	9,138	234	9,372	8,285	317	8,602
Provision for waste storage reclamation	729	78	807	649	56	705
Provision for CO ₂ emissions (Note 13)	–	6,801	6,801	–	5,588	5,588
Provision for obligation in case of claim from guarantee for AkceZ group loans	–	1,362	1,362	–	908	908
Other provisions	6,082	3,579	9,661	5,501	3,171	8,672
Total	89,512	14,253	103,765	75,798	12,323	88,121

20.1. Nuclear Provisions

The Company operates two nuclear power plants. Nuclear power plant Dukovany consists of four units which were put into service from 1985 to 1987. Nuclear power plant Temelín has two units which have started commercial operation in 2002 and 2003. A Nuclear Act which defines obligations for the decommissioning of nuclear facilities and the disposal of radioactive waste and spent fuel (disposal). The Nuclear Act requires that all nuclear parts of plant and equipment be decommissioned following the end of the plant's operating life. For the purpose of accounting for the nuclear provisions, it is assumed that the end of operation will be 2037 for Dukovany and 2052 for Temelín. A 2018 Dukovany and a 2019 Temelín decommissioning cost studies estimate that nuclear decommissioning will cost CZK 28.6 billion and CZK 22.4 billion, respectively. The Company makes contributions to a restricted bank accounts in the amount of the nuclear provisions recorded under the Nuclear Act. These funds can be invested in government bonds in accordance with legislation. These restricted financial assets are shown in the balance sheet as part of Restricted financial assets, net (see Note 4).

The Ministry of Industry and Trade established the Radioactive Waste Repository Authority (RAWRA) as the central organizer and operator of facilities for the final disposal of radioactive waste and spent fuel. The RAWRA operates, supervises and is responsible for disposal facilities and for disposal of radioactive waste and spent fuel therein. The activities of the RAWRA are financed through a nuclear account funded by the originators of radioactive waste. Contribution to the nuclear account is stated by Nuclear Act at 55 CZK per MWh produced at nuclear power plants. In 2019 and 2018, the payments to the nuclear account amounted to CZK 1,663 million and CZK 1,646 million, respectively. The originator of radioactive waste and spent fuel directly covers all costs associated with interim storage of radioactive waste and spent fuel.

The Group has established provisions as described in Note 2.24, to recognize its estimated liabilities for decommissioning and spent fuel storage. The following is a summary of the provisions for the years ended December 31, 2019 and 2018 (in CZK millions):

	Accumulated provisions			
	Nuclear decommissioning	Spent fuel storage		Total
		Interim	Long-term	
Balance at January 1, 2018	20,813	7,647	33,156	61,616
Discount accretion and effect of inflation	537	191	829	1,557
Provision charged in profit or loss	–	527	–	527
Effect of change in estimate recognized in profit or loss	–	(43)	–	(43)
Effect of change in estimate added to (deducted from) fixed assets	2,429	–	(110)	2,319
Current cash expenditures	–	(684)	(1,646)	(2,330)
Balance at December 31, 2018	23,779	7,638	32,229	63,646
Discount accretion and effect of inflation	611	191	806	1,608
Provision charged in profit or loss	–	487	–	487
Effect of change in estimate recognized in profit or loss	–	979	–	979
Effect of change in estimate added to fixed assets	10,478	–	865	11,343
Current cash expenditures	–	(638)	(1,663)	(2,301)
Balance at December 31, 2019	34,868	8,657	32,237	75,762

The current cash expenditures for the long-term storage of spent nuclear fuel represent payments to the state controlled nuclear account and the expenditures for interim storage represent mainly the purchase of interim fuel storage containers and other related equipment.

In 2019 the Group recorded the change in estimate for interim storage of spent nuclear fuel in connection with the change in expectations of future storage cost and change in discount rate, the change in estimate in provision for nuclear decommissioning due to the update of the expert decommissioning study for nuclear power plant in Temelín and change in discount rate and the change in long-term spent fuel storage in connection with the modification of the expected output of the nuclear power plants and change in discount rate.

In 2018 the Group recorded the change in estimate for interim storage of spent nuclear fuel in connection with the change in expectations of future storage cost, the change in estimate in provision for nuclear decommissioning due to the update of the expert decommissioning study for nuclear power plant in Dukovany and the change in long-term spent fuel storage in connection with the modification of the expected output of the nuclear power plants.

The actual decommissioning and spent fuel storage costs could vary substantially from the above estimates because of new regulatory requirements, changes in technology, increased costs of labor, materials and equipment and/or the actual time required to complete all decommissioning, disposal and storage activities.

20.2. Provision for Mine Reclamation and Mining Damages and Waste Storage Reclamation

The following table shows the movements of provisions for the years ended December 31, 2019 and 2018 (in CZK millions):

	Mine reclamation and damages	Waste storage
Balance at January 1, 2018	7,922	1,002
Discount accretion and effect of inflation	193	25
Provision charged in profit or loss	251	-
Effect of change in estimate added to (deducted from) fixed assets	239	(71)
Current cash expenditures	(216)	(33)
Reversal of provision	-	(5)
Reclassification	213	(213)
Balance at December 31, 2018	8,602	705
Discount accretion and effect of inflation	204	18
Provision charged in profit or loss	131	-
Effect of change in estimate added to fixed assets	748	133
Current cash expenditures	(313)	(49)
Balance at December 31, 2019	9,372	807

The provision for decommissioning and reclamation of mines and mining damages was recorded by Severočeské doly a.s., a mining subsidiary of ČEZ. Severočeské doly a.s. operates open pit coal mines and is responsible for decommissioning and reclamation of the mines as well as for damages caused by the operations of the mines. These provisions have been calculated using the best estimates of the expenditures required to settle the present obligation at the balance sheet date. Current cash expenditures represent cash payments for current reclamation of mining area and settlement of mining damages. Change in estimate represents change in provision as result of updated cost estimates in the current period, mainly due to changes in expected prices of reclamation activities.

21. Other Financial Liabilities

Other financial liabilities at December 31, 2019 and 2018 are as follows (in CZK millions):

	2019		
	Long-term liabilities	Short-term liabilities	Total
Payables from non-current assets purchase	1,531	–	1,531
Payables from purchase of emission rights held for trading	1,757	–	1,757
Other	72	343	415
Financial liabilities at amortized cost	3,360	343	3,703
Cash flow hedge derivatives	5,463	939	6,402
Commodity and other derivatives	877	61,905	62,782
Financial liabilities at fair value	6,340	62,844	69,184
Total	9,700	63,187	72,887

	2018		
	Long-term liabilities	Short-term liabilities	Total
Payables from non-current assets purchase	1,366	–	1,366
Deposits and other	69	1,229	1,298
Financial liabilities at amortized cost	1,435	1,229	2,664
Cash flow hedge derivatives	12,732	9,637	22,369
Commodity and other derivatives	887	99,421	100,308
Financial liabilities at fair value	13,619	109,058	122,677
Total	15,054	110,287	125,341

Short-term payables arising from purchase of non-current assets and emission rights held for trading are included in the line Trade payables.

22. Short-term Loans

Short-term loans at December 31, 2019 and 2018 are as follows (in CZK millions):

	2019	2018
Short-term bank and other loans	4,253	11,516
Bank overdrafts	7	267
Total	4,260	11,783

Interest on short-term loans is variable. The weighted average interest rate was 0.7% and 0.4% at December 31, 2019 and 2018, respectively. For the years 2019 and 2018 the weighted average interest rate was 2% and 0.7%, respectively.

23. Other Short-term Liabilities

Other short-term liabilities at December 31, 2019 and 2018 are as follows (in CZK millions):

	2019	2018
Advances received from retail customers	20,927	20,125
Unbilled electricity and gas supplied to retail customers	(18,452)	(16,621)
Received advances from retail customers, net	2,475	3,504
Taxes and fees, except income tax	3,238	2,684
Other advances received	1,299	926
Deferred income	439	347
Other contract liability	93	–
Total	7,544	7,461

24. Leases

24.1. Group as a Lessee

The Group has lease contracts for various items of offices, cars, buildings and land used to place its own electricity and heat production facilities, and in some cases leases the entire production factory. Leases of cars generally have lease terms between 1 to 8 years, while buildings and lands between 4 to 21 years.

The Group has entered into lease contracts with fixed and variable payments. The variable payments are regularly adjusted according to the inflation index or are based on use of the underlying assets.

The Group also has certain leases of buildings, machinery or equipment with lease terms of 12 months or less or with low value. The Group applies the short-term lease and lease of low-value assets recognition exemptions for these leases.

The net book values of the right-of-use assets presented under Property, plant and equipment are described in the Note 3.

The amounts of lease liability are presented under Debt (see Note 17).

The following table sets out total cash outflows for lease payments (in CZK millions):

	2019
Payments of principal	787
Payments of interests	165
Lease payments not included in valuation of lease liability	119
Total cash outflow for leases	1,071

The following are the amounts that are recognized in profit or loss (in CZK millions):

	2019
Expense relating to short-term leases	108
Expense relating to low-value assets	4
Variable lease payments not included in valuation of lease liability	7
Depreciation charge for right-of-use assets	778
Interest expenses	174

Next year, the Group expects to pay lease payments that are not included in valuation of lease liability of CZK 119 million.

24.2. Group as a Lessor

Finance Lease

The most significant lease under finance lease is the lease of assets for electricity and heat production directly at the customer.

The following table sets out a maturity analysis of investment in finance lease, showing the undiscounted lease payments to be received after the reporting date (in CZK millions):

	2019	2018
Up to 1 year	59	62
Between 1 and 2 years	60	61
Between 2 and 3 years	54	55
Between 3 and 4 years	51	49
Between 4 and 5 years	46	45
Thereafter	145	145
Total undiscounted investment in finance lease	415	417
Unearned finance income	(62)	(64)
Net investment in the lease	353	353

The Group recognized interest income on lease receivables of CZK 14 million and CZK 7 million at December 31, 2019 and 2018, respectively.

Operating Lease

The net book values of the property, plant and equipment leased out under operating lease are disclosed in the Note 3.

Rental income recognized by the Group during 2019 and 2018 was CZK 200 million and CZK 187 million, respectively. In the following years, the Group expects rental income to be similar to the year 2019.

25. Revenues and Other Operating Income

The composition of revenues and other operating income for the years ended December 31, 2019 and 2018 is as follows (in CZK millions):

	2019	2018
Sales of electricity:		
Sales of electricity to end customers	49,620	45,941
Sales of electricity through energy exchange	742	4,134
Sales of electricity to traders	39,913	36,830
Sales to distribution and transmission companies	250	177
Other sales of electricity	28,083	20,733
Effect of hedging – presales of electricity (Note 19.3)	(9,662)	(5,596)
Effect of hedging – currency risk hedging (Note 19.3)	1,302	878
Total sales of electricity	110,248	103,097
Sales of gas, coal and heat:		
Sales of gas	7,968	7,072
Sales of coal	4,400	4,489
Sales of heat	7,802	6,792
Total sales of gas, coal and heat	20,170	18,353
Total sales of electricity, heat, gas and coal	130,418	121,450
Sales of services and other revenues:		
Distribution services	44,778	39,356
Other services	24,153	18,033
Rental income	200	187
Revenues from goods sold	1,110	1,132
Other revenues	1,122	1,160
Total sales of services and other revenues	71,363	59,868
Other operating income:		
Granted green and similar certificates	1,144	995
Contractual fines and interest fees for delays	474	334
Gain on sale of property, plant and equipment	147	137
Gain on sale of material	126	169
Other	2,520	1,533
Total other operating income	4,411	3,168
Total revenues and other operating income	206,192	184,486

The Group drew in 2019 and 2018 grants related to income in amount CZK 491 million and CZK 552 million, respectively. Grants related to income are included in Other operating income in item Other.

Revenues from contracts with customers for the years ended December 31, 2019 and 2018 were CZK 209,941 million and CZK 185,849 million, respectively, and can be linked to the above figures as follows:

	2019	2018
Sales of electricity, heat, gas and coal	130,418	121,450
Sales of services and other revenues	71,363	59,868
Total revenues	201,781	181,318
Adjustments:		
Effect of hedging – presales of electricity	9,662	5,596
Effect of hedging – currency risk hedging	(1,302)	(878)
Rental income	(200)	(187)
Revenues from contracts with customers	209,941	185,849

The Group assumes that the revenues related to construction contracts liabilities that are unsatisfied as at December 31, 2019, will recognize in statement of income in the following periods (in CZK millions):

	2019
Within 1 year	9,504
More than 1 year	2,253
Total	11,757

Revenues related to construction contracts liabilities that were unsatisfied as at December 31, 2018, were CZK 7,834 million.

26. Gains and Losses from Commodity Derivative Trading

The composition of gains and losses from commodity derivative trading for the years ended December 31, 2019 and 2018 is as follows (in CZK millions):

	2019	2018
Electricity derivative trading:		
Sales – domestic	18,997	13,537
Sales – foreign	290,588	259,360
Purchases – domestic	(18,467)	(13,311)
Purchases – foreign	(291,464)	(264,806)
Changes in fair value of derivatives	8,359	5,601
Total gains from electricity derivative trading	8,013	381
Other commodity derivative trading:		
Loss from gas derivative trading	(513)	(409)
Gain (loss) from oil derivative trading	6	(22)
Gain (loss) from coal derivative trading	(298)	(84)
Gain from emission rights derivative trading	402	709
Total gains and losses from commodity derivative trading	7,610	575

27. Purchase of Electricity, Gas and Other Energies

The composition of purchase of electricity, gas and other energies for the years ended December 31, 2019 and 2018 is as follows (in CZK millions):

	2019	2018
Purchase of electricity for resale	(46,583)	(44,611)
Purchase of gas for resale	(6,539)	(5,211)
Purchase of other energies	(2,423)	(2,346)
Total purchase of electricity, gas and other energies	(55,545)	(52,168)

28. Fuel and Emission Rights

The composition of fuel and emission rights for the years ended December 31, 2019 and 2018 is as follows (in CZK millions):

	2019	2018
Consumption of fossil energy fuel and biomass	(6,939)	(7,236)
Amortization of nuclear fuel	(4,096)	(4,027)
Consumption of gas	(3,717)	(2,712)
Emission rights for generation	(6,605)	(5,089)
Total fuel and emission rights	(21,357)	(19,064)

29. Services

The composition of services for the years ended December 31, 2019 and 2018 is as follows (in CZK millions):

	2019	2018
Transmission grid services for distribution of electricity	(5,544)	(4,701)
Other distribution services	(2,964)	(518)
Repairs and maintenance	(5,734)	(4,584)
Other services	(16,989)	(16,289)
Total services	(31,231)	(26,092)

Information about fees charged by independent auditors is provided in the annual report of CEZ Group.

30. Salaries and Wages

Salaries and wages for the years ended December 31, 2019 and 2018 were as follows (in CZK millions):

	2019		2018	
	Total	Key management personnel ¹⁾	Total	Key management personnel ¹⁾
Salaries and wages including remuneration of the board members	(20,852)	(251)	(18,386)	(247)
Share options	(38)	(38)	(33)	(33)
Social and health security	(6,064)	(47)	(5,427)	(46)
Other personal expenses	(1,866)	(14)	(1,774)	(23)
Total	(28,820)	(350)	(25,620)	(349)

¹⁾ Key management personnel represent members of Supervisory Board, Audit Committee and Board of Directors of the parent company and selected managers of departments with group field of activity. The remuneration of former members of company bodies is also included in personal expenses.

At December 31, 2019 and 2018, the aggregate number of share options granted to members of Board of Directors and selected managers was 1,651 thousand and 1,904 thousand, respectively.

Members of the Board of Directors and selected managers were entitled until December 31, 2019 to receive share options based on the conditions stipulated in the share option agreement. Members of the Board of Directors and selected managers were granted certain quantity of share options each year of their tenure according to rules of the share option plan until the share option plan was terminated as of December 31, 2019. The exercise price for the granted options was based on the average quoted market price of the shares on the regulated exchange in the Czech Republic during one-month period preceding the grant date each year. Options granted could be exercised at the earliest 2 years and latest 3.5 years after each grant date. Option right is limited so that the profit per share option will not exceed 100% of exercise price.

Beginning on January 1, 2020, the new program of long-term performance bonus has been started, replacing the options program. New options will no longer be granted and the existing granted options as at December 31, 2019 in the number of 1,651 thousand are preserved, i.e. after a proportional reduction of the original annual allocations in 2019. The program of long-term performance bonus is based on performance units that will be allocated to each beneficiary every year. The number of performance units allocated is based on the defined yearly value of a given long-term bonus and the price of stocks before the allocation. The Supervisory Board sets out the performance indicators for each year's allocation of the performance units. The defined performance indicators will be evaluated by the Supervisory Board and number of performance units allocated to a beneficiary will be adjusted accordingly. Then a two-year holding period will follow. The long-term performance bonus will be paid three years after the initial allocation, and the amount will be based on the adjusted number of performance units as well as on the stock price at the end of the holding period and the amount of dividends distributed during the holding period.

The following table shows changes during 2019 and 2018 in the number of granted share options and the weighted average exercise price of these options:

	Number of share options			Weighted average exercise price (CZK per share)
	Board of Directors '000s	Selected managers '000s	Total '000s	
Share options at January 1, 2018	1,814	512	2,326	496.89
Options granted	590	185	775	542.63
Options exercised ¹⁾	(350)	(130)	(480)	438.03
Options forfeited	(560)	(157)	(717)	615.88
Share options at December 31, 2018²⁾	1,494	410	1,904	485.52
Options granted ³⁾	239	117	356	536.25
Options exercised ¹⁾	(454)	(120)	(574)	434.74
Options forfeited	–	(35)	(35)	536.96
Share options at December 31, 2019²⁾	1,279	372	1,651	513.02

¹⁾ In 2019 and 2018 the weighted average market share price at the date of the exercise for the options exercised was CZK 542.81 and CZK 539.42, respectively.

²⁾ At December 31, 2019 and 2018 the number of exercisable options was 540 thousand and 390 thousand, respectively. The weighted average exercise price of the exercisable options was CZK 455.32 per share and CZK 443.84 per share at December 31, 2019 and 2018, respectively.

³⁾ The original annual allocations in 2019 were proportionally reduced on the termination of the share options plan at December 31, 2019 to correspond to the number of options determined based on the number of days remaining from the date of the relevant 2019 allocation until the end of the share option plan. The presented number corresponds to the total number of options granted in 2019 after this reduction.

The fair value of the options is estimated on the date of grant using the binomial option-pricing model. Because these stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the existing models do not necessarily provide a reliable single measure of the fair value of stock options.

At the grant dates, the underlying assumptions and the resulting fair values per option were as follows:

	2019	2018
Weighted average assumptions:		
Dividend yield	3.6%	2.7%
Expected volatility	15.7%	18.1%
Mid-term risk-free interest rate	1.6%	0.9%
Expected life (years)	1.4	1.4
Grant-date share price (CZK per share)	533.7	543.4
Weighted average grant-date fair value of options (CZK per 1 option)	36.3	41.4

The expected life of the options is based on historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

As at December 31, 2019 and 2018 the exercise prices of outstanding options were in the following ranges (in thousand pieces):

	2019	2018
CZK 400–500 per share	540	1,124
CZK 500–600 per share	1,111	780
Total	1,651	1,904

The options granted which were outstanding as at December 31, 2019 and 2018 had an average remaining contractual life of 1.9 years and 2.3 years, respectively.

31. Other Operating Expenses

Other operating expenses for the years ended December 31, 2019 and 2018 consist of the following (in CZK millions):

	2019	2018
Change in provisions	1,005	541
Taxes and fees	(3,256)	(3,330)
Cost of goods sold	(778)	(778)
Consumption of guarantees of origin and green and similar certificates	(1,766)	(938)
Insurance	(739)	(696)
Costs related to trading of commodities	(415)	(356)
Gifts	(349)	(336)
Bad debt expense	(210)	(205)
Loss on sale of property, plant and equipment	(17)	(10)
Other	(2,357)	(992)
Total	(8,882)	(7,100)

Taxes and fees include the contributions to the nuclear account (see Note 20.1). The settlement of the provision for long-term spent fuel storage is accounted for at the amount of contributions to nuclear account. Settlement of provision for long-term spent fuel storage is included in Change in provisions.

32. Interest Income

Interest income for each category of financial assets for the years ended December 31, 2019 and 2018 is as follows (in CZK millions):

	2019	2018
Debt financial assets designated at fair value through other comprehensive income	228	197
Bank accounts	126	84
Loans and receivables	41	13
Debt financial assets at amortized cost	7	8
Financial assets and liabilities at fair value through profit or loss	1	13
Total	403	315

33. Other Financial Expenses

Other financial expenses for the years ended December 31, 2019 and 2018 consist of the following (in CZK millions):

	2019	2018
Derivative losses	(199)	(47)
Foreign exchange rate loss	(315)	(776)
Loss on sales of debt financial assets	-	(11)
Creation and settlement of provision	(26)	(17)
Loss on revaluation of equity financial assets	(90)	-
Other	(183)	(200)
Total	(813)	(1,051)

34. Other Financial Income

Other financial income for the years ended December 31, 2019 and 2018 consist of the following (in CZK millions):

	2019	2018
Derivative gains	77	933
Gain from revaluation of financial assets	151	128
Dividend income	140	177
Gain on disposal of subsidiaries, associates and joint-ventures	3	159
Gain from sale of debt financial assets	33	-
Other	257	890
Total	661	2,287

35. Income Taxes

Companies resident in the Czech Republic calculated corporate income tax in accordance with the Czech tax regulations at the rate of 19% in 2019 and 2018. Management believes that it has adequately provided for tax liabilities in the accompanying financial statements. However, the risk remains that the relevant financial authorities could take differing positions with regard to interpretive issues, which could have a potential effect on reported income.

The components of the income tax provision are as follows (in CZK millions):

	2019	2018
Current income tax charge	(4,100)	(4,191)
Adjustments in respect of current income tax of previous periods	(19)	(57)
Deferred income taxes	208	1,231
Total	(3,911)	(3,017)

The differences between income tax expense computed at the statutory rate and income tax expense provided on earnings are as follows (in CZK millions):

	2019	2018
Income before income taxes	18,411	13,517
Statutory income tax rate in Czech Republic	19%	19%
"Expected" income tax expense	(3,498)	(2,568)
Tax effect of:		
Non-deductible expenses related to shareholdings	6	(26)
Goodwill and other non-current assets impairment	(244)	(174)
Share of profit (loss) from associates and joint-ventures	3	(72)
Adjustments in respect of current income tax of previous periods	(19)	(57)
Effect of different tax rate in other countries	115	(80)
Change in unrecorded deferred tax asset	11	236
Provisions	(155)	(131)
Dividend income	27	34
Other already taxed, tax exempt or non-deductible items, net	(157)	(179)
Income taxes	(3,911)	(3,017)
Effective tax rate	21%	22%

Deferred income taxes, net, at December 31, 2019 and 2018 consist of the following (in CZK millions):

	2019	2018
Nuclear provisions	12,422	10,217
Financial statement depreciation in excess of tax depreciation	2,149	2,141
Revaluation of financial instruments	737	4,451
Allowances	1,245	1,088
Other provisions	3,327	2,771
Lease liabilities	853	67
Tax loss carry forwards	1,597	1,492
Other temporary differences	633	475
Unrecorded deferred tax asset	(818)	(829)
Total deferred tax assets	22,145	21,873
Tax depreciation in excess of financial statement depreciation	(36,254)	(32,377)
Revaluation of financial instruments	(101)	(184)
Other provisions	(402)	(441)
Right-of-use assets	(816)	(3)
Investment in finance lease	(96)	(97)
Other temporary differences	(3,621)	(4,201)
Total deferred tax liability	(41,290)	(37,303)
Total deferred tax liability, net	(19,145)	(15,430)
Reflected in the balance sheet as follows:		
Deferred tax assets	1,481	1,269
Deferred tax liability	(20,626)	(16,699)
Total deferred tax liability, net	(19,145)	(15,430)

Movements in net deferred tax liability, net in 2019 and 2018 were as follows (in CZK millions):

	2019	2018
Balance at January 1	15,430	18,696
Deferred tax classified as held for sale as of January 1	164	-
Adoption of IFRS 9 and IFRS 15	-	565
Deferred tax recognized in profit or loss	(208)	(1,231)
Deferred tax recognized in other comprehensive income	3,626	(2,544)
Acquisition of subsidiaries	248	175
Disposal of subsidiaries	-	(47)
Currency translation differences	(12)	(20)
Deferred tax classified as held for sale as of December 31	(103)	(164)
Balance at December 31	19,145	15,430

At December 31, 2019 and 2018 the aggregate amount of temporary differences associated with investments in subsidiaries, for which no deferred tax liability was recognized, amounted to CZK 24,617 million and CZK 25,889 million, respectively.

Tax effects relating to each component of other comprehensive income (in CZK millions):

	2019			2018		
	Before tax amount	Tax effect	Net of tax amount	Before tax amount	Tax effect	Net of tax amount
Change in fair value of cash flow hedges	10,891	(2,069)	8,822	(16,016)	3,043	(12,973)
Cash flow hedges reclassified to statement of income	8,253	(1,568)	6,685	3,927	(746)	3,181
Cash flow hedges reclassified to assets	–	–	–	(972)	185	(787)
Change in fair value of debt instruments	326	(60)	266	(363)	73	(290)
Disposal of debt instruments	(7)	1	(6)	–	–	–
Change in fair value of equity instruments	(347)	67	(280)	87	(11)	76
Translation differences – subsidiaries	(1,337)	–	(1,337)	107	–	107
Translation differences – associates and joint-ventures	21	–	21	115	–	115
Disposal of translation differences	–	–	–	1	–	1
Share on other equity movements of associates and joint-ventures	(8)	–	(8)	–	–	–
Re-measurement gains (losses) on defined benefit plans	(48)	3	(45)	(22)	–	(22)
Total	17,744	(3,626)	14,118	(13,136)	2,544	(10,592)

36. Related Parties

The Group purchases from and sells to related parties products, goods and services in the ordinary course of business.

At December 31, 2019 and 2018, the receivables from related parties and payables to related parties are as follows (in CZK millions):

	Receivables		Payables	
	2019	2018	2019	2018
Akenerji Elektrik Üretim A.S.	2	18	–	–
Elevion Co-Investment GmbH & Co. KG	–	–	80	123
in PROJEKT LOUNY ENGINEERING s.r.o.	7	5	3	5
LOMY MOŘINA spol. s r.o.	1	2	27	20
Socrates Windprojekt GmbH & Co. KG ¹⁾	111	–	–	–
Výzkumný a zkušební ústav Plzeň s.r.o.	86	74	5	2
Other	29	19	29	78
Total	236	118	144	228

¹⁾ Company is related party since April 30, 2019.

The following table provides the total amount of transactions, which have been entered into with related parties for 2019 and 2018 (in CZK millions):

	Sales to related parties		Purchases from related parties	
	2019	2018	2019	2018
Akcezní Enerji A.S.	12	21	–	–
Akenerji Elektrik Enerjisi İthalat İhracat ve Toptan Ticaret A.S.	–	–	102	25
Akenerji Elektrik Üretim A.S.	–	30	–	–
in PROJEKT LOUNY ENGINEERING s.r.o.	23	32	18	26
LOMY MOŘINA spol. s r.o.	10	13	194	176
Teplo Klášterec s.r.o.	57	57	–	–
VLTAVOTÝNSKÁ TEPLÁRENSKÁ a.s.	27	27	3	2
Other	18	153	43	216
Total	147	333	360	445

Dividend income, interest and other financial income from related parties for the relevant financial year (in CZK millions):

	Interest and other financial income		Dividend income	
	2019	2018	2019	2018
Akcez Enerji A.S.	24	16	–	–
LOMY MOŘINA spol. s r.o.	–	–	5	5
Sakarya Elektrik Dagitim A.S.	6	6	–	–
Other	6	–	11	3
Total	36	22	16	8

Information about compensation of key management personnel is included in Note 30. Information about guarantees provided to joint-ventures is included in Note 19.2.

37. Segment Information

The Group reports its result using six reportable operating segments:

- Generation – Traditional Energy
- Generation – New Energy
- Distribution
- Sales
- Mining
- Support Services

The segments are defined across the countries that CEZ Group operates. Segment is a functionally autonomous part of CEZ Group that serves a single part of the value chain in the energy sector and is within the purview of individual members of the ČEZ, a. s. Board of Directors.

A change in the classification of CEZ Group companies into operating segments was made with effect from January 1, 2019.

In particular, most companies from the “Other” segment were transferred to different segments and the segment was renamed to “Support Services”. The original segmentation primarily reflected core business activities of the respective company; now more account is taken of mutual business relations making up the overall segment chain. For example, SD - Kolejová doprava (a service subsidiary of Severočeské doly) was transferred from the “Other” segment to the “Mining” segment. The segment information for previous period of the year 2018 has been adjusted to provide fully comparative information on the same basis.

The Group accounts for intersegment revenues and transfers as if the revenues or transfers were to third parties, that is, at current market prices or where the regulation applies at regulated prices.

In segment reporting, IFRS 16 is applied to external leases from the Group’s perspective, but it is not applied to leases between individual operating segments, although in some cases the asset is leased to another segment internally.

The Group evaluates the performance of its segments based on EBITDA (see Note 16).

The following tables summarize segment information by operating segments for the years ended December 31, 2019 and 2018 (in CZK millions):

Year 2019:	Generation – Traditional Energy	Generation – New Energy	Distribution	Sales	Mining	Support Services	Combined	Elimination	Consolidated
Revenues and other operating income – other than intersegment	61,498	6,353	43,151	86,549	4,883	3,758	206,192	–	206,192
Revenues and other operating income – intersegment	36,864	382	632	7,063	6,099	4,781	55,821	(55,821)	–
Total revenues and other operating income	98,362	6,735	43,783	93,612	10,982	8,539	262,013	(55,821)	206,192
EBITDA	25,632	3,936	20,553	3,726	4,991	1,347	60,185	(10)	60,175
Depreciation and amortization	(15,167)	(1,881)	(6,669)	(1,340)	(2,763)	(1,196)	(29,016)	–	(29,016)
Impairment of property, plant and equipment and intangible assets	(3,182)	1,041	(2,754)	(1)	22	14	(4,860)	–	(4,860)
EBIT	7,291	3,096	11,165	2,407	2,280	200	26,439	(10)	26,429
Interest on debt and provisions	(6,777)	(239)	(821)	(337)	(211)	(103)	(8,488)	1,122	(7,366)
Interest income	775	180	176	157	109	128	1,525	(1,122)	403
Share of profit (loss) from associates and joint-ventures	(24)	1	(90)	123	8	–	18	–	18
Income taxes	(550)	(156)	(2,218)	(468)	(454)	(65)	(3,911)	–	(3,911)
Net income	11,859	3,063	7,259	1,867	1,862	696	26,606	(12,106)	14,500
Identifiable assets	249,324	27,712	116,132	6,616	22,612	5,692	428,088	–	428,088
Investment in associates and joint-ventures	2,589	235	–	280	179	–	3,283	–	3,283
Unallocated assets									273,203
Total assets									704,574
Capital expenditure	10,759	682	13,709	1,530	2,306	1,088	30,074	(285)	29,789
Average number of employees	9,934	166	9,008	6,574	4,789	1,101	31,572	–	31,572

Year 2018:	Generation – Traditional Energy	Generation – New Energy	Distribution	Sales	Mining	Support Services	Combined	Elimination	Consolidated
Revenues and other operating income – other than intersegment	56,482	5,678	40,656	76,555	4,827	288	184,486	–	184,486
Revenues and other operating income – intersegment	32,820	511	787	7,189	5,830	4,167	51,304	(51,304)	–
Total revenues and other operating income	89,302	6,189	41,443	83,744	10,657	4,455	235,790	(51,304)	184,486
EBITDA	16,664	2,895	19,922	4,280	4,507	1,272	49,540	(5)	49,535
Depreciation and amortization	(16,117)	(1,790)	(6,201)	(473)	(2,644)	(914)	(28,139)	–	(28,139)
Impairment of property, plant and equipment and intangible assets	(1,249)	191	(671)	1	20	(58)	(1,766)	–	(1,766)
EBIT	(635)	1,297	13,074	3,808	1,906	314	19,764	(5)	19,759
Interest on debt and provisions	(6,565)	(165)	(397)	(170)	(194)	(98)	(7,589)	612	(6,977)
Interest income	499	121	130	61	41	75	927	(612)	315
Share of profit (loss) from associates and joint-ventures	(25)	–	(458)	169	6	–	(308)	–	(308)
Income taxes	871	(241)	(2,394)	(806)	(361)	(86)	(3,017)	–	(3,017)
Net income	25,673	1,292	9,605	3,021	1,504	788	41,883	(31,383)	10,500
Identifiable assets	247,784	27,400	109,806	4,046	22,055	4,823	415,914	(6)	415,908
Investment in associates and joint-ventures	2,645	235	–	305	176	–	3,361	–	3,361
Unallocated assets									288,174
Total assets									707,443
Capital expenditure	8,268	439	12,900	669	2,576	1,848	26,700	(314)	26,386
Average number of employees	9,788	164	9,165	5,503	4,850	1,075	30,545	–	30,545

Prices in certain intersegment transactions are regulated by the Energy Regulatory Office (see Note 1).

The following table shows the split of revenues and other operating income according to the location of the entity where the revenues are originated (in CZK million):

	2019	2018
Czech Republic	138,324	128,526
Bulgaria	18,339	16,546
Romania	16,379	13,653
Germany	13,704	9,170
Poland	10,148	10,930
Other	9,298	5,661
Total revenues and other operating income	206,192	184,486

The following table shows the split of property, plant and equipment according to the location of entity which they belong to at December 31, 2019 and 2018 (in CZK million):

	2019	2018
Czech Republic	388,917	378,663
Romania	24,431	23,734
Germany	7,987	6,458
Poland	5,265	6,182
Other	1,488	871
Total property, plant and equipment	428,088	415,908

38. Net Income per Share

	2019	2018
Numerator (CZK millions)		
Basic and diluted:		
Net income attributable to equity holders of the parent	14,373	10,327
Denominator (thousands shares)		
Basic:		
Weighted average shares outstanding	535,255	534,733
Dilutive effect of share options	119	246
Diluted:		
Adjusted weighted average shares	535,374	534,979
Net income per share (CZK per share)		
Basic	26.9	19.3
Diluted	26.8	19.3

39. Commitment and Contingencies

Investment Program

The Group is engaged in a continuous construction program, currently estimated as of December 31, 2019 over the next five years as follows (in CZK billion):

2020	37.1
2021	36.4
2022	40.7
2023	37.4
2024	34.0
Total	185.6

These figures do not include the expected acquisitions of subsidiaries, associates and joint-ventures and any specific development investments, whose implementation will depend on the specific future market conditions. New investments in subsidiaries, associates and joint-ventures will depend on the number of future investment opportunities, for which the Group will be a successful bidder and also considering the recoverability of these investments.

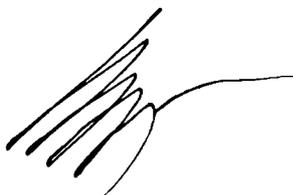
The construction programs are subject to periodic reviews and actual construction may vary from the above estimates. At December 31, 2019 significant purchase commitments were outstanding in connection with the construction program.

Insurance Matters

The Nuclear Act sets limits for liabilities for nuclear damages so that the operator of nuclear installations for energy generation purposes is liable for up to CZK 8 billion per incident. The Nuclear Act limits the liability for damage caused by other nuclear installations and activities (such as transportation) to CZK 2 billion. The Nuclear Act also requires an operator to insure its liability connected with the operation of a nuclear power plant up to a minimum of CZK 2 billion and up to a minimum of CZK 300 million for other activities (such as transportation). The Company concluded the above-mentioned insurance policies with company Generali Česká pojišťovna a.s. (representing Czech Nuclear Insurance Pool) and European Liability Insurance for the Nuclear Industry. The Company has obtained all insurance policies with minimal limits as required by the law.

The Group also maintains the insurance policies covering the assets of its coal-fired, hydroelectric, CCGT and nuclear power plants and general third party liability insurance in connection with main operations of the Group.

These consolidated financial statements have been authorized for issue on March 16, 2020.



Daniel Beneš
Chairman of Board of Directors



Martin Novák
Member of Board of Directors



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

Independent Auditor's Report

To the Shareholders of ČEZ, a. s.:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of CEZ Group (hereinafter also the “Group”) prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS EU”), which comprise the consolidated balance sheet as at 31 December 2019, and the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Group, see Notes 1, 8 and 9 to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of CEZ Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the IFRS EU.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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



We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment of goodwill and other assets

The Group conducts annual impairment tests of goodwill and other assets' balances. The impairment test involves determining the recoverable amount of the cash-generating unit as a whole or individual assets, which corresponds to the value in use or selling price less cost to sell. Value in use is determined on the basis of an enterprise valuation model and is assessed from the Group's internal perspective.

These calculations of potential impairment amounts are a key audit matter as there is a significant uncertainty in relation to regulatory matters such as distribution fees and government support for renewable energy, which are, together with other significant assumptions included in the estimated future cash flows, main inputs to the calculations. Main assumptions that are subject to significant estimation uncertainty are projected future wholesale electricity prices, prices of green certificates or emission allowances, market access, development of the regulatory environment and discount rates as well as the strategy of the Group. Future cash flows relate to events and actions that have not yet occurred and may not occur. Another reason for impairment to be a key audit matter is the fact that the determination of cash-generating unit is to some extent subject to management judgement.

Our procedures included assessing the assumptions and methodologies used by the Group in their value in use models and assessment of the selling price less cost to sell. We involved our internal valuation specialists in assessing the adequacy of the Group's model used for the calculation of weighted average cost of capital and we also evaluated mathematical accuracy, underlying data and assumptions used in the calculation. We evaluated main assumptions that are subject to significant estimates such as future wholesale electricity prices, prices of green certificates or emission allowances ("emission certificates"), development of the regulatory environment and compared them to those observable on the market. We compared electricity prices as well as the prices of emission certificates to the contracts, which are actively traded on the market, and we assessed reasonableness of the Group's projections of these future prices for periods, for which the market data are not available. We also discussed the assumptions with our internal valuation specialists in the respective countries.

We analyzed the budgets and future cash flows of the cash-generating units. We compared the expected developments in budgeted cash flows to the expectations presented by the management while assessing the main assumptions of the models and discussing alternatives. We also assessed the adequacy of the model used for the impairment test calculation together with the definition of the cash-generating units and mathematical accuracy of the calculations.

We also focused on whether the Group's disclosures in the consolidated financial statements in relation to the impairment of goodwill and other assets, as presented and disclosed in Note 7. Impairment of Property, Plant and Equipment and Intangible Assets, are compliant with the IFRS EU.

**EY****Building a better
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Due to the significance of financial instruments measured at fair value, and a high degree of judgement related to their valuation, we consider this as a key audit matter.

We involved the internal valuation specialists to assist us in performing our audit procedures. We assessed the design and tested the operating effectiveness of internal controls over the valuation, data integrity, independent price verification and model approval.

For areas of higher risk and estimation, our audit procedures focused on the comparison of judgments made to market practice and reperformance of valuations over a selection of instruments, assessing the key inputs, assumptions and models used in the valuation process. We compared our results with the Group's valuation.

We also focused on whether the Group's disclosures in the consolidated financial statements in relation to the valuation of financial instruments, as presented and disclosed in Note 18. Fair Value of Financial Instruments, are compliant with the IFRS EU.

Classification of commodity contracts

The Group is entering into commodity contracts on different markets and platforms mainly in Central Europe and Germany. Commodity trading activities include trading with electricity, gas, emission allowances, oil and coal.

This is a key audit matter as the distinction between the contracts in scope of IFRS 9 Financial Instruments: Recognition and Measurement, which are treated as derivatives at fair value, and "own use" contracts, which are not remeasured to fair value, might be subject to a judgement and classification patterns set by the Group. This classification depends among other factors on the terms of the contract, whether the contract is considered to have been entered into as part of ordinary business activity, whether contract requires physical delivery of the commodity, and depends on various assumptions such as expected amount of commodity to be delivered, generation capacity of the portfolio mix and prices of commodities.

We tested the design and operating effectiveness of internal controls over the initial recognition of the contract, consistency of the commodity contract designation and the Group's ability to deliver the physical commodity over the contractual period.

We performed audit procedures focusing on the analysis and comparison of volume of commodities physically delivered during 2019 and the volumes of the "own use" contracts portfolio. We reviewed the ability of the Group to physically deliver the contracted future "own use" sales retrospectively and prospectively and the stability of portfolio to ensure that the contracts are not reclassified during their existence.

We also focused on whether the Group's disclosures in the consolidated financial statements in relation to the commodity contracts classification, as presented and disclosed in Notes 2.16. Commodity Contracts and 26. Gains and Losses from Commodity Derivative Trading, are compliant with the IFRS EU.



Other Information

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

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

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

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

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

Responsibilities of the Board of Directors and the Audit Committee for the Consolidated Financial Statements

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

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

The Audit Committee of ČEZ, a. s. (hereinafter only "Audit Committee") is responsible for overseeing the Group's consolidated financial reporting process.



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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



Report on Other Legal and Regulatory Requirements

In compliance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of Auditor and Period of Engagement

We were appointed as the auditors of the Group by the General Meeting of Shareholders on 26 June 2019 and our uninterrupted engagement has lasted for 18 years.

Consistence with Additional Report to Audit Committee

We confirm that our audit opinion on the consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee, which we issued on 12 March 2020 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided by us to the Group. In addition, there are no other non-audit services which were provided by us to the Group and its controlled undertakings and which have not been disclosed in the annual report.

Statutory auditor responsible for the engagement

Martin Skácelík is the statutory auditor responsible for the audit of the consolidated financial statements of the Group as at 31 December 2019, based on which this independent auditor's report has been prepared.

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

Martin Skácelík, Auditor
License No. 2119

16 March 2020
Prague, Czech Republic

A member firm of Ernst & Young Global Limited
Ernst & Young Audit, s.r.o. with its registered office at Na Florenci 2116/15, 110 00 Prague 1 – Nove Mesto,
has been incorporated in the Commercial Register administered by the Municipal Court in Prague,
Section C, entry no. 88504, under Identification No. 26704153.

ČEZ, a. s.

Balance Sheet

as of December 31, 2019

in CZK Millions

ASSETS:	Note	2019	2018
Plant in service		475,880	454,354
Less accumulated depreciation and impairment		(258,822)	(244,830)
Net plant in service		217,058	209,524
Nuclear fuel, at amortized cost		14,191	14,331
Construction work in progress, net		8,302	7,242
Total property, plant and equipment	3	239,551	231,097
Restricted financial assets, net	4	14,303	13,336
Other non-current financial assets, net	5	181,201	177,479
Intangible assets, net	6	9,014	4,235
Total other non-current assets		204,518	195,050
Total non-current assets		444,069	426,147
Cash and cash equivalents, net	7	3,516	454
Trade receivables, net	8	58,042	64,287
Income tax receivable		–	7
Materials and supplies, net		6,599	6,526
Fossil fuel stocks		608	462
Emission rights	9	24,326	13,157
Other current financial assets, net	5	75,602	106,133
Other current assets, net	10	2,784	2,362
Assets classified as held for sale, net	11	6,540	6,540
Total current assets		178,017	199,928
TOTAL ASSETS		622,086	626,075

EQUITY AND LIABILITIES:	Note	2019	2018
Stated capital		53,799	53,799
Treasury shares		(2,885)	(3,534)
Retained earnings and other reserves		152,565	132,947
Total equity	12	203,479	183,212
Long-term debt, net of current portion	13	133,848	133,026
Provisions	16	75,315	62,971
Other long-term financial liabilities	17	8,216	13,776
Deferred tax liability	32	8,044	4,539
Total non-current liabilities		225,423	214,312
Short-term loans	18	4,119	11,709
Current portion of long-term debt	13	24,760	5,590
Trade payables		53,748	51,208
Income tax payable		483	–
Provisions	16	9,282	6,889
Other short-term financial liabilities	17	99,954	152,544
Other short-term liabilities	19	838	611
Total current liabilities		193,184	228,551
TOTAL EQUITY AND LIABILITIES		622,086	626,075

The accompanying notes are an integral part of these financial statements.

ČEZ, a. s.

Statement of Income for the Year Ended December 31, 2019

in CZK Millions

	Note	2019	2018
Sales of electricity, heat and gas		81,943	74,151
Sales of services and other revenues		5,002	4,834
Other operating income		1,353	764
Total revenues and other operating income	21	88,298	79,749
Gains and losses from commodity derivative trading	22	7,159	300
Purchase of electricity, gas and other energies	23	(33,082)	(33,071)
Fuel and emission rights	24	(17,927)	(14,741)
Services	25	(9,549)	(9,104)
Salaries and wages	26	(7,165)	(6,533)
Materials and supplies		(1,851)	(1,823)
Capitalization of expenses to the cost of assets and change in own inventories		91	99
Depreciation and amortization	3, 6	(14,535)	(14,310)
Impairment of property, plant and equipment and intangible assets		(114)	(188)
Impairment of trade and other receivables		(23)	(46)
Other operating expenses	27	(2,525)	(1,281)
Income (loss) before other income (expenses) and income taxes		8,777	(949)
Interest on debt, net of capitalized interest		(5,918)	(5,378)
Interest on provisions	16	(1,637)	(1,571)
Interest income	28	1,292	870
Impairment of financial assets	29	2,511	(3,468)
Other financial expenses	30	(462)	(897)
Other financial income	31	13,234	34,002
Total other income (expenses)		9,020	23,558
Income before income taxes		17,797	22,609
Income taxes	32	(404)	1,167
Net income		17,393	23,776
Net income per share (CZK per share):	35		
Basic		32.5	44.5
Diluted		32.5	44.4

The accompanying notes are an integral part of these financial statements.

ČEZ, a. s. Statement of Comprehensive Income for the Year Ended December 31, 2019

in CZK Millions

	Note	2019	2018
Net income		17,393	23,776
Change in fair value of cash flow hedges		10,891	(16,016)
Cash flow hedges reclassified to statement of income		8,253	3,927
Cash flow hedges reclassified to assets		–	(972)
Change in fair value of debt financial instruments		207	(227)
Deferred tax related to other comprehensive income	32	(3,678)	2,525
Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods		15,673	(10,763)
Change in fair value of equity instruments		(347)	59
Deferred tax related to other comprehensive income	32	67	(11)
Net other comprehensive income not to be reclassified from equity		(280)	48
Total other comprehensive income, net of tax		15,393	(10,715)
Total comprehensive income, net of tax		32,786	13,061

ČEZ, a. s. Statement of Changes in Equity for the Year Ended December 31, 2019

in CZK Millions

	Note	Stated capital	Treasury shares	Cash flow hedge reserve	Debt financial instruments	Equity financial instruments and other reserves	Retained earnings	Total equity
Balance as at December 31, 2017		53,799	(4,077)	(7,794)	294	78	145,207	187,507
Adoption of IFRS 9		–	–	–	–	–	(34)	(34)
Balance as at January 1, 2018 (restated)		53,799	(4,077)	(7,794)	294	78	145,173	187,473
Net income		–	–	–	–	–	23,776	23,776
Other comprehensive income		–	–	(10,579)	(184)	48	–	(10,715)
Total comprehensive income		–	–	(10,579)	(184)	48	23,776	13,061
Effect of merger		–	–	–	–	3	35	38
Dividends		–	–	–	–	–	(17,603)	(17,603)
Sale of treasury shares		–	543	–	–	–	(333)	210
Share options	26	–	–	–	–	33	–	33
Exercised and forfeited share options		–	–	–	–	(45)	45	–
Balance as at December 31, 2018		53,799	(3,534)	(18,373)	110	117	151,093	183,212
Net income		–	–	–	–	–	17,393	17,393
Other comprehensive income		–	–	15,506	167	(280)	–	15,393
Total comprehensive income		–	–	15,506	167	(280)	17,393	32,786
Dividends		–	–	–	–	–	(12,806)	(12,806)
Sale of treasury shares		–	649	–	–	–	(400)	249
Share options	26	–	–	–	–	38	–	38
Exercised and forfeited share options		–	–	–	–	(31)	31	–
Balance as at December 31, 2019		53,799	(2,885)	(2,867)	277	(156)	155,311	203,479

The accompanying notes are an integral part of these financial statements.

ČEZ, a. s.

Statement of Cash Flows for the Year Ended December 31, 2019

in CZK Millions

	Note	2019	2018
OPERATING ACTIVITIES:			
Income before income taxes		17,797	22,609
Adjustments of income before income taxes to cash generated from operations:			
Depreciation and amortization	3, 6	14,535	14,310
Amortization of nuclear fuel	3	4,059	4,005
(Gains) and losses on non-current asset retirements		(38)	(37)
Foreign exchange rate loss (gain)		231	808
Interest expense, interest income and dividend income		(8,491)	(27,481)
Provisions		3,062	1,133
Impairment of property, plant and equipment and intangible assets		114	188
Other impairment and other non-cash expenses and income		5,244	(251)
Changes in assets and liabilities:			
Receivables and contract assets		5,541	(23,756)
Materials, supplies and fossil fuel stocks		(212)	(545)
Receivables and payables from derivatives		(15,163)	1,048
Other assets		(15,580)	(2,925)
Trade payables		4,791	20,126
Other liabilities		228	44
Cash generated from operations		16,118	9,276
Income taxes received (paid)		(21)	321
Interest paid, net of capitalized interest		(5,886)	(5,299)
Interest received		1,295	825
Dividends received	5, 31	13,117	31,989
Net cash provided by operating activities		24,623	37,112
INVESTING ACTIVITIES:			
Acquisition of subsidiaries and joint-ventures		(2,860)	(1,813)
Proceeds from disposal of subsidiaries and joint-ventures and original investments repayments		3,524	156
Additions to non-current assets, including capitalized interest		(8,397)	(7,893)
Proceeds from sale of non-current assets		1,364	2,865
Loans made		(4,361)	(18,536)
Repayment of loans		2,234	3,338
Change in restricted financial assets		(735)	(548)
Total cash used in investing activities		(9,231)	(22,431)
FINANCING ACTIVITIES:			
Proceeds from borrowings		210,254	124,391
Payments of borrowings		(202,352)	(117,934)
Payments of lease liabilities	20	(1,159)	-
Payments of other long-term liabilities		(750)	(500)
Change in payables / receivables from group cashpooling		(5,721)	(3,933)
Dividends paid		(12,836)	(17,596)
Sale of treasury shares		249	210
Net cash used in financing activities		(12,315)	(15,362)
Net effect of currency translation and allowances in cash		(15)	(137)
Net increase (decrease) in cash and cash equivalents		3,062	(818)
Cash and cash equivalents at beginning of period		454	1,272
Cash and cash equivalents at end of period	7	3,516	454
Supplementary cash flow information:			
Total cash paid for interest		6,114	5,522

The accompanying notes are an integral part of these financial statements.

ČEZ, a. s.

Notes to the Financial Statements as of December 31, 2019

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1. Description of the Company

ČEZ, a. s. (ČEZ or the Company), business registration number 45274649, is a joint-stock company incorporated on May 6, 1992 under the laws of the Czech Republic in the Commercial Register maintained by the Municipal Court in Prague (Section B, Insert 1581). The Company's registered office is located at Duhová 2/1444, Prague 4, Czech Republic.

The Company is involved primarily in the production, trading and sale of electricity and the related support services and in the production, distribution and sale of heat and sale of gas. ČEZ is an electricity generation company, which in 2019 generated approximately 62% of the electricity in the Czech Republic.

The average number of employees was 5,348 and 5,212 in 2019 and 2018, respectively.

The Czech Republic represented by the Ministry of Finance is a majority shareholder holding 69.8% of the Company's share capital at December 31, 2019. The majority shareholder's share of the voting rights represented 70.1% at the same date.

2. Summary of Significant Accounting Policies

2.1. Financial Statements

These separate financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU).

The financial statements are prepared under the historical cost convention, except when IFRS requires other measurement basis as disclosed in the accounting policies below.

Based on the economic substance of the underlying events and circumstances relevant to the Company, the functional and presentation currency has been determined to be Czech crowns (CZK).

The Company also compiled consolidated IFRS financial statements of the CEZ Group for the same period.

Explanation Added for Translation into English

These financial statements represent a translation of financial statements originally issued in Czech.

2.2. Changes in Accounting Policies

2.2.1. Adoption of New IFRS Standards in 2019

The accounting policies adopted are consistent with those of the previous financial year, except for as follows. The Company has adopted the following new or amended and endorsed by EU IFRS and IFRIC interpretations as of January 1, 2019:

IFRS 16 Leases

This standard supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard deals with accounting, measurement and presentation of leases and disclosure requirements for the notes of the financial statements for both contract parties, i.e. for customer (lessee) and for supplier (lessor). Lessees will use single accounting model for all leases (with certain exceptions). Accounting by lessor is substantially unchanged from IAS 17, except where the Company leases right-of-use assets in a sublease. Therefore, IFRS 16 does not have a material impact for leases where the Company is the lessor.

The Company applied IFRS 16 using the modified retrospective approach, under which the comparative information presented for 2018 is not restated. The Company elected to use a transition practical expedient and applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

On transition to IFRS 16, the Company recognized right-of-use assets and lease liabilities and derecognized prepayments related to the leased assets. The impact on transition is summarized below (in CZK million):

Plant in service	2,524
Other current assets, net	(11)
Total assets	2,513
Long-term debt including current portion	2,513
Total liability	2,513

As at December 31, 2018, the Company did not identify any lease contracts or minimum lease payments from the non-cancellable operating lease that should be disclosed in the Notes to the Financial Statements as at December 31, 2018.

Amendment IAS 19 Plan Amendment, Curtailment or Settlement

The Amendment is effective for annual periods beginning on or after January 1, 2019 with earlier application permitted. The Amendment requires entity to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The Amendment also clarifies how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. The Amendment did not have material impact on the Company's financial statements.

Amendment IFRS 9 Prepayment Features with Negative Compensation

The Amendment is effective for annual reporting periods beginning on or after January 1, 2019 with earlier application permitted. The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. The Amendment did not have material impact on the Company's financial statements.

Amendment IAS 28 Long-term Interests in Associates and Joint-ventures

The Amendment is effective for annual reporting periods beginning on or after January 1, 2019 with earlier application permitted. The Amendment relates to whether the measurement, in particular impairment requirements, of long-term interests in associates and joint-ventures that, in substance, form part of the 'net investment' in the associate or joint-venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendment clarifies that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying IAS 28. The Amendment did not have material impact on the Company's financial statements.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

The Interpretation is effective for annual periods beginning on or after January 1, 2019 with earlier application permitted. The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. This Interpretation did not have material impact on the Company's financial statements.

Annual Improvements to IFRSs 2015–2017

In December 2017, the IASB issued a collection of amendments to IAS and IFRS for annual periods beginning on or after January 1, 2019 in which they focused on areas of inconsistency in IFRSs and IASs or where the clarification of wording was required. The following standards were amended:

IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:

The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

IAS 12 Income Taxes:

The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.

IAS 23 Borrowing Costs:

The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

These improvements did not have significant impact to the Company's financial statements.

2.2.2. Adoption of New IFRS Standards in 2018

In 2018, The Company has adopted the new accounting standard IFRS 9 Financial Instruments. Other changes in accounting policies in 2018, which are described in more details in the separate financial statements as at December 31, 2018, did not have material impact on the Company's financial statements.

The Company has adopted the new accounting standard IFRS 9 retrospectively, with the initial application date of January 1, 2018. As a result of the application of IFRS 9, the Company reassessed the amount of allowance provision for doubtful receivables and other assets in accordance with IFRS 9 impairment requirements, which are described in Note 2.11.4. The application of IFRS 9 standard as of January 1, 2018 reduced equity by CZK 34 million.

2.2.3. New IFRS Standards and IFRIC Interpretations either not yet Effective or not yet Adopted by the EU

The Company is currently assessing the potential impacts of the new and revised standards and interpretations that will be effective or adopted by the EU from January 1, 2020 or later. Standards and interpretations most relevant to the Company's activities are detailed below:

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint-venture

The amendments address an acknowledged inconsistency between IFRS 10 and IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint-venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. These amendments are not expected to have significant impact to the Company's financial statements.

IFRS 17 Insurance Contracts

The standard is effective for annual periods beginning on or after January 1, 2021 with earlier application permitted if both IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have also been applied. IFRS 17 Insurance Contracts establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. It also requires similar principles to be applied to reinsurance contracts held and investment contracts with discretionary participation features issued. The objective is to ensure that entities provide relevant information in a way that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that contracts within the scope of IFRS 17 have on the financial position, financial performance and cash flows of an entity. The standard has not been yet endorsed by the EU. This standard is not expected to have significant impact to the Company's financial statements.

Conceptual Framework in IFRS Standards

The IASB issued the revised Conceptual Framework for Financial Reporting on March 29, 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after January 1, 2020. This amendment is not expected to have significant impact to the Company's financial statements.

Amendment IFRS 3: Business Combinations

The IASB issued Amendment in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendment is effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. This Amendment has not yet been endorsed by the EU. This amendment is not expected to have significant impact to the Company's financial statements.

Amendments IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material'

The Amendments are effective for annual periods beginning on or after January 1, 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. These amendments are not expected to have significant impact to the Company's financial statements.

Amendments IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform

The amendments are effective for annual periods beginning on or after January 1, 2020 and must be applied retrospectively. Earlier application is permitted. In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting. Phase two will focus on issues that could affect financial reporting when an existing interest rate benchmark is replaced with a risk-free interest rate (an RFR). The amendments published, deal with issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative interest rate and address the implications for specific hedge accounting requirements in IFRS 9 Financial Instruments and IAS 39 Financial Instruments: Recognition and Measurement, which require forward-looking analysis. The amendments provided temporary reliefs, applicable to all hedging relationships that are directly affected by the interest rate benchmark reform, which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free interest rate. There are also amendments to IFRS 7 Financial Instruments: Disclosures regarding additional disclosures around uncertainty arising from the interest rate benchmark reform. These amendments are not expected to have significant impact to the Company's financial statements.

Amendments IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. These Amendments have not yet been endorsed by the EU. These amendments are not expected to have significant impact to the Company's financial statements.

The Company does not expect early adoption of any of the above-mentioned standards, improvements or amendments.

2.3. Estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from those estimates. Explanation of key assumptions is included in relevant sections of notes where significant estimates are being described.

Significant estimates are made by the Company while determining recoverable amounts for property, plant and equipment and financial assets (see Notes 3 and 5), accounting for the nuclear provisions (see Notes 2.21 and 16.1), provisions for waste storage reclamation (see Note 16.2), fair value of commodity contracts (see Notes 2.13 and 14) and financial derivatives (see Notes 2.12 and 14) and incremental borrowing rate and lease term to measure lease liability (see Notes 2.22 and 20).

2.4. Revenues and Other Income

The Company recognizes revenue from supplies of electricity, heat and gas based on contract terms. Differences between contracted amounts and actual supplies for electricity and gas are settled through the market operator.

Revenues are recognized when the Company has satisfied a performance obligation and the amount of revenue can be reliably measured. The Company will recognize revenue at an amount that reflects the consideration to which the entity expects to be entitled (after reduction for expected discounts) in exchange for transferring goods or services to a customer.

Sales are recognized net of value added tax.

Revenue from sale of assets is recognized when they are delivered and related significant risks and rewards of ownership have passed to the buyer.

Revenue from services provided is recognized when the services are rendered.

Dividends earned on investments are recognized when the right of payment has been established.

2.5. Fuel Costs

Fuel costs are expensed as fuel is consumed. Fuel expense includes the amortization of the cost of nuclear fuel (see Note 2.8).

2.6. Interest

The Company capitalizes all interest incurred in connection with its construction program that theoretically could have been avoided if expenditures for the qualifying assets had not been made. The qualifying assets include assets, for which the construction represents a substantial period of time.

2.7. Property, Plant and Equipment

Property, plant and equipment are recorded at cost, net of accumulated depreciation and impairment in value. Cost of plant in service includes purchase price, materials, labor, payroll-related costs and the cost of debt financing used during construction. The cost also includes the estimated cost of dismantling and removing the asset and restoring the site, to the extent that is recognized as a provision under IAS 37, Provisions, Contingent Liabilities and Contingent Assets. Government grants received for construction of certain items of property, plant and equipment decrease the acquisition cost of the respective items.

Internally developed property, plant and equipment are recorded at their accumulated cost. The cost of maintenance, repairs, and replacement of minor items of property is charged to maintenance expense when incurred. Renewals and improvements are capitalized. Upon sale, retirement or replacement of part of an item of property, plant and equipment the cost, related accumulated depreciation and eventual impairment of the disposed item or its replaced part are derecognized from the balance sheet. Any resulting gains or losses are included in profit or loss.

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company reviews the recoverable amounts of its property, plant and equipment to determine whether such amounts continue to exceed the assets' carrying values. The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Identified impairment of property, plant and equipment is recognized directly in profit or loss in the line item Impairment of property, plant and equipment and intangible assets.

At each reporting date, an assessment is made whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss in the line item Impairment of property, plant and equipment and intangible assets.

The Company depreciates the original cost of property, plant and equipment less its residual value by using the straight-line method over the estimated economic lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. The depreciable useful lives used for property, plant and equipment are as follows:

	Useful lives (years)
Buildings and structures	20–55
Machinery and equipment	4–37
Vehicles	8–25
Furniture and fixtures	4–15

Average depreciable lives based on the functional use of property, plant and equipment are as follows:

	Average life (years)
Hydro plants	
Buildings and structures	45
Machinery and equipment	12
Fossil fuel plants	
Buildings and structures	39
Machinery and equipment	12
Nuclear power plant	
Buildings and structures	38
Machinery and equipment	13

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

2.8. Nuclear Fuel

The Company presents nuclear fuel as part of property, plant and equipment, because its useful life exceeds 1 year. Nuclear fuel is recorded at cost, net of accumulated amortization and possible impairment in value. The nuclear fuel includes the capitalized portion of the provision for interim storage of nuclear fuel. Amortization of fuel in the reactor is based on the amount of power generated and is recognized in the income statement in the line item Fuel and emission rights. The amortization of nuclear fuel includes charges in respect of additions to the accumulated provision for interim storage of spent nuclear fuel.

2.9. Intangible Assets

Intangible assets are valued at their acquisition costs and related expenses. Intangible assets are amortized over their useful lives using the straight-line method. The estimated useful life of intangible assets ranges from 3 to 16 years. The intangible assets' residual values, useful lives and methods of amortization are reviewed, and adjusted if appropriate, at each financial year end. Improvements are capitalized.

Intangible assets are tested for impairment whenever facts or changes in circumstances indicate that the carrying amount could be impaired. The recoverable amount of an intangible asset not yet available for use is tested for impairment annually, irrespective of whether there is any indication that it may be impaired. Identified impairment of intangible assets is recognized directly in profit or loss in the line item Impairment of property, plant and equipment and intangible assets.

At each reporting date an assessment is made as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss in the line item Impairment of property, plant and equipment and intangible assets.

2.10. Emission Rights

Emission right represents the right of the operator of a facility, which in the course of its operation emits greenhouse gases, to emit during the calendar year equivalent of one ton of carbon dioxide. Based on the National Allocation Plans the Company have been granted emission rights. The Company is responsible for determining and reporting the amount of greenhouse gases produced by its facilities in the calendar year and this amount has to be audited by an accredited person.

On April 30 of the following year, at the latest, the Company is required to remit a number of allowances representing the number of tones of CO₂ actually emitted in previous year.

The emission rights which were granted free of charge are stated at their nominal value, i.e. at zero. Purchased emission rights are carried at cost (except for emission rights for trading). The Company recognizes a provision to cover emissions made corresponding to the difference between released emissions and amount of the emission rights which were granted free. This provision is measured firstly with regard to the cost of emission rights and credits purchased with the intention of covering the greenhouse gases emissions of the reporting period. The reserve for released emissions above the amount of these emissions rights and credits is measured at the market price ruling at the balance sheet date. The emission rights purchased for the own use purpose in the next year are presented under current assets in the line Emission rights. The emission rights with an expected later using are presented as part of the intangible assets.

The Company also holds emission rights and credits for trading purposes. The portfolio of emission rights and credits held for trading is measured at fair value. The changes in fair value of the emission rights and credits held for trading are recognized directly in profit or loss in the line item of Gains and losses from commodity derivative trading. The emission rights and credits for the trading purpose are presented under current assets in the line Emission rights.

At each reporting date, the Company assesses whether there is any indication that emission rights may be impaired. Where an indicator of impairment exists, the Company reviews the recoverable amounts of the cash-generating units, to which the emission rights were allocated, to determine whether such amounts continue to exceed the assets' carrying values. Any identified impairment of emission rights is recognized directly in profit or loss in the line item of Other operating expenses.

Sale and repurchase agreements with emission rights are accounted for as collateralized borrowing.

2.11. Classification of Financial Instruments

A financial asset is mainly cash, an equity instrument of another entity or a contractual right to receive cash or another financial asset.

A financial liability is mainly a contractual obligation to deliver cash or another financial asset.

Financial liabilities and assets are presented as current (short-term) or non-current (long-term). Financial assets are presented as current when the Company expects to realize them within 12 months of the balance sheet date or if there is no reasonable certainty that the Company will hold the financial assets for more than 12 months of the balance sheet date.

Financial liabilities are presented as current when they are due within 12 months of the balance sheet date.

The financial assets and liabilities for trading are presented as current.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.11.1. Financial Assets

Financial assets are classified into categories at amortized cost, at fair value depending on whether the financial asset is held for trading or is held within a business model whose objective is to hold assets to collect contractual cash flows, and at cost.

The Company defines financial assets to the following categories:

a) financial assets at amortized cost

This category includes the financial assets held with strategy to collect contractual cash flows, which consists of both principal and interest payments. Examples for such financial assets are loans, securities held to maturity, trade receivables.

Expected credit losses, foreign exchange rate differences and interest revenues are recognized in the income statement.

b) financial assets at fair value through other comprehensive income

This category includes the financial assets held with strategy to collect contractual cash flows or to sell financial assets. This model distinguishes two types of accounting treatment:

- no recycling to the income statement – used for equity instruments

Expected credit loss is not calculated and recognized. Changes in the fair value are recognized in other comprehensive income.

When the financial asset is derecognized no profit or loss is recognized in the income statement – it never affects profit or loss.

In case that equity instrument was sold an accumulated revaluation reserve is reclassified to retained earnings. Foreign exchange rate differences are recognized in other comprehensive income (part of revaluation reserve). In case that equity instrument was sold gain/loss remains in other comprehensive income is reclassified to retained earnings. Dividends from these financial assets are recognized in the income statement providing it does not result in an impairment loss of investment at the same time.

- recycling to the income statement – used for debt instruments

Expected credit loss is recognized in the income statement. Changes in the fair value are recognized in other comprehensive income. When the financial asset is derecognized, profit or loss is recognized in the income statement (profit or loss is reclassified from other comprehensive income to the income statement). Foreign exchange rate differences in relation to revaluation reserve are recognized in other comprehensive income. Foreign exchange rate differences in relation to impairment are recognized in the income statement. Interest revenues are recognized in the income statement.

c) financial assets at fair value through profit or loss

This category includes the financial assets held with strategy of active trade with financial asset. Contractual cash flow collection is not the primary objective of business model.

Examples for such financial assets are securities for trading, derivatives, not used for hedging.

Expected credit losses are not calculated and recognized. Changes in the fair value and foreign exchange rate differences are recognized in the income statement.

Changes in the fair values are included in lines Other financial expenses or Other financial income.

d) financial assets at cost

This category includes share on subsidiaries, associates and joint-ventures. The creation of the impairment loss is recognized in the statement of income.

2.11.2. Financial Liabilities

Financial liabilities are classified into two main categories (a) at amortized cost and (b) at fair value through profit or loss. Classification into these categories is similar to the financial assets above.

For “Fair Value Option” liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

2.11.3. Derivatives

Specific category of the financial assets and liabilities are derivatives. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The presentation of derivatives is described in the Note 2.12.

2.11.4. Impairment of Financial Assets

Impairment of financial assets by applying the IFRS 9 requirements is based on expected credit loss (ECL) model which applies to the following financial assets:

- a) debt instruments at amortized cost (trade receivables, loans, debt securities),
- b) debt instruments at fair value through other comprehensive income,
- c) lease receivables,
- d) financial guarantee contracts,
- e) bank accounts and term deposits.

The Company recognizes either 12-months or lifetime ECL, depending on whether there has been a significant increase in credit risk since initial recognition (or when the commitment or guarantee was entered into). For some trade receivables, the simplified approach is applied whereby the lifetime expected credit losses are always recognized.

For the purposes of ECL model calculation, the portfolio of financial assets is split into 3 stages. At the date of the first recognition, the financial assets are included in stage 1, with the lowest allowance, which is determined using percentage of unpaid receivables in the past. Subsequent reclassification to the stages 2 and 3 is carried out according to the definition of significant increase in credit risk of a debtor. The interest revenue from receivables in the stage 3 is based on the net carrying amount.

2.12. Derivative Financial Instruments

The Company uses derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are stated at fair value. In the balance sheet such derivatives are presented as part of current and non-current financial assets or as part of other long-term and short-term financial liabilities.

The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

For the purpose of hedge accounting, hedges are classified as either fair value hedges when they hedge the exposure to changes in the fair value of a recognized asset or liability; or cash flow hedges when they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

The Company documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

2.12.1. Fair Value Hedge

Gain or loss from re-measuring the hedging instrument at fair value is recognized immediately in the income statement. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognized in the income statement. Where the adjustment is to the carrying amount of a hedged interest-bearing financial instrument, the adjustment is amortized to profit or loss over the remaining term to maturity.

2.12.2. Cash Flow Hedge

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges are initially recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in the income statement in the line item Other financial expenses or Other financial income.

Amounts accumulated in equity are transferred to the income statement in the periods when the hedged item affects profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recorded to the income statement when the forecast transaction is ultimately recognized. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to the income statement.

2.12.3. Other Derivatives

Certain derivative instruments are not designated for hedge accounting. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognized immediately in the income statement.

2.13. Commodity Contracts

According to IFRS 9, certain commodity contracts are treated as financial instruments and fall into the scope of the standard. Most commodity purchase and sales contracts entered into by the Company provide for physical delivery of quantities intended to be consumed or sold as part of its ordinary business; such contracts are thus excluded from the scope of IFRS 9.

Forward purchases and sales for physical delivery of energy are considered to fall outside the scope of application of IFRS 9, when the contract concerned is considered to have been entered into as part of the normal business activity. This is demonstrated to be the case when all the following conditions are fulfilled:

- A physical delivery takes place under such contracts;
- The volumes purchased or sold under the contracts correspond to the Company's operating requirements;
- The contract cannot be considered as a written option as defined by the standard IFRS 9. In the specific case of electricity sales contracts, the contract is substantially equivalent to a firm forward sale or can be considered as a capacity sale.

The Company thus considers that transactions negotiated with a view to balancing the volumes between electricity purchases and sale commitments are part of its ordinary business as an integrated electric utility company and do not therefore come under the scope of IFRS 9.

Commodity contracts which fall under the scope of IFRS 9 are carried at fair value with changes in the fair value recognized in the income statement. The Company presents revenues and expenses related to commodity trading net in the line Gains and losses from commodity derivative trading.

2.14. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, current accounts with banks and short-term bank notes with a maturity of 6 months or less. Foreign currency deposits are translated using the exchange rates published as at the balance sheet date.

2.15. Financial Assets Restricted in Use

Restricted balances of cash and other financial assets, which are shown as restricted funds (see Note 4), relate to deposits for funding of nuclear decommissioning liabilities, waste storage reclamation and cash guarantees given to transaction partners. The non-current classification is based on the expected timing of the release of the funds to the Company.

2.16. Receivables, Payables and Accruals

Receivables are recognized and carried at original invoice amount less an allowance for any uncollectible amounts. An impairment analysis of receivables is performed by the Company at each reporting date on an individual basis for significant specific receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively where the individual approach is not applicable. The calculation is based on actual incurred historical data of these groups.

Payables are recorded at invoiced values and accruals are reported at expected settlement values.

2.17. Materials and Supplies

Purchased inventories are valued at actual cost, using the weighted average method. Costs of purchased inventories comprise expenses which have been incurred in respect of the acquisition of materials and supplies including transportation costs. When consumed, inventories are charged to income or capitalized as part of property, plant and equipment. Work-in-progress is valued at actual cost. Costs of inventories produced internally include direct material and labor costs. Obsolete inventories are reduced to their realizable value by a provision charged to the income statement. At December 31, 2019 and 2018 the provision for obsolescence amounted to CZK 11 million and CZK 7 million, respectively.

2.18. Fossil Fuel Stocks

Fossil fuel stocks are stated at actual cost using weighted average cost method.

2.19. Income Taxes

The provision for corporate tax is calculated in accordance with the Czech tax regulations and is based on the income or loss reported under the Czech accounting regulations, increased or decreased by the appropriate permanent and temporary differences (e.g. differences between book and tax depreciation). Income tax due is provided at a rate of 19% for the years ended December 31, 2019 and 2018, respectively, from income before income taxes after adjustments for certain items which are not deductible, or taxable, for taxation purposes. The Czech corporate income tax rate enacted for 2020 and on is 19%.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets and liabilities are recognized regardless of when the temporary difference is likely to reverse. Deferred tax assets and liabilities are not discounted. Deferred tax assets are recognized when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized. A deferred tax liability is recognized for all taxable temporary differences.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Current tax and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

Change in the carrying amount of deferred tax assets and liabilities due to change in tax rate is recognized in the income statement, except to the extent that it relates to items previously charged or credited to equity.

2.20. Long-term Debt

Borrowings are initially recognized at the amount of the proceeds received, net of transaction costs. They are subsequently carried at amortized cost using the effective interest rate method, the difference between net proceeds and redemption value is being recognized in the net income over the life of the borrowings as interest expense.

Transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and securities exchanges.

The carrying amount of long-term debt, which is hedged against the changes in its fair value, is adjusted by the changes in the fair value attributable to the hedged risk. The changes in the fair value of the hedged long-term debt are recognized in profit or loss and are included in the income statement line Other financial expenses or Other financial income. The adjustment to the carrying amount of the hedged long-term debt in a fair value hedge is subsequently amortized to profit or loss using the effective interest rate method.

2.21. Nuclear Provisions

The Company has recognized provisions for its obligations to decommission its nuclear power plants at the end of their operating lives, to store the related spent nuclear fuel and other radioactive waste initially on an interim basis and provision for its obligation to provide financing for subsequent permanent storage of spent nuclear fuel and irradiated parts of reactors (see Note 16.1).

The provisions recognized represent the best estimate of the expenditures required to settle the present obligation at the current balance sheet date. Such cost estimates, expressed at current price levels at the date of the estimate, are discounted at December 31, 2019 and 2018 using a long-term real rate of interest of 0.70% and 1.25% per annum, respectively, to take into account the timing of payments. The initial discounted cost amounts are capitalized as part of property, plant and equipment and are depreciated over the period when the nuclear power plants generate electricity. Each year, the provisions are increased to reflect the accretion of discount and to accrue an estimate for the effects of inflation, with the charges being presented in the income statement on the line Interest on provisions. At December 31, 2019 and 2018 the estimate for the effect of expected inflation rate is 1.50% and 1.25%, respectively.

The decommissioning process is expected to continue for approximately a fifty-year period subsequent to the final operation of the plants. It is currently anticipated that the permanent storage facility for spent nuclear fuel will become available in 2065 and the process of final disposal of the spent nuclear fuel will then continue until approximately 2090. While the Company has made its best estimate in establishing its nuclear provisions, because of potential changes in technology as well as safety and environmental requirements, plus the actual time scale to complete decommissioning and interim and permanent fuel storage activities, the ultimate provision requirements could vary significantly from the Company's current estimates.

Changes in a decommissioning liability and in liability for permanent storage of spent nuclear fuel that result from a change in the current best estimate of timing and/or amount of cash flows required to settle the obligation or from a change in the discount rate are added to (or deducted from) the amount recognized as the related asset. However, to the extent that such a treatment would result in a negative asset, the effect of the change is recognized in the income for the current period.

2.22. Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires evaluation of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and whether the arrangement conveys the right to use the asset.

The Company doesn't apply the standard IFRS 16 to leases of intangible assets.

2.22.1. Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

a) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company estimates the incremental borrowing rate using observable inputs such as market interest rates.

For contracts that are concluded for an indefinite period, the Company applies judgement for determination of the expected lease period.

b) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets, as follows:

	Depreciation period (years)
Lands	4–32
Buildings	4–10
Vehicles, machinery and equipment	1–12
Inventory and other tangible assets	8–10

2.22.2. Company as a Lessor

The Company leases out its tangible assets under operating lease. Operating leases are the leases, in which the Company does not transfer substantially all the risk and rewards incidental to ownership of an assets.

Rental income arising from operating lease is accounted for on a straight-line basis over the lease terms and included in revenue in the statement of profit or loss due to its operating nature.

2.23. Treasury Shares

Treasury shares are presented in the balance sheet as a deduction from equity. The acquisition of treasury shares is presented in the statement of equity as a reduction in equity. No gain or loss is recognized in the income statement on the sale, issuance or cancellation of treasury shares. Consideration received is presented in the financial statements as an addition to equity.

2.24. Share Options

Members of Board of Directors and selected managers have been granted options to purchase common shares of the Company. Expense related to the share option plan was measured on the date of the grant by reference to the fair value of the share options granted. The expense is accrued over the vesting period of the equity instruments granted. The expense recognized reflects the best estimate of the number of share options which will ultimately vest.

2.25. Foreign Currency Transactions

Assets and liabilities whose acquisition or production costs were denominated in foreign currencies are translated into Czech crowns using the exchange rate prevailing at the date of the transaction, as published by the Czech National Bank. In the accompanying financial statements, monetary assets and liabilities are translated at the rate of exchange ruling at December 31. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity for qualifying cash flow hedges.

Translation differences on debt securities and other monetary financial assets measured at fair value are included in foreign exchange gains and losses. Translation differences on non-monetary items such as equity instruments held for trading are reported as part of the fair value gain or loss. Translation differences on available-for-sale equity securities are included in equity.

Exchange rates used as at December 31, 2019 and 2018 for the translation of assets and liabilities denominated in foreign currencies were as follows:

	2019	2018
CZK per 1 EUR	25.410	25.725
CZK per 1 USD	22.621	22.466
CZK per 1 PLN	5.970	5.980
CZK per 1 BGN	12.992	13.153
CZK per 1 RON	5.313	5.516
CZK per 100 JPY	20.844	20.447
CZK per 1 TRY	3.805	4.247
CZK per 100 HUF	7.688	8.015

2.26. Non-current Assets Held for Sale

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortized.

3. Property, Plant and Equipment

Net plant in service at December 31, 2019 and 2018 was as follows (in CZK millions):

	Buildings	Plant and equipment	Land and other	Total plant in service	Nuclear fuel	Construction work in progress	Total
Cost at December 31, 2018	109,572	343,606	1,176	454,354	23,025	8,373	485,752
Recognition of right-of-use asset on application of IFRS 16	1,978	470	76	2,524	–	–	2,524
Cost at January 1, 2019	111,550	344,076	1,252	456,878	23,025	8,373	488,276
Additions	4,362	59	8	4,429	–	8,496	12,925
Disposals	(141)	(346)	(15)	(502)	(3,104)	(7)	(3,613)
Bring into use	1,326	2,379	7	3,712	3,626	(7,338)	–
Change in capitalized part of the provision	132	11,251	–	11,383	–	–	11,383
Non-monetary contribution	(20)	–	–	(20)	–	–	(20)
Cost at December 31, 2019	117,209	357,419	1,252	475,880	23,547	9,524	508,951
Accumulated depreciation and impairment at January 1, 2019	(50,660)	(194,087)	(83)	(244,830)	(8,694)	(1,131)	(254,655)
Depreciation and amortization of nuclear fuel ¹⁾	(3,774)	(10,607)	(6)	(14,387)	(3,766)	–	(18,153)
Net book value of assets disposed	(53)	(36)	–	(89)	–	–	(89)
Disposals	141	346	–	487	3,104	–	3,591
Non-monetary contribution	10	–	–	10	–	–	10
Impairment losses recognized	(13)	–	–	(13)	–	(91)	(104)
Accumulated depreciation and impairment at December 31, 2019	(54,349)	(204,384)	(89)	(258,822)	(9,356)	(1,222)	(269,400)
Total property, plant and equipment at December 31, 2019	62,860	153,035	1,163	217,058	14,191	8,302	239,551

¹⁾ The amortization of nuclear fuel also includes charges in respect of additions to the accumulated provision for interim storage of spent nuclear fuel in the amount of CZK 293 million.

	Buildings	Plant and equipment	Land and other	Plant in service total	Nuclear fuel	Construction work in progress	Total
Cost at January 1, 2018	109,230	337,845	1,175	448,250	23,318	8,944	480,512
Additions	–	–	3	3	–	6,605	6,608
Disposals	(192)	(285)	(3)	(480)	(3,149)	(9)	(3,638)
Bring into use	601	3,707	1	4,309	2,856	(7,165)	–
Change in capitalized part of the provision	(67)	2,339	–	2,272	–	–	2,272
Reclassification and other	–	–	–	–	–	(2)	(2)
Cost at December 31, 2018	109,572	343,606	1,176	454,354	23,025	8,373	485,752
Accumulated depreciation and impairment at January 1, 2018	(48,138)	(182,886)	–	(231,024)	(8,218)	(1,041)	(240,283)
Depreciation and amortization of nuclear fuel ¹⁾	(2,698)	(11,441)	(3)	(14,142)	(3,625)	–	(17,767)
Net book value of assets disposed	(9)	(45)	–	(54)	–	–	(54)
Disposals	192	285	3	480	3,149	–	3,629
Reclassification and other	–	–	–	–	–	–	–
Impairment losses recognized	(7)	–	(83)	(90)	–	(90)	(180)
Accumulated depreciation and impairment at December 31, 2018	(50,660)	(194,087)	(83)	(244,830)	(8,694)	(1,131)	(254,655)
Total property, plant and equipment at December 31, 2018	58,912	149,519	1,093	209,524	14,331	7,242	231,097

¹⁾ The amortization of nuclear fuel also includes charges in respect of additions to the accumulated provision for interim storage of spent nuclear fuel in the amount of CZK 380 million.

In 2019 and 2018 a composite depreciation rate of Plant in service was 3.1%.

In 2019 and 2018 capitalized interest costs amounted to CZK 229 million and CZK 227 million, respectively, and the interest capitalization rate was 3.9% and 4.2%, respectively.

Construction work in progress contains mainly investments related to the acquisition of nuclear fuel and refurbishments performed on Temelin, Dukovany and Ledvice power plants and Trmice heating plant.

Company as a Lessee

As at January 1, 2019 the Company adopted IFRS 16. Set out below are the carrying amounts and other information at December 31, 2019, respectively during year 2019, about right-of-use assets recognized in total property, plant and equipment (in CZK millions):

	2019			
	Buildings	Plant and equipment	Land and other	Total plant in service
Additions of right-of-use assets	4,362	59	8	4,429
Depreciation charge for right-of-use assets	(1,134)	(92)	(7)	(1,233)
Carrying amounts as at December 31	5,205	427	77	5,709

Company as a Lessor

The carrying amounts of property, plant and equipment that are subject to an operating lease (in CZK millions):

	2019		
	Buildings	Land and other	Total plant in service
Carrying amount as at December 31	830	271	1,101

Impairment Test of Assets

Company's generation assets are tested for any possible impairment as a single cash-generating unit with the exception of specific assets, e.g. the gas fired power plant in Počerady. Company's cash-generating unit of generation assets is characterized by portfolio management in the deployment and maintenance of various power plants and the cash flows generated from these activities.

As part of testing the recoverable value of fixed assets of the cash-generating unit of ČEZ, a. s. (hereinafter the ČEZ Value), we performed a sensitivity analysis of the test results to changes in certain key parameters of the used model – changes in wholesale power prices (hereinafter the EE prices), changes in the discount rate used in the calculation of the present value of future cash flows and changes in CZK/EUR exchange rate.

The development of commodity prices and, in particular, the development of wholesale power prices in Germany (as German power prices have a major impact on the development of wholesale power prices in the Czech Republic) are the key assumptions used for the ČEZ Value model. The developments of wholesale prices are primarily determined by the EU political decisions, the development of global demand and supply of commodities and the technological progress.

The development of EE price is influenced by a number of external factors, including, in particular, changes in the structure and availability of generation capacity in the Czech Republic and neighboring countries, the macroeconomic development of the Central European region and the regulation of the energy sector in the EU and Germany (fundamental impacts of premature decommissioning of German nuclear power plants in 2020–2022 and impacts of the EU approved climate and energy targets for 2030) and also by development of the Czech Republic State Energy Concept. The model was constructed for a period adequate to the useful life of the power plants, i.e. for a period that significantly exceeds the period for which commodities, including wholesale power price contracts, are traded on public liquid markets. In addition, the power market is subject to structural changes (the Market Design) and major industry regulation; consequently, complete abandonment of market-based power pricing mechanisms and implementation of alternative, centrally regulated payments for the availability and supply of power plants within the period of useful life of the power plants is actually possible.

With respect to the fact that we are using a long-term model, there are certain internal factors and assumptions that affect the ČEZ Value sensitivity to the development of power prices, such as varying deployment of the generation portfolio depending on the development of power prices, emission allowances and variable generation costs and, in a longer perspective, also the development of fixed costs reflecting the development of the power plants gross margin.

The sensitivity test results reflect expert estimates of the status and development of the above factors in the period of the model and the status of commercial securing of the generation portfolio as at December 31, 2019.

The test considers long-term EE prices at the level used to prepare Company's business plan for 2020–2024. The plan was prepared in the fourth quarter 2019 whereas the plan was based on the active market parameters observed in August and September (power prices on EEX energy exchange in Germany, prices on PXE energy exchange in the Czech Republic, price of CO₂ emission rights, FX rate CZK/EUR, interest rates etc.). There is a liquidity for power contracts traded on EEX for the period covering the horizon of the business plan and with regard to links between German and Czech power transmission network, the EEX prices are basic market price indicator for EE prices in the Czech Republic. For the purposes of the sensitivity analysis, the input EE prices, emission rights prices and foreign exchange rates were applied to the relevant opened positions of the Company.

A change of the assumed EE prices as per the models by 1%, with other parameters remaining unchanged, would have an impact of approximately CZK 7.8 billion on the ČEZ Value test results. Future cash flows of the model were discounted using a 4.1% rate. A change of 0.1 percentage point in the discount rate, with other parameters remaining unchanged, would change the ČEZ Value by approximately CZK 5.1 billion. A change of 1% in the CZK/EUR exchange rate, with other parameters remaining unchanged, would result in a change of approximately CZK 6.7 billion in the ČEZ Value.

4. Restricted Financial Assets, Net

Restricted financial assets, net at December 31, 2019, and 2018 consist of the following (in CZK millions):

	2019	2018
Czech government bonds	11,318	10,608
Cash in banks, net	2,985	2,728
Total restricted financial assets, net	14,303	13,336

The Czech government bonds are measured at fair value through other comprehensive income. At December 31, 2019 and 2018 the most significant restricted financial assets are the financial assets to cover the costs of nuclear decommissioning totaled CZK 14,058 million and CZK 13,094 million, respectively, and financial assets to cover the costs for waste storage reclamation totaled CZK 189 million and CZK 185 million, respectively.

5. Other Financial Assets, Net

Other financial assets, net at December 31, 2019 and 2018 consist of the following (in CZK millions):

	2019			2018		
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total
Loans granted	19,779	10,559	30,338	20,481	7,851	28,332
Receivables from Group cashpooling	–	3,546	3,546	–	2,358	2,358
Term deposits	–	–	–	–	502	502
Other financial receivables	135	92	227	10	29	39
Total financial assets at amortized costs	19,914	14,197	34,111	20,491	10,740	31,231
Equity financial assets (Inven Capital, SICAV, a.s., Podfond ČEZ)	3,327	–	3,327	3,286	–	3,286
Commodity and other derivatives	901	60,341	61,242	1,247	93,982	95,229
Total financial assets at fair value through profit or loss	4,228	60,341	64,569	4,533	93,982	98,515
Equity financial assets (Veolia Energie ČR, a.s.)	2,444	–	2,444	2,791	–	2,791
Fair value of cash flow hedge derivatives	4,732	1,064	5,796	2,186	124	2,310
Debt financial assets	–	–	–	–	1,287	1,287
Total financial assets at fair value through other comprehensive income	7,176	1,064	8,240	4,977	1,411	6,388
Financial assets at cost – share on subsidiaries, associates and joint-ventures	149,883	–	149,883	147,478	–	147,478
Total	181,201	75,602	256,803	177,479	106,133	283,612

Derivatives balance comprises mainly positive fair value of commodity trading contracts.

The Company concluded two put option agreements with Vršanská uhelná a.s. in March 2013. Under these contracts the Company has the right to transfer 100% of the shares of its subsidiary Elektrárna Počeradý, a.s. to Vršanská uhelná a.s. First option for the year 2016 was not exercised, second option can be exercised in 2024 for cash consideration of CZK 2 billion. The option agreement could be inactivated until December 31, 2019, which the Company did not apply, which results in the sale in 2024. The contracts represent derivatives that will be settled by the delivery of unquoted equity instrument. Elektrárna Počeradý, a.s. is not quoted on any market. There is significant variability in the range of reasonable fair values for this equity instrument (there is no similar power plant in the Czech Republic for sale and also no similar transaction took place) and thus it is difficult to reasonably assess the probabilities of various estimates. As a result, the fair value cannot be reliably measured. Consequently, the put option is measured at cost. There was no option premium paid on the options and therefore the cost of these instruments is zero.

Movements in impairment provisions of financial assets at amortized costs (in CZK millions):

	2019	2018
Balance at January 1	(37,515)	(37,173)
Adoption of IFRS 9	–	(11)
Additions (see Note 29)	(3,574)	(2,566)
Reversals (see Note 29)	6,922	3
Derecognition of impaired and sold financial assets	256	73
Reclassification	(406)	–
Transfer to assets classified as held for sale	–	2,159
Currency translation difference	5	–
Balance at December 31	(34,312)	(37,515)

In 2019, the provision for obligation in case of claim from guarantee for Akcez group loans was reclassified to impairment provision following the cash contribution to the company Akcez Enerji A.S. in the amount of CZK 406 million.

In 2019, an impairment loss of CZK 256 million was derecognized in connection with the sale of the share in CEZ Trade Polska sp. z o.o.

In 2018, an impairment loss of CZK 73 million in Shared Services was derecognized in connection with the liquidation of the company.

Loans granted and other financial assets, net at December 31, 2019 are contracted to mature in the following periods after the balance sheet date (in CZK millions):

	Loans granted	Receivables from Group cashpooling	Other financial receivables
Due in 2020	10,559	3,546	92
Due in 2021	584	–	131
Due in 2022	560	–	1
Due in 2023	560	–	2
Due in 2024	560	–	1
Thereafter	17,515	–	–
Total	30,338	3,546	227

Loans granted and other financial assets, net at December 31, 2018 are contracted to mature in the following periods after the balance sheet date (in CZK millions):

	Loans granted	Receivables from Group cashpooling	Term deposits	Other financial receivables	Debt assets at fair value through other comprehensive income
Due in 2019	7,851	2,358	502	29	1,287
Due in 2020	572	–	–	8	–
Due in 2021	584	–	–	1	–
Due in 2022	560	–	–	1	–
Due in 2023	560	–	–	–	–
Thereafter	18,205	–	–	–	–
Total	28,332	2,358	502	39	1,287

Loans granted and other financial assets, net at December 31, 2019 have following effective interest rate structure (in CZK millions):

	Loans granted	Receivables from Group cashpooling	Other financial receivables
Less than 2.00%	9,593	3,546	227
From 2.00% to 2.99%	3,566	–	–
From 3.00% to 3.99%	17,142	–	–
From 4.00% to 4.99%	37	–	–
Total	30,338	3,546	227

Loans granted and other financial assets, net at December 31, 2018 have following effective interest rate structure (in CZK millions):

	Loans granted	Receivables from Group cashpooling	Term deposits	Other financial receivables	Debt assets at fair value through other comprehensive income
Less than 2.00%	7,115	2,358	502	39	1,287
From 2.00% to 2.99%	3,888	–	–	–	–
From 3.00% to 3.99%	17,273	–	–	–	–
From 4.00% to 4.99%	56	–	–	–	–
Total	28,332	2,358	502	39	1,287

Loans granted and other financial assets, net at December 31, 2019 according to currencies (in CZK millions):

	Loans granted	Receivables from Group cashpooling	Other financial receivables
CZK	20,424	1,618	156
EUR	9,914	1,541	5
PLN	–	53	66
HUF	–	334	–
Total	30,338	3,546	227

Loans granted and other financial assets, net at December 31, 2018 according to currencies (in CZK millions):

	Loans granted	Receivables from Group cashpooling	Term deposits	Other financial receivables	Debt assets at fair value through other comprehensive income
CZK	21,139	391	502	37	1,287
EUR	7,193	1,878	–	1	–
PLN	–	19	–	–	–
USD	–	–	–	1	–
HUF	–	70	–	–	–
Total	28,332	2,358	502	39	1,287

The following table summarizes investments in subsidiaries, associates and joint-ventures and other ownership interests at December 31, 2019 and 2018:

Company	Country	% interest ²⁾	2019		2018	
			Interest, net in CZK millions	Dividends in CZK millions	Interest, net in CZK millions	Dividends in CZK millions
ČEZ Distribuce, a. s.	CZ	100.00	32,742	5,777	32,742	25,599
Energotrans, a.s.	CZ	100.00	17,986	721	17,986	500
CEZ Holdings B.V.	NL	100.00	17,969	–	12,917	–
Severočeské doly a.s.	CZ	100.00	14,343	1,707	14,343	1,707
ČEZ OZ uzavřený investiční fond a.s.	CZ	99.56	12,327	864	12,873	1,198
Distributie Energie Oltenia S.A.	RO	100.00	11,333	–	13,020	–
Tomis Team S.A.	RO	100.00	9,653	–	7,388	–
Ovidiu Development S.R.L.	RO	99.98	5,912	–	7,298	–
ČEZ ESCO, a.s.	CZ	100.00	4,493	–	4,170	–
ČEZ Korporátní služby, s.r.o.	CZ	100.00	3,931	184	3,301	119
ČEZ ICT Services, a. s.	CZ	100.00	3,849	300	4,236	120
ČEZ Bohunice a.s.	CZ	100.00	2,809	–	3,592	–
ČEZ Teplárenská, a.s.	CZ	100.00	2,527	150	3,053	130
Elektrárna Temelín II, a. s.	CZ	100.00	1,993	–	2,045	–
ČEZ Prodej, a.s.	CZ	100.00	1,396	2,579	1,008	2,003
Elektrárna Počerady, a.s.	CZ	100.00	1,280	634	1,280	311
Elektrárna Dukovany II, a. s.	CZ	100.00	1,028	–	1,048	–
ŠKODA PRAHA a.s. ¹⁾	CZ	100.00	927	–	846	–
CEZ Vanzare S.A.	RO	100.00	817	–	817	89
Elektrárna Dětmarovice, a.s.	CZ	100.00	771	–	1,343	–
CEZ Bulgarian Investments B.V.	NL	100.00	589	–	589	–
Energetické centrum s.r.o.	CZ	100.00	279	–	515	–
ÚJV Řež, a. s.	CZ	52.46	185	–	185	–
LOMY MOŘINA spol. s r.o.	CZ	51.05	169	5	169	5
CEZ Deutschland GmbH	DE	100.00	167	–	167	–
CEZ Romania S.A.	RO	100.00	92	–	92	–
ČEZ Obnovitelné zdroje, s.r.o.	CZ	100.00	78	–	73	–
CEZ Towarowy Dom Maklerski sp. z o.o.	PL	100.00	41	28	107	–
ŠKODA PRAHA Invest s.r.o. ¹⁾	CZ	–	–	–	81	–
Other			197	50	194	56
Total financial assets at cost			149,883	12,999	147,478	31,837
Inven Capital, SICAV, a.s., Podfond ČEZ	CZ	99.87	3,327	–	3,286	–
Veolia Energie ČR, a.s.	CZ	15.00	2,444	118	2,791	152
Total financial assets at fair value			5,771	118	6,077	152
Total			155,654	13,117	153,555	31,989

¹⁾ The company ŠKODA PRAHA Invest s.r.o. merged with the succession company ŠKODA PRAHA a. s. with the legal effective date of January 1, 2019.

²⁾ Equity interest is equal to voting rights.

Used country shortcuts: CZ – Czech Republic, DE – Germany, NL – Netherlands, PL – Poland, RO – Romania.

Movements in investments in share on subsidiaries, associates and joint-ventures at amortized costs at December 31, 2019 and 2018 were as follows (in CZK millions):

Net investments at January 1, 2019	147,478
Additions – cash and non-monetary contributions to equity:	
CEZ Holdings B.V.	2,101
Akcez Enerji A.S.	594
ČEZ ESCO, a.s.	323
Other	55
Total additions	3,073
Decreases – decrease of equity with payment:	
Ovidiu Development S.R.L.	(1,762)
Tomis Team S.A.	(698)
ČEZ OZ uzavřený investiční fond a.s.	(546)
Distributie Energie Oltenia S.A.	(351)
CEZ Towarowy Dom Maklerski sp. z o.o.	(66)
Total decreases	(3,423)
Impairment provisions – additions (see Note 29):	
Distributie Energie Oltenia S.A.	(1,337)
ČEZ Bohunice a.s.	(783)
Elektrárna Dětmarovice, a.s.	(572)
ČEZ Teplárenská, a.s.	(526)
Other	(353)
Impairment provisions – reversals (see Note 29):	
Tomis Team S.A.	2,963
CEZ Holdings B.V.	2,951
ČEZ Korporátní služby, s.r.o.	630
Ovidiu Development S.R.L.	376
Impairment provisions – reclassification:	
Akcez Enerji A.S.	(594)
Total impairment provisions	2,755
Net investments at December 31, 2019	149,883

Net investments at January 1, 2018	154,717
Additions – new subsidiaries:	
ČEZ Asset Holding, a. s.	10
REN Development s. r. o.	5
Additions – cash and non-monetary contributions to equity:	
ČEZ ESCO, a.s.	820
CEZ Holdings B.V.	657
CEZ Trade Polska sp. z o.o.	211
Other	111
Total additions	1,814
Decreases – sale:	
Osvětlení a energetické systémy a.s.	(43)
ČEZ OZ uzavřený investiční fond a.s.	(5)
Decreases – liquidation:	
Shared Services Albania Sh.A.	(13)
CEZ International Finance B.V.	(1)
Decreases – reclassification:	
Shares in Bulgarian companies held for sale	(6,540)
Decreases – merger:	
ČEZ Inženýring, s.r.o.	(80)
Total decreases	(6,682)
Impairment provisions – additions (see Note 29):	
ČEZ Teplárenská, a.s.	(1,573)
Elektrárna Dětmarovice, a.s.	(419)
CEZ Trade Polska sp. z o.o.	(256)
Other	(123)
Total impairment provisions	(2,371)
Net investments at December 31, 2018	147,478

6. Intangible Assets, Net

Intangible assets, net at December 31, 2019 and 2018 were as follows (in CZK millions):

	Software	Rights and other	Intangibles in progress	Emission rights	Total
Cost at January 1, 2019	2,231	1,244	219	3,625	7,319
Additions	–	–	219	6,729	6,948
Disposals	(15)	(35)	–	–	(50)
Bring to use	22	51	(73)	–	–
Reclassification and other	1	–	–	(2,022)	(2,021)
Cost at December 31, 2019	2,239	1,260	365	8,332	12,196
Accumulated amortization at January 1, 2019	(1,896)	(1,188)	–	–	(3,084)
Amortization	(124)	(24)	–	–	(148)
Disposals	15	35	–	–	50
Accumulated amortization at December 31, 2019	(2,005)	(1,177)	–	–	(3,182)
Net intangible assets at December 31, 2019	234	83	365	8,332	9,014

	Software	Rights and other	Intangibles in progress	Emission rights	Total
Cost at January 1, 2018	2,155	1,236	136	–	3,527
Additions	–	–	170	2,759	2,929
Disposals	(1)	(4)	–	–	(5)
Bring to use	75	12	(87)	–	–
Reclassification and other	2	–	–	866	868
Cost at December 31, 2018	2,231	1,244	219	3,625	7,319
Accumulated amortization at January 1, 2018	(1,767)	(1,156)	–	–	(2,923)
Amortization	(131)	(37)	–	–	(168)
Disposals	2	5	–	–	7
Accumulated amortization at December 31, 2018	(1,896)	(1,188)	–	–	(3,084)
Net intangible assets at December 31, 2018	335	56	219	3,625	4,235

Research and development costs, net of grants and subsidies received, that are not eligible for capitalization have been expensed in the period incurred and amounted to CZK 290 million and CZK 278 million, respectively, in 2019 and 2018, respectively.

7. Cash and Cash Equivalents, Net

The composition of cash and cash equivalents, net at December 31, 2019 and 2018 is as follows (in CZK millions):

	2019	2018
Cash on hand and current accounts with banks	516	454
Term deposits	3,000	–
Total	3,516	454

At December 31, 2019 and 2018, cash and cash equivalents included foreign currency deposits of CZK 228 million and CZK 257 million, respectively.

The weighted average interest rate on term deposits at December 31, 2019 was 1.9%. For the years 2019 and 2018 the weighted average interest rate was 1.4% and 0.7%, respectively.

8. Trade Receivables, Net

The composition of trade receivables, net at December 31, 2019 and 2018 is as follows (in CZK millions):

	2019	2018
Trade receivables	58,208	64,432
Allowance	(166)	(145)
Total	58,042	64,287

The information about receivables from related parties is included in Note 33.

At December 31, 2019 and 2018 the ageing analysis of trade receivables, net is as follows (in CZK millions):

	2019	2018
Not past due	58,020	64,200
Past due:		
less than 3 months	14	46
3–6 months	6	20
6–12 months	2	21
Total	58,042	64,287

Receivables include impairment allowance based on the collective assessment of impairment of receivables that are not individually significant.

Movements in allowance for doubtful receivables (in CZK millions):

	2019	2018
Balance at January 1	(145)	(80)
Adoption of IFRS 9	–	(20)
Additions	(58)	(61)
Reversals	36	16
Currency translation difference	1	–
Balance at December 31	(166)	(145)

9. Emission Rights

The following table summarizes the movements in the quantity (in thousand tons) and book value of emission rights and credits held by the Company during 2019 and 2018 (in CZK millions):

	2019		2018	
	in thousands tons	in CZK millions	in thousands tons	in CZK millions
Emission rights and credits for own use:				
Emission rights and credits for own use at January 1	33,687	7,392	21,588	2,493
Emission rights granted	255	–	3,458	–
Settlement of prior year actual emissions with register	(15,752)	(2,486)	(14,944)	(1,626)
Emission rights purchased	33,768	14,678	23,462	6,524
Emission rights sold	(4,578)	(935)	–	–
Emission credits purchased	123	1	123	1
Emission rights and credits for own use at December 31	47,503	18,650	33,687	7,392
Thereof:				
Long-term	14,426	8,332	12,580	3,625
Short-term	33,077	10,318	21,107	3,767
Emission rights and credits held for trading:				
Emission rights and credits held for trading at January 1	14,797	9,390	21,824	4,543
Settlement of prior year actual emissions with register	–	–	(1,133)	(382)
Emission rights purchased	79,862	49,899	122,576	45,171
Emission rights sold	(72,163)	(45,333)	(128,470)	(47,337)
Fair value adjustment	–	52	–	7,395
Emission rights and credits held for trading at December 31	22,496	14,008	14,797	9,390

At December 31, 2019 and 2018 emission rights for own use and held for trading amounted to CZK 24,326 million and CZK 13,157 million, respectively and are presented in current assets in the line Emission rights. Non-current emission rights for own use are presented as part of the intangible assets (see Note 6).

In 2019 and 2018, total emissions of greenhouse gases made by the Company amounted to an equivalent of 17,136 thousand tons and 15,752 thousand tons of CO₂, respectively. At December 31, 2019 and 2018 the Company recognized a provision for CO₂ emissions in total amount of CZK 4,362 million and CZK 2,515 million, respectively (see Notes 2.10 and 16).

10. Other Current Assets, Net

Other current assets, net at December 31, 2019 and 2018 were as follows (in CZK millions):

	2019	2018
Prepayments	440	387
Taxes and fees, except income tax	841	824
Advances paid	929	690
Others	574	461
Total	2,784	2,362

11. Non-current Assets Held for Sale, Net

On February 23, 2018, a sales contract for the sale of interests in Bulgarian companies CEZ Razpredelenie Bulgaria AD (including its interest in CEZ ICT Bulgaria EAD), CEZ Trade Bulgaria EAD, CEZ Bulgaria EAD, CEZ Elektro Bulgaria AD, Free Energy Project Oreshets EAD and Bara Group EOOD was signed. The sellers for CEZ Group are ČEZ, a. s. and CEZ Bulgarian Investments B.V. The requirements of standard IFRS 5 to classify the assets as held for sale were met by granting prior consent to the transaction by the supervisory board of ČEZ, a. s. which took place on February 22, 2018. Following the refusal of the transaction by the Bulgarian anti-trust authority, the transaction could not be carried out.

On June 20, 2019, a sales contract for the sale of the above-mentioned interests in Bulgarian companies was signed with the company Eurohold AD. The transaction is a subject to approval by the Bulgarian anti-trust authority and the Bulgarian Energy Regulatory Office.

On October 24, 2019, Bulgarian anti-trust authority refused the transaction for the sale of Bulgarian assets to the company Eurohold. The Company filed an administrative action against this decision and is considering further legal steps that will protect the interest of CEZ Group. The sales contract from June 20, 2019, remains in force as well as the intention to sell these assets to company Eurohold.

As at December 31, 2019 and 2018 Bulgarian assets held for sale amounted to CZK 6,540 million.

12. Equity

As at December 31, 2019 and 2018, the share capital of the Company registered in the Commercial Register totaled CZK 53,798,975,900 and consisted of 537,989,759 shares with a nominal value of CZK 100 per share. All shares are bearer common shares that are fully paid and listed and do not convey any special rights.

Movements of treasury shares in 2019 and 2018 (in pieces):

	2019	2018
Number of treasury shares at beginning of period	3,125,021	3,605,021
Sales of treasury shares	(573,781)	(480,000)
Number of treasury shares at end of period	2,551,240	3,125,021

Treasury shares remaining at end of period are presented at cost as a deduction from equity.

Declared dividends per share before tax were CZK 24 and 33 in 2019 and 2018, respectively. Dividends for the year 2019 will be declared at the general meeting which will be held in the first half of 2020.

Capital Management

The primary objective of the Company's capital management is to keep its credit rating on the investment grade and on the level that is common in the industry and to maintain healthy capital ratios in order to support its business and maximize value for shareholders. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

The Company primarily monitors capital using the ratio of net debt to EBITDA. Considering the current structure and stability of cash flow and the development strategy, the goal of the Group is the level of this ratio in range 2.5 to 3.0. In addition, the Company also monitors capital using a total debt to total capital ratio. The Company's policy is to keep the total debt to total capital ratio below 50% in the long term.

EBITDA consists of income before income taxes and other income (expenses) plus depreciation and amortization, plus impairment of property, plant and equipment and intangible assets and less gain (or loss) on sale of property, plant and equipment. The Company includes within total debt the long-term and short-term interest bearing loans and borrowings. Net debt is defined as total debt less cash and cash equivalents and highly liquid financial assets. Highly liquid financial assets consist for capital management purposes of short-term debt financial assets and both short-term and long-term bank deposits. Total capital is total equity attributable to equity holders of the parent plus total debt. The items related to assets classified as held for sale, which are presented separately on the balance sheet, are always included in these calculations.

The calculation and evaluation of the ratios is done using consolidated figures (in CZK millions):

	2019	2018
Total long-term debt	167,633	149,183
Total short-term loans	4,260	11,783
Total long-term debt associated with assets held for sale	1,608	1,537
Total short-term loans associated with assets held for sale	170	309
Total debt¹⁾	173,671	162,812
Less:		
Cash and cash equivalents	(9,755)	(7,278)
Cash and cash equivalents classified as held for sale	(2,151)	(1,967)
Highly liquid financial assets:		
Current debt financial assets	(403)	(1,287)
Non-current debt financial assets	(111)	(513)
Current term deposits	(3)	(505)
Total net debt	161,248	151,262
Income before income taxes and other income (expenses)	26,429	19,759
Depreciation and amortization	29,016	28,139
Impairment of property, plant and equipment and intangible assets	4,860	1,766
Gains and losses on sale of property, plant and equipment	(130)	(129)
EBITDA	60,175	49,535
Total equity attributable to equity holders of the parent	250,761	234,721
Total debt	173,671	162,812
Total capital	424,432	397,533
Net debt to EBITDA ratio	2.68	3.05
Total debt to total capital ratio	40.9%	41.0%

¹⁾ Part of total debt are accrued interest expenses, which amounted to CZK 2,151 million and CZK 2,200 million as at December 31, 2019 and 2018, respectively.

13. Long-term Debt

Long-term debt at December 31, 2019 and 2018 was as follows (in CZK millions):

	2019	2018
3.005% Eurobonds, due 2038 (JPY 12,000 million)	2,516	2,468
2.845% Eurobonds, due 2039 (JPY 8,000 million)	1,679	1,647
5.000% Eurobonds, due 2021 (EUR 750 million)	19,228	19,457
6M Euribor + 1.25% Eurobonds, due 2019 (EUR 50 million)	–	1,287
4.875% Eurobonds, due 2025 (EUR 750 million)	19,671	19,909
4.500% Eurobonds, due 2020 (EUR 750 million)	19,478	19,693
2.160% Eurobonds, due in 2023 (JPY 11,500 million)	2,416	2,370
4.600% Eurobonds, due in 2023 (CZK 1,250 million)	1,287	1,287
2.150%*IR CPI Eurobonds, due 2021 (EUR 100 million) ¹⁾	2,602	2,634
4.102% Eurobonds, due 2021 (EUR 50 million)	1,273	1,288
4.375% Eurobonds, due 2042 (EUR 50 million)	1,271	1,286
4.500% Eurobonds, due 2047 (EUR 50 million)	1,269	1,284
4.383% Eurobonds, due 2047 (EUR 80 million)	2,062	2,087
3.000% Eurobonds, due 2028 (EUR 725 million)	19,133	19,419
0.875% Eurobonds, due 2022 (EUR 500 million)	12,675	12,824
0.875% Eurobonds, due 2026 (EUR 750 million)	18,847	–
4.250% U.S. bonds, due 2022 (USD 289 million)	6,578	6,525
5.625% U.S. bonds, due 2042 (USD 300 million)	6,817	6,768
4.500% Registered bonds, due 2030 (EUR 40 million)	1,006	1,017
4.750% Registered bonds, due 2023 (EUR 40 million)	1,056	1,068
4.700% Registered bonds, due 2032 (EUR 40 million)	1,048	1,060
4.270% Registered bonds, due 2047 (EUR 61 million)	1,531	1,549
3.550% Registered bonds, due 2038 (EUR 30 million)	780	790
Total bonds and debentures	144,223	127,717
Less: Current portion	(21,163)	(3,419)
Bonds and debentures, net of current portion	123,060	124,298
Long-term bank loans and lease liabilities:		
Less than 2% p.a.	8,624	10,899
2.00 to 2.99% p.a.	5,207	–
3.00 to 3.99% p.a.	507	–
4.00 to 4.99% p.a.	33	–
5.00 to 5.99% p.a.	14	–
Total long-term bank loans and lease liabilities	14,385	10,899
Less: Current portion	(3,597)	(2,171)
Long-term bank loans and lease liabilities, net of current portion	10,788	8,728
Total long-term debt	158,608	138,616
Less: Current portion	(24,760)	(5,590)
Total long-term debt, net of current portion	133,848	133,026

¹⁾ The interest rate is based on inflation realized in Eurozone Countries (Harmonized Index of Consumer Prices – HICP) and is fixed through the closed swap to the rate 4.553% p.a.

The interest rates indicated above are historical rates for fixed rate debt and current market rates for floating rate debt. The actual interest payments are affected by interest rate risk hedging carried out by the Company.

All long-term debt is recognized in original currencies while the related hedging derivatives are recognized using the method described in Note 2.12.

Future maturities of long-term debt are as follows (in CZK millions):

	2019	2018
Current portion	24,760	5,590
Between 1 and 2 years	25,860	21,421
Between 2 and 3 years	21,696	25,046
Between 3 and 4 years	6,876	20,550
Between 4 and 5 years	1,095	5,561
Thereafter	78,321	60,448
Total long-term debt	158,608	138,616

The following table analyses long-term debt by currency (in millions):

	2019		2018	
	Foreign currency	CZK	Foreign currency	CZK
EUR	5,206	132,283	4,570	117,551
USD	592	13,395	592	13,293
JPY	31,716	6,611	31,714	6,485
CZK	–	6,319	–	1,287
Total long-term debt		158,608		138,616

Long-term debt with floating interest rates exposes the Company to interest rate risk. The following table summarizes long-term debt with floating rates of interest by contractual reprising dates at December 31, 2019 and 2018 without considering interest rate hedging (in CZK millions):

	2019	2018
Floating rate long-term debt with interest rate fixed from 3 months to 1 year	8,622	12,186
Fixed rate long-term debt	149,986	126,430
Total long-term debt	158,608	138,616

Fixed rate long-term debt exposes the Company to the risk of changes in fair values of these financial instruments. For related fair value information and risk management policies of all financial instruments see Notes 14 and 15.

The following table analyses changes in liabilities and receivables arising from financing activities in 2019 and 2018 (in CZK millions):

	Debt	Other long-term financial liabilities	Other short-term financial liabilities	Other current financial assets, net	Total liabilities / assets from financing activities
Amount at January 1, 2018	141,851	11,571	82,391	(51,229)	
Less: Liabilities / assets from other than financing activities	–	(10,321)	(43,189)	51,194	
Liabilities / assets arising from financing activities at January 1, 2018	141,851	1,250	39,202	(35)	182,268
Cash flows	6,457	(500)	(19,201)	(2,328)	(15,572)
Foreign exchange movement	1,702	–	16	–	1,718
Changes in fair values	255	–	–	–	255
Declared dividends	–	–	17,604	–	17,604
Reclassification	–	(750)	750	–	–
Other	60	157	(30)	(25)	162
Liabilities / assets arising from financing activities at December 31, 2018	150,325	157	38,341	(2,388)	186,435
Liabilities / assets arising from other than financing activities	–	13,619	114,203	(103,745)	
Total amount on balance sheet at December 31, 2018	150,325	13,776	152,544	(106,133)	
Less: Liabilities / assets from other than financing activities	–	(13,619)	(114,203)	103,745	
Adoption of IFRS 16	2,513	–	–	–	
Liabilities / assets arising from financing activities at January 1, 2019	152,838	157	38,341	(2,388)	188,948
Cash flows	6,742	–	(18,118)	(1,188)	(12,564)
Additions of leases	4,429	–	–	–	4,429
Foreign exchange movement	166	–	(83)	–	83
Changes in fair values	(1,446)	–	–	–	(1,446)
Declared dividends	–	–	12,806	–	12,806
Reclassification	–	(51)	51	–	–
Other	(2)	–	(56)	4	(54)
Liabilities / assets arising from financing activities at December 31, 2019	162,727	106	32,941	(3,572)	192,202
Liabilities / assets arising from other than financing activities	–	8,110	67,013	(72,030)	
Total amount on balance sheet at December 31, 2019	162,727	8,216	99,954	(75,602)	

The column Debt consists of balance sheet items Long-term debt, net of current portion, Current portion of long-term debt and Short-term loans. In terms of financing activities, item Other long-term financial liabilities consists of long-term payable, which has the financing character, item Other short-term financial liabilities consists of dividend payable, payables from Group cashpooling and other short-term financial payables including current portion of long-term financial liability, item Other current financial assets, net consists of receivables from Group cashpooling and advanced payments to dividend administrator.

14. Fair Value of Financial Instruments

Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and Cash Equivalents, Current Investments

The carrying amount of cash and other current financial assets approximates fair value due to the relatively short-term maturity of these financial instruments.

Securities Held for Trading

The fair values of equity and debt securities that are held for trading are estimated based on quoted market prices.

Non-current Debt and Equity Financial Assets

The fair values of non-current debt and equity financial assets, which are publicly traded on active markets, are determined based on quoted market prices. The fair values of non-current debt and equity financial assets, which are not publicly traded on active markets, are determined using appropriate valuation models.

Short-term Receivables and Payables

The carrying amount of receivables and payables approximates fair value due to the short-term maturity of these financial instruments.

Short-term Loans

The carrying amount approximates fair value because of the short period to maturity of those instruments.

Long-term Debt

The fair value of long-term debt is based on the quoted market price for the same or similar issues or on the current rates available for debt with the same maturity profile. The carrying amount of long-term debt and other payables with variable interest rates approximates their fair values.

Derivatives

The fair value of derivatives is based upon mark to market valuations.

Carrying amounts and the estimated fair values of financial assets (except for derivatives) at December 31, 2019 and 2018 are as follows (in CZK millions):

	2019		2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets at amortized cost:				
Loans granted	19,779	19,779	20,481	20,481
Other financial receivables	135	135	10	10
Non-current assets at fair value through other comprehensive income:				
Restricted debt securities	11,318	11,318	10,608	10,608
Equity financial assets	2,444	2,444	2,791	2,791
Non-current assets at fair value through profit or loss:				
Equity financial assets	3,327	3,327	3,286	3,286
Current assets at amortized cost:				
Loans granted	10,559	10,559	7,851	7,851
Term deposits	–	–	502	502
Other financial receivables	3,638	3,638	2,387	2,387
Current assets at fair value through other comprehensive income:				
Debt financial assets	–	–	1,287	1,287

Carrying amounts and the estimated fair values of financial liabilities (except for derivatives) at December 31, 2019 and 2018 are as follows (in CZK millions):

	2019		2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term debt	(158,608)	(170,139)	(138,616)	(147,795)
Other long-term financial liabilities	(1,863)	(1,863)	(157)	(157)
Short-term loans	(4,119)	(4,119)	(11,709)	(11,709)
Other short-term financial liabilities	(36,341)	(36,341)	(41,241)	(41,241)

Carrying amounts and the estimated fair values of derivatives at December 31, 2019 and 2018 are as follows (in CZK millions):

	2019		2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Cash flow hedges:				
Short-term receivables	1,064	1,064	124	124
Long-term receivables	4,732	4,732	2,186	2,186
Short-term liabilities	(939)	(939)	(9,637)	(9,637)
Long-term liabilities	(5,464)	(5,464)	(12,733)	(12,733)
Commodity derivatives:				
Short-term receivables	59,996	59,996	93,704	93,704
Long-term receivables	–	–	99	99
Short-term liabilities	(62,511)	(62,511)	(101,528)	(101,528)
Other derivatives:				
Short-term receivables	345	345	278	278
Long-term receivables	901	901	1,148	1,148
Short-term liabilities	(163)	(163)	(138)	(138)
Long-term liabilities	(889)	(889)	(886)	(886)

14.1. Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between the levels in 2019 and 2018.

As at December 31, 2019, the fair value hierarchy was the following (in CZK millions):

Assets measured at fair value:	Total	Level 1	Level 2	Level 3
Commodity derivatives	59,996	1,796	58,200	–
Cash flow hedges	5,796	696	5,100	–
Other derivatives	1,246	–	1,246	–
Restricted debt securities	11,318	11,318	–	–
Equity financial assets	5,771	–	–	5,771

Liabilities measured at fair value:	Total	Level 1	Level 2	Level 3
Commodity derivatives	(62,511)	(5,193)	(57,318)	–
Cash flow hedges	(6,403)	(1,122)	(5,281)	–
Other derivatives	(1,052)	–	(1,052)	–

Assets and liabilities for which fair value is disclosed:	Total	Level 1	Level 2	Level 3
Loans granted	30,338	–	30,338	–
Other financial receivables	3,773	–	3,773	–
Long-term debt	(170,139)	(131,473)	(38,666)	–
Short-term loans	(4,119)	–	(4,119)	–
Other short-term financial liabilities	(38,204)	–	(38,204)	–

As at December 31, 2018, the fair value hierarchy was the following (in CZK millions):

Assets measured at fair value:	Total	Level 1	Level 2	Level 3
Commodity derivatives	93,803	7,851	85,952	–
Cash flow hedges	2,310	23	2,287	–
Other derivatives	1,426	–	1,426	–
Restricted debt securities	10,608	10,608	–	–
Debt financial assets	1,287	1,287	–	–
Equity financial assets	6,077	–	–	6,077

Liabilities measured at fair value:	Total	Level 1	Level 2	Level 3
Commodity derivatives	(101,528)	(11,552)	(89,976)	–
Cash flow hedges	(22,370)	(4,594)	(17,776)	–
Other derivatives	(1,024)	–	(1,024)	–

Assets and liabilities for which fair value is disclosed:	Total	Level 1	Level 2	Level 3
Loans granted	28,332	–	28,332	–
Term deposits	502	–	502	–
Other financial receivables	2,397	–	2,397	–
Long-term debt	(147,795)	(112,369)	(35,426)	–
Short-term loans	(11,709)	–	(11,709)	–
Other short-term financial liabilities	(41,398)	–	(41,398)	–

The Company enters into derivative financial instruments with various counterparties, principally large power and utility groups and financial institutions with high credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly commodity forward and futures contracts, foreign exchange forward contracts, interest rate swaps and options. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations and option pricing models (e.g. Black-Scholes). The models incorporate various inputs including the forward rate curves of the underlying commodity, foreign exchange spot and forward rates and interest rate curves.

The following table shows roll forward of the financial assets measured at fair value – Level 3, for the years ended December 31, 2019 and 2018 (in CZK millions):

	Equity financial assets at fair value through profit or loss	Equity financial assets at fair value through other comprehensive income
Balance at January 1, 2018	–	–
Application of IFRS 9 ¹⁾	2,002	2,732
Additions	1,000	–
Revaluation	284	59
Balance at December 31, 2018	3,286	2,791
Revaluation	41	(347)
Balance at December 31, 2019	3,327	2,444

¹⁾ Transfer from category measured at cost.

The main investment in the portfolio Equity financial assets at fair value through other comprehensive income is 15% interest in the company Veolia Energie ČR, a.s. (see Note 5). Equity instruments of the company are not quoted on any market. Fair value at December 31, 2019 and 2018 was determined using available public EBITDA data and the usual range of 8 to 10 EBITDA multiples which corresponds to the transactions observed on the market for acquisition of the 100% interest before the adjustment for outstanding debt. The fair value at December 31, 2019 and 2018 was determined using 9 EBITDA multiple as the best estimate of the fair value.

Equity financial assets at fair value through profit or loss include investment in investment fund ČEZ in the company Inven Capital, SICAV, a.s. (see Note 5). The fair value of the investment was determined at 31 December 2019 and 2018 by valuator's appraisal. The fair value is stated especially with regard to capital contributions and to other forms of financing made by the co-investors recently. In addition, the valuation takes into account further developments and eventual subsequent significant events, such as received bids for redemption.

14.2. Offsetting of Financial Instruments

The following table shows the recognized financial instruments that are offset, or subject to enforceable master netting agreement or other similar agreements but not offset, as of December 31, 2019 and 2018 (in CZK millions):

	2019		2018	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Derivatives	67,038	(69,966)	97,538	(124,921)
Other financial instruments ¹⁾	46,938	(43,218)	45,579	(42,102)
Collaterals paid (received) ²⁾	1,182	(683)	2,878	(1,611)
Gross financial assets / liabilities	115,158	(113,867)	145,995	(168,634)
Assets / liabilities set off under IAS 32	–	–	–	–
Amounts presented in the balance sheet	115,158	(113,867)	145,995	(168,634)
Effect of master netting agreements	(96,017)	96,017	(131,116)	131,116
Net amount after master netting agreements	19,141	(17,850)	14,879	(37,518)

¹⁾ Other financial instruments consist of invoices due from derivative trading and are included in Trade receivables, net or Trade payables.

²⁾ Collaterals paid are included in Trade receivables, net and collaterals received are included in Trade payables.

When trading with derivative instruments, the Company enters into the EFET and ISDA framework contracts. These contracts generally allow mutual offset of receivables and payables upon the premature termination of agreement. The reason for premature termination is insolvency or non-fulfillment of agreed terms by the counterparty. The right to mutual offset is either embedded in the framework contract or results from the security provided. There is CSA (Credit Support Annex) concluded with some counterparties defining the permitted limit of exposure. When the limit is exceeded, there is a transfer of cash reducing exposure below an agreed level. Cash security (collateral) is also included in the final offset.

Short-term derivative assets are included in the balance sheet in Other current financial assets, net, long-term derivative assets in Other non-current financial assets, net, short-term derivative liabilities in Other short-term financial liabilities and long-term derivative liabilities in Other long-term financial liabilities.

15. Financial Risk Management

Risk Management Approach

A risk management system is being successfully developed in order to protect the Group's value while taking the level of risk acceptable for the shareholders. In the Group, the risk is defined as a potential difference between the actual and the expected (planned) developments and is measured by means of the extent of such difference in CZK and the likelihood with which such a difference may occur.

A risk capital concept is applied within the Group. The concept allows the setting of basic cap for partial risk limits and, in particular, the unified quantification of all kinds of risks. The value of aggregate annual risk limit (Profit@Risk) is approved by the Board of Directors based on the Risk Management Committee proposal for every financial year. The proposed limit value is derived from historical volatility of profit, revenues and costs of the Group (the top-down method). The approved value in CZK is set on the basis of a 95% confidence level and expresses a maximum profit decrease, which is the Group willing to take in order to reach the planned annual profit.

The bottom-up method is used for setting and updating the Risk frames. The Risk frames include the definition of risk and departments/units of the Group for which the frame is obligatory; definition of rules and responsibilities for risk management; permitted instruments and methods of risk management and actual risk limits, including a limit which expresses the share in the annual Profit@Risk limit.

The main Business Plan market risks are quantified in the Group (EBITDA@Risk based on MonteCarlo simulation in Y+1 to Y+5 horizon). The market risks are actively managed through gradual electricity sales and emission allowances' purchases in the following 6-year horizon, closed long-term contracts for electricity sale and emission allowances' purchase and the FX and IR risk hedging in medium-term horizon. In Business Plan horizon, the risk management is also based on Debt Capacity concept which enables to assess the impact of main Investment and other Activities (incl. the risk characteristics), on expected cash flow and total debt in order to maintain corporate rating.

Risk Management Organization

The supreme authority responsible for risk management in ČEZ, a. s. is the CFO, except for approval of the aggregate annual budget risk limit (Profit@Risk) within the competence of the ČEZ, a. s. Board of Directors. CFO decides, based on the recommendation of the Risk Management Committee, on the development of a system of risk management, on an overall allocation of risk capital to the individual risks and organizational units, he approves obligatory rules, responsibilities and limit structure for the management of partial risks.

The Risk Management Committee (advisory committee of CFO) continuously monitors an overall risk impact on the Group, including Group risk limits utilization, status of risks linked to Business Plan horizon, hedging strategies status, assessment of impact of Investment and other Activities on potential Group debt capacity and cash flow in order to maintain corporate rating.

Overview and Methods of Risk Management

The Group applies a unified categorization of the Group's risks which reflects the specifics of a corporate, i.e. non-banking company, and focuses on primary causes of unexpected development. The risks are divided into four basic categories listed below.

1. Market risks	2. Credit risks	3. Operation risks	4. Business risks
1.1 Financial (FX, IR)	2.1 Counterparty default	3.1 Operating	4.1 Strategic
1.2 Commodity	2.2 Supplier default	3.2 Internal change	4.2 Political
1.3 Volumetric	2.3 Settlement	3.3 Liquidity management	4.3 Regulatory
1.4 Market liquidity		3.4 Security	4.4 Reputation

From the view of risk management, the Group activities can be divided into two basic groups:

- activities with the unified quantification of the share of respective activity in the aggregate risk limit of the Group (i.e. using specific likelihood, it is possible to objectively determine what risk is associated with an activity/planned profit). These risks are managed by the rules and limits set by the CFO of ČEZ, a. s. based on the recommendation of the Risk Management Committee and, concurrently, in accordance with governing documents of the respective units/processes of the Group;
- activities whose share in the aggregate risk limit of the Group has not been quantified so far or for objective reasons. These risks are managed by the responsible owners of the relevant processes in accordance with internal governing documents of the respective units/processes of the Group.

For all risks quantified on a unified basis, a partial risk limit is set whose continuous utilization is evaluated on a monthly basis and is usually defined as a sum of the actually expected deviation of expected annual profit from the plan and the potential risk of loss on a 95% confidence. The Group's methodologies and data provide for a unified quantification of the following risks:

- market risks: financial (currency, interest and stock price) risks, commodity prices (electricity, emission allowances, coal, gas, crude oil), volume (volume of electricity produced by wind power plants);
- credit risks: financial and business counterparty risk and electricity, gas and heat end customer risk;
- operational risks: risks of nuclear and fossil power plants operation, investment risks.

The development of quantified risks is reported to the Risk Management Committee every month through 3 regular reports:

- Annual budget risks (annual Profit@Risk limit utilization);
- Business plan risks (EBITDA@Risk based on MonteCarlo simulation);
- Debt capacity (actual deviation from the optimal debt within Y+5 horizon, derived from rating agency requirements on debt indicators in order to preserve the ČEZ rating).

15.1. Qualitative Description of ČEZ, a. s. Risks Associated with Financial Instruments

Commodity Risks

The development of electricity, emission allowances, coal and gas prices is a key risk factor of the ČEZ value. The current system of commodity risk management is focused on (i) the margin from the own electricity production sales, i.e. from trades resulting in optimizing the sales of ČEZ's production and in optimizing the emission allowances position for production (the potential risk is managed on the EaR, VaR and the EBITDA@Risk bases), and (ii) the margin from the proprietary trading of commodities (the potential risk is managed on the VaR basis).

Market Financial Risks (currency and interest risks)

The development of foreign exchange rates and interest rates is a significant risk factor of the ČEZ value. The current system of financial risk management is focused mainly on (i) the future cash flows and (ii) financial trades which are realized for the purposes of an overall risk position management in accordance with the risk limits (the potential risk is managed on the basis of VaR, EBITDA@Risk and complementary position limits). Own financial instruments (i.e. active and passive financial trades and derivative trades) are realized entirely in the context of an overall expected cash flows (including operational and investment foreign currency flows).

Credit Risks

Credit exposures of individual financial partners and wholesale partners are managed in accordance with individual credit limits. The individual limits are set and continuously updated according to the counterparty's credibility (in accordance with international rating and internal financial evaluation of counterparties with no international rating).

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Company's maximum exposure to credit risk to receivables and other financial instruments as at December 31, 2019 and 2018 is the carrying value of each class of financial assets except for financial guarantees.

In accordance with the credit risk methodology applied to the banking sector per Basel II, every month the expected and potential losses are quantified on a 95% confidence level. It means that the share of credit risks in the aggregate annual Profit@Risk limit is quantified and evaluated.

Liquidity Risks

Liquidity risk is primarily perceived as an operational risk (risk of liquidity management) and a risk factor is the internal ability to effectively manage the future cash flows planning process and to secure the adequate liquidity and effective short-term financing (the risk is managed on a qualitative basis). The fundamental liquidity risk management (i.e. liquidity risk within the meaning for banking purposes) is covered by the risk management system as a whole. In any given period, the future deviations of the expected cash flows are managed in accordance with the aggregate risk limit and in the context of the actual and the targeted debt/equity ratio of ČEZ.

15.2. Quantitative Description of ČEZ, a. s. Risks Associated with Financial Instruments

Commodity Risks

The required quantitative information on risks (i.e. a potential change of market value resulting from the effects of risk factors as at December 31) was prepared based on the assumptions given below:

- the indicator of risk associated with financial instruments is defined as the monthly parametric VaR (95% confidence) which expresses a maximum potential decrease in fair value of contracts classified as derivatives under IFRS 9 (the underlying commodities in the Company's derivative transactions are: electricity, EUA and CER/ERU emission allowances, gas, coal ARA, Richards Bay, Newcastle and crude oil and crude oil products) on the given confidence level;
- highly probable forecasted future electricity generation sales with the delivery in the CZ power grid are included in the VAR calculation to reflect the hedging character of significant portion of the existing derivative sales of electricity with delivery in Germany;
- for the calculation of volatility and correlations (between commodity prices), the SMA (Simple Moving Average) method is applied to 60 daily time series;
- the source of market data is mainly EEX, PXE and ICE;
- the indicator VaR illustrates mainly the impact of revaluation of above-mentioned financial instruments to Income Statement.

Potential impact of the above risk factors as at December 31 (in CZK millions):

	2019	2018
Monthly VaR (95%) – impact of changes in commodity prices	2,760	2,734

Currency Risks

The required quantitative information on risks (i.e. a potential change of market value resulting from the effects of currency risk as at December 31) was prepared based on the assumptions given below:

- the indicator of currency risk is defined as the monthly VaR (95% confidence);
- for the calculation of VaR, based on volatility and internal correlations of each considered currency, the method of historical simulation VaR is applied to 90 daily historical time series;
- the relevant currency position is defined mainly as a discounted value of foreign currency cash flows from all contracted financial instruments, from expected foreign currency operational revenues and costs in 2020 and from highly probable forecasted foreign currency revenues, costs or capital expenditures that are being hedged by financial instruments etc;
- the relevant currency positions reflect all significant foreign-currency flows in the monitored basket of foreign currencies;
- the source of market FX and interest rate data is mainly IS Reuters and IS Bloomberg;
- the indicator VaR illustrates mainly the impact of revaluation of above-mentioned currency position to Income Statement.

Potential impact of the currency risk as at December 31 (in CZK millions):

	2019	2018
Monthly currency VaR (95% confidence)	68	169

Interest Risks

For the quantification of the potential impact of the interest risk was chosen the sensitivity of the interest revenue and cost to the parallel shift of yield curves. The approximate quantification as at December 31 was based on these assumptions:

- parallel shift of the yield curves (+10bp) was selected as the indicator of interest risk;
- the Income Statement sensitivity is measured as an annual change of the interest revenue and cost resulting from the interest-sensitive positions as at December 31;
- the considered interest positions reflect all significant interest-sensitive positions;
- the source of market interest rates is mainly IS Reuters and IS Bloomberg.

Potential impact of the interest rate risk as at December 31 (in CZK millions):

	2019	2018
IR sensitivity* to parallel yield curve shift (+10bp)	(2)	(1)

* Negative result denotes higher increase in interest costs than interest income

Credit Exposure

The Company is exposed to credit risk arising on all financial assets presented on the balance sheet and from provided guarantees.

Credit exposure from provided guarantees not recorded on balance sheet at December 31 (in CZK millions):

	2019	2018
Guarantees provided to subsidiaries not recorded on balance sheet	4,486	4,220
Guarantees provided to joint-ventures not recorded on balance sheet	1,317	1,945
Total	5,803	6,165

The guarantees provided represent mainly guarantees issued in connection with concluded contracts, bank loans and other obligations of the respective companies. The beneficiary may claim the guarantee only under the conditions of the letter of guarantee, usually in relation to non-payment of amounts arising out of the contract or failure to fulfil the obligations arising out of the contract. The companies whose liabilities are subject to the guarantees currently comply with their obligations. The guarantees have various maturities. As of December 31, 2019 and 2018, some of the guarantees could be called until December 2030 at the latest.

Liquidity Risk

Maturity profile of financial liabilities based on contractual undiscounted payments at December 31, 2019 (in CZK millions):

	Bonds and debentures	Loans and lease payables	Derivatives ¹⁾	Other financial liabilities	Trade payables	Guarantees issued ²⁾
Due in 2020	24,110	5,833	434,196	36,342	53,748	5,803
Due in 2021	27,057	3,122	76,143	1,813	–	–
Due in 2022	22,122	2,598	26,066	56	–	–
Due in 2023	7,331	2,256	4,074	–	–	–
Due in 2024	2,541	1,114	946	–	–	–
Thereafter	95,220	1,997	28,120	–	–	–
Total	178,381	16,920	569,545	38,211	53,748	5,803

Maturity profile of financial liabilities based on contractual undiscounted payments at December 31, 2018 (in CZK millions):

	Bonds and debentures	Loans	Derivatives ¹⁾	Other financial liabilities	Trade payables	Guarantees issued ²⁾
Due in 2019	6,240	13,886	444,692	41,246	51,208	6,165
Due in 2020	24,194	2,176	104,659	60	–	–
Due in 2021	27,193	1,932	34,951	58	–	–
Due in 2022	22,071	1,285	16,952	45	–	–
Due in 2023	7,148	941	4,714	–	–	–
Thereafter	78,976	2,426	29,525	–	–	–
Total	165,822	22,646	635,493	41,409	51,208	6,165

¹⁾ Contractual maturities for derivatives represent contractual cash out-flows of these instruments, but at the same time the Company will receive corresponding consideration. For fair values of derivatives see Note 14.

²⁾ Maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

The committed credit facilities available to the Company as at December 31, 2019 and 2018 amounted to CZK 26.9 billion and CZK 15.8 billion, respectively. In addition, in December 2019, the Company signed a committed loan facility agreement with the European Investment Bank to support financing of the grid renewal and further development program in the Czech Republic up to EUR 330 million, i.e. CZK 8.4 billion, which was not drawn as of December 31, 2019.

15.3. Hedge Accounting

The Company enters into cash flow hedges of future highly probable cash inflows from the sales denominated in EUR against the currency risk. The hedged cash flows are expected to occur in the period from 2020 to 2026. The hedging instruments as at December 31, 2019 and 2018 are the EUR denominated liabilities from the issued Eurobonds and bank loans in the total amount of EUR 5.1 billion and EUR 4.0 billion, respectively, and currency forward contracts and swaps. The fair value of these derivative hedging instruments (currency forward contracts and swaps) amounted to CZK 695 million and CZK 176 million at December 31, 2019 and 2018, respectively.

The Company also enters into cash flow hedges of highly probable future sales of electricity in the Czech Republic from 2020 to 2025. The hedging instruments are the futures and forward contracts electricity sales in Germany. The fair value of these derivative hedging instruments amounted to CZK (1,302) million and CZK (20,236) million at December 31, 2019 and 2018, respectively.

The Company applied cash flow hedges of future highly probable purchases of emission allowances which had been expected to occur in 2018. The hedging instruments as at December 31, 2018 were the futures contracts for the purchase of allowances equivalent to 6.0 million tons of CO₂ emissions. The final settlement of the purchase of these hedged emission allowances was in December 2018.

In 2019 and 2018 the amounts removed from equity in respect of cash flow hedges were recognized in profit or loss and included in the lines Sales of electricity, heat and gas, Gains and losses from commodity derivative trading, Other financial expenses and Other financial income and on the balance sheet in the line Intangible assets, net and Emission rights. In 2019 and 2018 the Company recognized in profit or loss the ineffectiveness that arises from cash flow hedges in the amount of CZK 503 million and CZK (29) million, respectively. The ineffectiveness in 2019 and 2018 was mainly caused by the fact that the hedged cash flows are no more highly probable to occur.

16. Provisions

The following is a summary of the provisions at December 31, 2019 and 2018 (in CZK millions):

	2019			2018		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Nuclear provisions	73,194	2,199	75,393	61,095	2,282	63,377
Provision for waste storage reclamation	595	71	666	514	52	566
Provision for CO ₂ emissions (see Note 9)	–	4,362	4,362	–	2,515	2,515
Provision for employee benefits	1,526	96	1,622	1,362	117	1,479
Provision for environmental claims	–	470	470	–	463	463
Provision for legal and commercial disputes	–	490	490	–	470	470
Provision for obligation in case of claim from guarantee for Akcez group loans	–	1,362	1,362	–	908	908
Other provisions	–	232	232	–	82	82
Total	75,315	9,282	84,597	62,971	6,889	69,860

16.1. Nuclear Provisions

The Company operates two nuclear power plants. Nuclear power plant Dukovany consists of four units which were put into service from 1985 to 1987. Nuclear power plant Temelín has two units which have started commercial operation in 2002 and 2003. A Nuclear Act defines obligations for the decommissioning of nuclear facilities, the disposal of radioactive waste and spent fuel (disposal). The Nuclear Act requires that all nuclear parts of plant and equipment be decommissioned following the end of the plant's operating life. For the purpose of accounting for the nuclear provisions, it is assumed that the end of operation will be 2037 for Dukovany and 2052 for Temelín. A 2018 Dukovany and a 2019 Temelín decommissioning cost study estimate that nuclear decommissioning will cost CZK 28.6 billion and CZK 22.4 billion, respectively. The Company makes contributions to a restricted bank accounts in the amount of the nuclear provisions recorded under the Nuclear Act. These restricted funds can be invested in government bonds in accordance with legislation. These restricted financial assets are shown in the balance sheet as part of Restricted financial assets, net (see Note 4).

The Ministry of Industry and Trade established the Radioactive Waste Repository Authority (RAWRA) as the central organizer and operator of facilities for the final disposal of radioactive waste and spent fuel. The RAWRA operates, supervises and is responsible for disposal facilities and for disposal of radioactive waste and spent fuel therein. The activities of the RAWRA are financed through a nuclear account funded by the originators of radioactive waste. Contribution to the nuclear account is stated by Nuclear Act at 55 CZK per MWh produced at nuclear power plants. In 2019 and 2018, the payments to the nuclear account amounted to CZK 1,663 million and CZK 1,646 million, respectively. The originator of radioactive waste and spent fuel directly covers all costs associated with interim storage of radioactive waste and spent fuel.

The Company has established provisions as described in Note 2.21, to recognize its estimated liabilities for decommissioning and spent fuel storage.

The following is a summary of the nuclear provisions for the years ended December 31, 2019 and 2018 (in CZK millions):

	Accumulated provisions			
	Nuclear decommissioning	Spent fuel storage		Total
		Interim	Long-term	
Balance at January 1, 2018	20,531	7,647	33,156	61,334
Discount accretion and effect of inflation	530	191	829	1,550
Provision charged in profit or loss	–	527	–	527
Effect of change in estimate recognized in profit or loss	–	(43)	–	(43)
Effect of change in estimate added to (deducted from) fixed assets	2,449	–	(110)	2,339
Current cash expenditures	–	(684)	(1,646)	(2,330)
Balance at December 31, 2018	23,510	7,638	32,229	63,377
Discount accretion and effect of inflation	604	191	806	1,601
Provision charged in profit or loss	–	487	–	487
Effect of change in estimate recognized in profit or loss	–	979	–	979
Effect of change in estimate added to fixed assets	10,385	–	865	11,250
Current cash expenditures	–	(638)	(1,663)	(2,301)
Balance at December 31, 2019	34,499	8,657	32,237	75,393

The current cash expenditures for the long-term storage of spent nuclear fuel represent payments to the state controlled nuclear account and the expenditures for interim storage represent mainly the purchase of interim fuel storage containers and other related equipment.

In 2019 the Company recorded the change in estimate for interim storage of spent nuclear fuel in connection with the change in expectations of future storage cost and change in discount rate, the change in estimate in provision for nuclear decommissioning due to the update of the expert decommissioning study for nuclear power plant in Temelín and change in discount rate and the change in long-term spent fuel storage in connection with the modification of the expected output of the nuclear power plants and change in discount rate.

In 2018 the Company recorded the change in estimate for interim storage of spent nuclear fuel in connection with the change in expectations of future storage cost, the change in estimate in provision for nuclear decommissioning due to the update of the expert decommissioning study for nuclear power plant in Dukovany and the change in long-term spent fuel storage in connection with the modification of the expected output of the nuclear power plants.

The actual decommissioning and spent fuel storage costs could vary substantially from the above estimates because of new regulatory requirements, changes in technology, increased costs of labor, materials and equipment and/or the actual time required to complete all decommissioning, disposal and storage activities.

16.2. Provision for Waste Storage Reclamation

The following table shows the movements of the provision for waste storage reclamation for the years ended December 31, 2019 and 2018 (in CZK millions):

	2019	2018
Balance at January 1	566	852
Discount accretion and effect of inflation	14	21
Effect of change in estimate added to (deducted from) fixed assets	131	(67)
Reversal of provision	–	(213)
Current cash expenditures	(45)	(27)
Balance at December 31	666	566

17. Other Financial Liabilities

Other financial liabilities at December 31, 2019 are as follows (in CZK millions):

	2019		
	Long-term liabilities	Short-term liabilities	Total
Payables from Group cashpooling	–	32,606	32,606
Intra-group loans	–	3,400	3,400
Payables from purchase of emission rights held for trading	1,757	–	1,757
Other	106	335	441
Financial liabilities at amortized costs	1,863	36,341	38,204
Cash flow hedge derivatives	5,464	939	6,403
Commodity and other derivatives	889	62,674	63,563
Financial liabilities at fair value	6,353	63,613	69,966
Total	8,216	99,954	108,170

Other financial liabilities at December 31, 2018 are as follows (in CZK millions):

	2018		
	Long-term liabilities	Short-term liabilities	Total
Payables from Group cashpooling	–	37,221	37,221
Intra-group loans	–	2,900	2,900
Deposit	–	750	750
Other	157	370	527
Financial liabilities at amortized costs	157	41,241	41,398
Cash flow hedge derivatives	12,733	9,637	22,370
Commodity and other derivatives	886	101,666	102,552
Financial liabilities at fair value	13,619	111,303	124,922
Total	13,776	152,544	166,320

Short-term payables arising from purchase of non-current assets and emission rights held for trading are included in the line Trade payables.

18. Short-term Loans

Short-term loans at December 31, 2019 and 2018 were as follows (in CZK millions):

	2019	2018
Short-term bank loans	4,117	11,444
Bank overdrafts	2	265
Total	4,119	11,709

Interest on short-term loans is variable. The weighted average interest rate was 0.6% and 0.4% at December 31, 2019 and 2018, respectively. For the years 2019 and 2018 the weighted average interest rate was 1.0% and 0.5%, respectively.

19. Other Short-term Liabilities

Other short-term liabilities at December 31, 2019 and 2018 consist of the following (in CZK millions):

	2019	2018
Taxes and fees, except income tax	675	511
Deferred income	31	80
Advanced received	132	20
Total	838	611

20. Leases

20.1. Company as a Lessee

The Company has lease contracts for various items of offices, cars, buildings and land used to place its own electricity and heat production facilities, and in some cases leases the entire production factory. Leases of cars generally have lease terms between 2 to 8 years, while buildings and lands between 4 to 21 years.

The Company has entered into lease contracts with fixed and variable payments. The variable payments are regularly adjusted according to the inflation index or are based on use of the underlying assets.

The Company also has certain leases of buildings, machinery or equipment with lease terms of 12 months or less or with low value. The Company applies the short-term lease and lease of low-value assets recognition exemptions for these leases.

The net book values of the right-of-use assets presented under Property, plant and equipment are described in the Note 3.

The amounts of lease liability are presented under Long-term Debt (see Note 13).

The following table sets out total cash outflows for lease payments (in CZK millions):

	2019
Payments of principal	1,159
Payments of interests	134
Lease payments not included in valuation of lease liability	4,003
Total cash outflow for leases	5,296

The following are the amounts that are recognized in profit or loss (in CZK millions):

	2019
Expense relating to short-term leases	188
Expense relating to low-value assets	2
Variable lease payments	4,003
Depreciation charge for right-of-use assets	1,233
Interest expenses	134

The most significant part of variable lease payments are costs related with energy rework contract with the company Elektrárna Počerady, a.s.

Next year, the Company expects to pay lease payments that are not included in valuation of lease liability of CZK 5,190 million.

20.2. Company as a Lessor

Rental income recognized by the Company during 2019 and 2018 was CZK 118 million and CZK 126 million, respectively. In the following years, the Company expects rental income to be similar to the year 2019.

The net book values of the property, plant and equipment leased out under operating lease are disclosed in the Note 3.

21. Revenues and Other Operating Income

The composition of revenues and other operating income for the years ended December 31, 2019 and 2018 is as follows (in CZK millions):

	2019	2018
Sale of electricity, heat and gas:		
Electricity sales – domestic:		
ČEZ Prodej, a.s.	20,492	17,904
OTE, a.s.	13,554	6,089
E.ON Energie, a.s.	2,917	2,124
RWE Supply & Trading GmbH	2,893	6,315
BOHEMIA ENERGY entity s.r.o.	2,836	–
Pražská energetika, a.s.	1,566	1,769
Slovenské elektrárne, a.s.	1,392	1,482
ALPIQ ENERGY SE	1,254	2,928
Uniper Global Commodities SE	1,243	1,333
POWER EXCHANGE CENTRAL EUROPE, a.s.	742	4,134
EDF Trading Limited	509	1,475
Other customers	13,917	10,307
Total electricity sales – domestic	63,315	55,860
Electricity sales – foreign	17,705	14,516
Effect of hedging – presales of electricity (Note 15.3)	(9,662)	(5,596)
Effect of hedging – currency risk hedging (Note 15.3)	1,302	878
Total sales of electricity	72,660	65,658
Sales of gas	7,132	6,544
Sales of heat	2,151	1,949
Total sales of electricity, heat and gas	81,943	74,151
Sale of services and other income:		
Distribution services	30	26
Sales of ancillary and other services	4,819	4,658
Rental income	118	126
Other revenues	35	24
Total sales of services and other revenues	5,002	4,834
Other operating income	1,353	764
Total revenues and other operating income	88,298	79,749

Revenues from contracts with customers for the years ended December 31, 2019 and 2018 were CZK 95,187 million and CZK 83,577 million, respectively, and can be linked to the above figures as follows:

	2019	2018
Sales of electricity, gas and heat	81,943	74,151
Sales of services and other revenues	5,002	4,834
Total revenues	86,945	78,985
Adjustments:		
Effect of hedging – presales of electricity	9,662	5,596
Effect of hedging – currency risk hedging	(1,302)	(878)
Rental income	(118)	(126)
Revenues from contracts with customers	95,187	83,577

22. Gains and Losses from Commodity Derivative Trading

The composition of gains and losses from commodity derivative trading for the years ended December 31, 2019 and 2018 is as follows (in CZK millions):

	2019	2018
Electricity derivative trading:		
Sales – domestic	19,376	13,493
Sales – foreign	292,305	261,334
Purchases – domestic	(18,836)	(13,271)
Purchases – foreign	(293,186)	(266,750)
Changes in fair value of derivatives	7,906	6,002
Total gains from electricity derivative trading, net	7,565	808
Other commodity derivative trading:		
Loss from gas derivative trading	(513)	(409)
Gain (loss) from oil derivative trading	6	(22)
Loss from coal derivative trading	(299)	(84)
Gain from emission rights derivative trading	400	7
Total gains and losses from derivative trading	7,159	300

23. Purchase of Electricity, Gas and Other Energies

The composition of purchase of electricity, gas and other energies at December 31, 2019 and 2018 is as follows (in CZK millions):

	2019	2018
Purchase of electricity for resale	(20,373)	(19,921)
Purchase of gas for resale	(6,915)	(6,003)
Purchase of other energies	(1,805)	(1,683)
Energy rework contract	(3,989)	(5,464)
Total Purchase of electricity, gas and other energies	(33,082)	(33,071)

24. Fuel and Emission Rights

The composition of fuel and emission rights for production ended December 31, 2019 and 2018 is as follows (in CZK millions):

	2019	2018
Consumption of fossil energy fuel and biomass	(6,880)	(5,792)
Amortization of nuclear fuel	(4,059)	(4,005)
Consumption of gas	(2,656)	(2,281)
Emission rights for generation	(4,332)	(2,663)
Total fuel and emission rights	(17,927)	(14,741)

25. Services

The composition of purchase of services at December 31, 2019 and 2018 is as follows (in CZK millions):

	2019	2018
Repairs and maintenance	(3,855)	(3,433)
Technology and operation support services	(981)	(968)
Rental, building administration and security	(654)	(731)
IT related services	(792)	(712)
Equipment operation services	(719)	(708)
Other services	(2,548)	(2,552)
Total services	(9,549)	(9,104)

Information about fees charged by independent auditor is provided in the annual report of CEZ Group.

26. Salaries and Wages

Salaries and wages for the years ended December 31, 2019 and 2018 were as follows (in CZK millions):

	2019		2018	
	Total	Key management personnel ¹⁾	Total	Key management personnel ¹⁾
Salaries and wages including remuneration of board members	(5,009)	(251)	(4,565)	(247)
Share options	(38)	(38)	(33)	(33)
Social and health security	(1,564)	(47)	(1,437)	(46)
Other personal expenses	(554)	(14)	(498)	(23)
Total	(7,165)	(350)	(6,533)	(349)

¹⁾ Members of Supervisory Board, Audit Committee and Board of Directors and selected managers of departments with group field of activity. The remuneration of former members of company bodies is included in personal expenses.

The members of Board of Directors and selected managers were entitled to use company cars for both business and private purposes in addition to the personal expenses.

If the Company terminates a contract with a member of Board of Directors before his/her four-year term of office expires (except for resignation), the Director is entitled to a severance pay. Method of determination of the amount of the severance payment and conditions are stipulated in the respective contract of the member of Board of Directors.

At December 31, 2019 and 2018, the aggregate number of share options granted to members of Board of Directors and selected managers was 1,651 thousand and 1,904 thousand, respectively.

Members of the Board of Directors and selected managers were entitled until December 31, 2019 to receive share options based on the conditions stipulated in the share option agreement. Members of the Board of Directors and selected managers were granted certain quantity of share options each year of their tenure according to rules of the share option plan until the share option plan was terminated as of December 31, 2019. The exercise price for the granted options was based on the average quoted market price of the shares on the regulated exchange in the Czech Republic during one-month period preceding the grant date each year. Options granted could be exercised at the earliest 2 years and latest 3.5 years after each grant date. Option right is limited so that the profit per share option will not exceed 100% of exercise price.

Beginning on January 1, 2020, the new program of long-term performance bonus has been started, replacing the options program. New options will no longer be granted and the existing granted options as at December 31, 2019 in the number of 1,651 thousand are preserved, i.e. after a proportional reduction of the original annual allocations in 2019. The program of long-term performance bonus is based on performance units that will be allocated to each beneficiary every year. The number of performance units allocated is based on the defined yearly value of a given long-term bonus and the price of stocks before the allocation. The Supervisory Board sets out the performance indicators for each year's allocation of the performance units. The defined performance indicators will be evaluated by the Supervisory Board and number of performance units allocated to a beneficiary will be adjusted accordingly. Then a two-year holding period will follow. The long-term performance bonus will be paid three years after the initial allocation, and the amount will be based on the adjusted number of performance units as well as on the stock price at the end of the holding period and the amount of dividends distributed during the holding period.

The following table shows changes during 2019 and 2018 in the number of granted share options and the weighted average exercise price of these options:

	Number of share options			Weighted average exercise price (CZK per share)
	Board of Directors 000s	Selected managers 000s	Total 000s	
Share options at January 1, 2018	1,814	512	2,326	496.89
Options granted	590	185	775	542.63
Options exercised ¹⁾	(350)	(130)	(480)	438.03
Options forfeited	(560)	(157)	(717)	615.88
Share options at December 31, 2018²⁾	1,494	410	1,904	485.52
Options granted ³⁾	239	117	356	536.25
Options exercised ¹⁾	(454)	(120)	(574)	434.74
Options forfeited	–	(35)	(35)	536.96
Share options at December 31, 2019³⁾	1,279	372	1,651	513.02

¹⁾ In 2019 and 2018 the weighted average share price at the date of the exercise for the options exercised was CZK 542.81 and CZK 539.42, respectively.

²⁾ At December 31, 2019 and 2018 the number of exercisable options was 540 thousand and 390 thousand, respectively. The weighted average exercise price of the exercisable options was CZK 455.32 per share and CZK 443.84 per share at December 31, 2019 and 2018, respectively.

³⁾ The original annual allocations in 2019 were proportionally reduced on the termination of the share options plan at December 31, 2019 to correspond to the number of options determined based on the number of days remaining from the date of the relevant 2019 allocation until the end of the share option plan. The presented number corresponds to the total number of options granted in 2019 after this reduction.

The fair value of the options is estimated on the date of grant using the binomial option-pricing model. Because these stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the existing models do not necessarily provide a reliable single measure of the fair value of stock options.

At the grant dates, the underlying assumptions and the resulting fair values per option were as follows:

	2019	2018
Weighted average assumptions:		
Dividend yield	3.6%	2.7%
Expected volatility	15.7%	18.1%
Mid-term risk-free interest rate	1.6%	0.9%
Expected life (years)	1.4	1.4
Share price (CZK per share)	533.7	543.4
Weighted average grant-date fair value of options (CZK per 1 option)	36.3	41.4

The expected life of the options is based on historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

At December 31, 2019 and 2018 the exercise prices of outstanding options (in thousands pieces) were in the following ranges:

	2019	2018
CZK 400–500 per share	540	1,124
CZK 500–600 per share	1,111	780
Total	1,651	1,904

The options granted which were outstanding as at December 31, 2019 and 2018 had an average remaining contractual life of 1.9 years and 2.3 years, respectively.

27. Other Operating Expenses

Other operating expenses for the years ended December 31, 2019 and 2018 consist of the following (in CZK millions):

	2019	2018
Change in provisions	1,017	1,734
Taxes and fees	(2,000)	(1,980)
Costs related to trading of commodities	(447)	(408)
Insurance	(317)	(312)
Gifts	(110)	(109)
Other	(668)	(206)
Total	(2,525)	(1,281)

Taxes and fees include the contributions to the nuclear account (see Note 16.1). The settlement of the provision for long-term spent fuel storage is accounted for in the amount of contributions to nuclear account. Settlement of provision for long-term spent fuel storage is included in Change in provisions.

28. Interest Income

Interest income for each category of financial instruments for the years ended December 31, 2019 and 2018 was as follows (in CZK millions):

	2019	2018
Group cashpooling	295	336
Loans and receivables	728	307
Debt financial assets at fair value through other comprehensive income	228	190
Bank accounts	41	34
Debt financial assets at amortized costs	–	3
Total	1,292	870

29. Impairment of Financial Assets

Additions and reversals of impairment of financial assets for each category for the years ended December 31, 2019 and 2018 were as follows (in CZK millions):

	2019	2018
Share on subsidiaries and joint-ventures (see Note 5)		
Additions	(3,571)	(2,371)
Reversals	6,920	–
Loans granted	(1)	(194)
Financial guarantee for Akcez group loans	(837)	(908)
Other	–	5
Total	2,511	(3,468)

In 2018 the Company created 100% impairment provision to the new loan provided to the company Akcez Enerji A.S. in the amount of CZK 193 million.

The Company is a guarantor for the liabilities of companies within the joint-venture Akcez Enerji A.S. in the amount of USD 106.3 million and TRY 72.3 million as of December 31, 2019. Based on calculation of recoverable amount from future cash flows, a provision in the amount of CZK 1,362 million and CZK 908 million was recognized as of December 31, 2019 and 2018, respectively.

30. Other Financial Expenses

Other financial expenses for the years ended December 31, 2019 and 2018 consist of the following (in CZK millions):

	2019	2018
Foreign exchange rate loss	(231)	(808)
Derivative losses	(155)	–
Loss on sale of debt financial assets	–	(11)
Creation and settlement of provisions	(26)	(17)
Other	(50)	(61)
Total	(462)	(897)

31. Other Financial Income

Other financial income for the years ended December 31, 2019 and 2018 consist of the following (in CZK millions):

	2019	2018
Dividends received (see Note 5)	13,117	31,989
Derivative gains	–	931
Gain on sale debt financial assets	27	–
Gain on disposal of subsidiaries, associates and joint-ventures	4	29
Gain from revaluation of financial assets	41	284
Other	45	769
Total	13,234	34,002

32. Income Taxes

The Company calculated corporate income tax in accordance with the Czech tax regulations at the rate of 19% in 2019 and 2018.

Management believes that it has adequately provided for tax liabilities in the accompanying financial statements. However, the risk remains that the relevant financial authorities could take differing positions with regard to interpretive issues, which could have potential effect on reported income.

The components of the income tax provision were as follows (in CZK millions):

	2019	2018
Current income tax charge	(510)	(26)
Adjustments in respect of current income tax of previous periods	–	27
Deferred income taxes	106	1,166
Total	(404)	1,167

The differences between income tax expense computed at the statutory rate and income tax expense provided on earnings were as follows (in CZK millions):

	2019	2018
Income before income taxes	17,797	22,609
Statutory income tax rate	19%	19%
"Expected" income tax expense	(3,381)	(4,296)
Tax effect of:		
Non-deductible provisions, net	477	(659)
Non-tax gains / losses associated with changes in shareholding interest	1	6
Non-taxable income from dividends	2,492	6,078
Non-deductible share-based payment expense	(7)	(6)
Adjustments in respect of current income tax of previous periods	-	27
Tax incentives, tax discounts	1	-
Other non-deductible items, net	13	17
Income tax	(404)	1,167
Effective tax rate	2%	(5)%

Deferred income tax liability, net, at December 31, 2019 and 2018 was calculated as follows (in CZK millions):

	2019	2018
Nuclear provisions	12,384	10,197
Other provisions	1,393	991
Allowances	285	267
Revaluation of financial instruments	727	4,309
Lease liabilities	1,095	-
Other temporary differences	315	320
Total deferred tax assets	16,199	16,084
Tax depreciation in excess of financial statement depreciation	(22,141)	(19,117)
Revaluation of financial instruments	(73)	(92)
Right-of-use assets	(1,085)	-
Other temporary differences	(944)	(1,414)
Total deferred tax liability	(24,243)	(20,623)
Total deferred tax liability, net	(8,044)	(4,539)

Movements in net deferred tax liability, net, in 2019 and 2018 were as follows (in CZK millions):

	2019	2018
Balance at January 1	4,539	8,232
Adoption of IFRS 9	-	(4)
Effect of merger	-	(9)
Deferred tax recognized in profit or loss	(106)	(1,166)
Deferred tax recognized in other comprehensive income	3,611	(2,514)
Balance at December 31	8,044	4,539

Tax effects relating to each component of other comprehensive income (in CZK million):

	2019			2018		
	Before tax amount	Tax effect	Net of tax amount	Before tax amount	Tax effect	Net of tax amount
Change in fair value of cash flow hedges	10,891	(2,070)	8,821	(16,016)	3,043	(12,973)
Cash flow hedges reclassified to statement of income	8,253	(1,568)	6,685	3,927	(746)	3,181
Cash flow hedges reclassified to assets	-	-	-	(972)	185	(787)
Change in fair value of debt instruments	207	(40)	167	(227)	43	(184)
Change in fair value of equity instruments	(347)	67	(280)	59	(11)	48
Total	19,004	(3,611)	15,393	(13,229)	2,514	(10,715)

33. Related Parties

The Company purchases/sells products, goods and services from/to related parties in the ordinary course of business.

At December 31, 2019 and 2018, the receivables from related parties and payables to related parties were as follows (in CZK millions):

	Receivables		Payables	
	2019	2018	2019	2018
AZ KLIMA a.s.	-	-	101	47
CEZ Bulgarian Investments B.V.	-	-	281	341
CEZ Erneubare Energien Beteiligung	102	242	-	-
CEZ ESCO II GmbH	90	-	-	-
CEZ France SAS	1	1	-	434
CEZ Holdings B.V.	6,985	5,966	392	79
CEZ Hungary Ltd.	763	524	237	83
CEZ Chorzów S.A.	880	206	-	1
CEZ MH B.V.	741	-	-	613
CEZ New Energy Investments B.V. ¹⁾	-	32	344	-
CEZ Polska sp. z o.o. ²⁾	310	393	1,190	1,280
CEZ Razpredelenie Bulgaria AD	784	257	-	-
CEZ Romania S.A.	8	15	709	1,751
CEZ Skawina S.A.	730	264	29	67
CEZ Slovensko, s.r.o.	994	1,699	110	209
CEZ Trade Bulgaria EAD	141	319	26	72
CEZ Vanzare S.A.	146	139	-	-
ČEZ Bohunice a.s.	-	-	170	176
ČEZ Distribuce, a. s.	20,350	20,900	4,191	5,586
ČEZ Energetické produkty, s.r.o.	184	118	299	255
ČEZ Energetické služby, s.r.o.	416	131	65	8
ČEZ ENERGOSEKVIS spol. s r.o.	150	155	440	434
ČEZ ESCO, a.s.	140	43	330	1,649
ČEZ ICT Services, a. s.	60	61	628	943
ČEZ Korporátní služby, s.r.o.	113	239	1,835	591
ČEZ Obnovitelné zdroje, s.r.o.	14	12	374	227
ČEZ OZ uzavřený investiční fond a.s.	-	-	780	717
ČEZ Prodej, a.s.	3,397	3,242	9,409	10,126
ČEZ Solární, a.s.	141	94	-	-
ČEZ Teplárenská, a.s.	221	199	379	509
Elektrárna Dětmorovice, a.s.	431	339	401	1,030
Elektrárna Počeradý, a.s.	430	647	12,763	8,466
Elektrárna Temelín II, a. s.	9	9	81	169
Elevion GmbH	1,727	1,002	-	-
Energocentrum Vítkovice, a. s.	117	59	7	30
Energotrans, a.s.	1,036	317	1,832	1,267
ENESA a.s.	146	48	9	21
Inven Capital, SICAV, a.s.	-	1	1,842	1,181
Kofler Energies Ingenieurgesellschaft mbH	123	39	-	-
MARTIA a.s.	169	132	142	102
PRODECO, a.s.	1	1	268	291
Revitrans, a.s.	1	1	23	113
SD - Kolejová doprava, a.s.	2	1	176	81
Severočeské doly a.s.	99	87	4,756	4,323
ŠKODA PRAHA a.s. ³⁾	39	45	14	95
Telco Pro Services, a. s.	2	-	203	290
ÚJV Řež, a. s.	1	1	298	325
Other	358	293	493	445
Total	42,552	38,273	45,627	44,427

The following table provides the total amount of transactions (sales and purchases), which were entered into with related parties in 2019 and 2018 (in CZK millions):

	Sales to related parties		Purchases from related parties	
	2019	2018	2019	2018
CEZ Holdings B.V.	67	56	–	–
CEZ Hungary Ltd.	2,389	1,762	266	(25)
CEZ Chorzów S.A.	868	207	–	–
CEZ Polska sp. z o.o. ²⁾	3,676	4,027	669	319
CEZ Skawina S.A.	717	264	337	770
CEZ Slovensko, s.r.o.	3,986	3,809	1,018	613
CEZ Srbija d.o.o.	6	72	3	15
CEZ Trade Bulgaria EAD	285	114	726	641
CEZ Vanzare S.A.	2,170	1,303	–	–
ČEZ Distribuce, a. s.	927	514	80	99
ČEZ Energetické produkty, s.r.o.	33	25	1,040	913
ČEZ ENERGOSEKVIS spol. s r.o.	28	25	1,293	1,160
ČEZ ESCO, a.s. ⁴⁾	9,556	7,029	1,313	549
ČEZ ICT Services, a. s.	69	53	1,035	975
ČEZ Korporátní služby, s.r.o.	65	55	301	501
ČEZ Obnovitelné zdroje, s.r.o.	12	11	380	244
ČEZ Prodej, a.s. ⁴⁾	15,386	15,495	1,097	1,921
ČEZ Teplárenská, a.s.	1,708	1,579	216	186
Distributie Energie Oltenia S.A.	419	164	–	–
Elektrárna Dětmorovice, a.s.	715	777	1,230	1,918
Elektrárna Dukovany II, a. s.	55	46	–	–
Elektrárna Počeradky, a.s.	3,457	3,623	4,045	5,432
Elektrárna Temelín II, a. s.	49	52	–	–
Energocentrum Vítkovice, a. s.	43	154	7	89
Energotrans, a.s.	1,594	1,240	1,238	1,200
LOMY MOŘINA spol. s r.o.	–	–	194	176
MARTIA a.s.	9	9	512	337
OSC, a.s.	–	–	126	58
Ovidiu Development S.R.L.	1	12	478	575
Revitrans, a.s.	8	6	1	401
SD - Kolejová doprava, a.s.	15	25	629	586
Severočeské doly a.s.	731	259	4,763	4,005
ŠKODA PRAHA a.s. ³⁾	292	25	206	233
Tomis Team S.A.	1	6	639	591
ÚJV Řež, a. s.	1	2	602	701
Ústav aplikované mechaniky Brno, s.r.o.	–	–	169	136
Other	177	210	274	130
Total	49,515	43,010	24,887	25,449

¹⁾ The company name CEZ New Energy Investments B.V. was changed to CEZ ESCO International B.V. in January 2020.

²⁾ The company CEZ Trade Polska sp. z o.o. merged with the succession company CEZ Polska sp. z o.o. with the legal effective date of September 30, 2019.

³⁾ The company ŠKODA PRAHA Invest s.r.o. merged with the succession company ŠKODA PRAHA a. s. with the legal effective date of January 1, 2019.

⁴⁾ Due to re-invoicing in the company ČEZ Prodej, s.r.o. in 2019 and 2018, the relevant part of sales was transferred to the company ČEZ ESCO, a.s. in the amount of CZK 9,358 million and CZK 6,051 million, respectively.

The Company and some of its subsidiaries are included in the cash-pool system. Receivables from subsidiaries related to cashpooling are included in other financial assets, net (see Note 5), payables to subsidiaries related to cashpooling and similar borrowings are included in other financial liabilities (see Note 17).

Information about compensation of key management personnel is included in Note 26. Information about guarantees is included in Note 15.2.

34. Segment Information

The Company is involved in the generation and sale of electricity and trading in electricity which represents a single operating segment. The Company operates mainly in the European Union markets. The Company has not identified any other separate operating segments.

35. Earnings per Share

	2019	2018
Numerator (CZK millions)		
Basic and diluted:		
Net income	17,393	23,776
Denominator (thousands shares)		
Basic:		
Weighted average shares outstanding	535,288	534,733
Dilutive effect of share options	119	246
Diluted:		
Adjusted weighted average shares	535,407	534,979
Net income per share (CZK per share)		
Basic	32.5	44.5
Diluted	32.5	44.4

36. Commitments and Contingencies

Investment Program

The Company is engaged in a continuous construction program, currently estimated as at December 31, 2019 over the next five years as follows (in CZK billion):

2020	11.5
2021	11.2
2022	11.3
2023	12.5
2024	12.2
Total	58.7

These figures do not include the expected acquisitions of subsidiaries, associates and joint-ventures, which will depend on the number of future investment opportunities, for which the Company will be a successful bidder and also considering the recoverability of these investments.

The construction programs are subject to periodic reviews and actual construction may vary from the above estimates. At December 31, 2019 significant purchase commitments were outstanding in connection with the construction program.

Insurance Matters

The Nuclear Act sets limits for liabilities for nuclear damages so that the operator of nuclear installations is liable for up to CZK 8 billion per incident. The Nuclear Act limits the liability for damage caused by other activities (such as transportation) to CZK 2 billion. The Nuclear Act also requires an operator to insure its liability connected with the operation of a nuclear power plant up to a minimum of CZK 2 billion and up to a minimum of CZK 300 million for other activities (such as transportation). The Company concluded the above-mentioned insurance policies with company Generali Česká pojišťovna a.s. (representing the Czech Nuclear Insurance Pool) and European Liability Insurance for the Nuclear Industry. The Company has obtained all insurance policies with minimal limits as required by the law.

The Company also maintains the insurance policies covering the assets of its coal-fired, hydroelectric, CCGT and nuclear power plants and general third party liability insurance in connection with main operations of the Company.

These separate financial statements have been authorized for issue on March 16, 2020.



Daniel Beneš
Chairman of Board of Directors



Martin Novák
Member of Board of Directors



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

Independent Auditor's Report

To the Shareholders of ČEZ, a. s.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ČEZ, a. s. (hereinafter also the “Company”) prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS EU”), which comprise the balance sheet as at 31 December 2019, and the statement of income, the statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Company, see Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of ČEZ, a. s. as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with the IFRS EU.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and the Council, and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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



We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Impairment of assets

The Company conducts annual impairment tests of assets' balances. The impairment test involves determining the recoverable amount of the cash-generating unit as a whole or individual assets, which corresponds to the value in use or selling price less cost to sell. Value in use is the present value of the future cash flows expected to be derived from a cash-generating unit.

These calculations of potential impairment amounts are a key audit matter as there is a significant uncertainty in relation to regulatory matters or government support for renewable energy, which are, together with other significant assumptions included in the estimated future cash flows, main inputs to the calculations. Main assumptions that are subject to significant estimation uncertainty are projected future wholesale electricity prices, prices of emission allowances, market access, development of the regulatory environment and discount rates as well as the strategy of the Company. Future cash flows relate to events and actions that have not yet occurred and may not occur. Another reason for impairment to be a key audit matter is the fact that the determination of cash-generating unit is to some extent subject to management judgement.

Our procedures included assessing the assumptions and methodologies used by the Company in their value in use models and assessment of the selling price less cost to sell. We involved our internal valuation specialists in assessing the adequacy of the Company's model used for the calculation of weighted average cost of capital and we also evaluated mathematical accuracy, underlying data and assumptions used in the calculation. We evaluated main assumptions that are subject to significant estimates such as future wholesale electricity prices, prices of emission allowances, development of the regulatory environment and compared them to those observable on the market. We compared electricity prices as well as the prices of emission allowances to the contracts, which are actively traded on the market, and we assessed reasonableness of the Company's projections of these future prices for periods, for which the market data are not available. We also discussed the assumptions with our internal valuation specialists in the respective countries.

We analyzed the budgets and future cash flows of the cash-generating units. We compared the expected developments in budgeted cash flows to the expectations presented by the management while assessing the main assumptions of the models and discussing alternatives. We also assessed the adequacy of the model used for the impairment test calculation together with the definition of the cash-generating units and mathematical accuracy of the calculations.

We also focused on whether the Company's disclosures in the financial statements in relation to the impairment of assets, as presented and disclosed in Notes 3. Property, Plant and Equipment, 5. Other Financial Assets, Net and 29. Impairment of Financial Assets, are compliant with the IFRS EU.



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Fair value measurement of financial instruments

Due to the significance of financial instruments measured at fair value, and a high degree of judgement related to their valuation, we consider this as a key audit matter.

We involved the internal valuation specialists to assist us in performing our audit procedures. We assessed the design and tested the operating effectiveness of internal controls over the valuation, data integrity, independent price verification and model approval.

For areas of higher risk and estimation, our audit procedures focused on the comparison of judgments made to market practice and reperformance of valuations over a selection of instruments, assessing the key inputs, assumptions and models used in the valuation process. We compared our results with the Company's valuation.

We also focused on whether the Company's disclosures in the financial statements in relation to the valuation of financial instruments, as presented and disclosed in Note 14. Fair Value of Financial Instruments, are compliant with the IFRS EU.

Classification of commodity contracts

The Company is entering into commodity contracts on different markets and platforms mainly in Central Europe and Germany. Commodity trading activities include trading with electricity, gas, emission allowances, oil and coal.

This is a key audit matter as the distinction between the contracts in scope of IFRS 9 Financial Instruments: Recognition and Measurement, which are treated as derivatives at fair value, and "own use" contracts, which are not remeasured to fair value, might be subject to a judgement and classification patterns set by the Company. This classification depends among other factors on the terms of the contract, whether the contract is considered to have been entered into as part of ordinary business activity, whether contract requires physical delivery of the commodity, and depends on various assumptions such as expected amount of commodity to be delivered, generation capacity of the portfolio mix and prices of commodities.

We tested the design and operating effectiveness of internal controls over the initial recognition of the contract, consistency of the commodity contract designation and the Company's ability to deliver the physical commodity over the contractual period.

We performed audit procedures focusing on the analysis and comparison of volume of commodities physically delivered during 2019 and the volumes of the "own use" contracts portfolio. We reviewed the ability of the Company to physically deliver the contracted future "own use" sales retrospectively and prospectively and the stability of portfolio to ensure that the contracts are not reclassified during their existence.

We also focused on whether the Company's disclosures in the financial statements in relation to the commodity contracts classification, as presented and disclosed in Notes 2.13. Commodity Contracts and 22. Gains and Losses from Commodity Derivative Trading, are compliant with the IFRS EU.



Other Information

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

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

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

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

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

Responsibilities of the Board of Directors and the Audit Committee for the Financial Statements

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

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

The Audit Committee is responsible for overseeing the Company's financial reporting process.



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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



Report on Other Legal and Regulatory Requirements

In compliance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of Auditor and Period of Engagement

We were appointed as the auditors of the Company by the General Meeting of Shareholders on 26 June 2019 and our uninterrupted engagement has lasted for 18 years.

Consistence with Additional Report to Audit Committee

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 12 March 2020 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided by us to the Company. In addition, there are no other non-audit services which were provided by us to the Company and its controlled undertakings and which have not been disclosed in the annual report.

Statutory auditor responsible for the engagement

Martin Skácelík is the statutory auditor responsible for the audit of the financial statements of the Company as at 31 December 2019, based on which this independent auditor's report has been prepared.

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

A handwritten signature in black ink, appearing to read 'Skácelík', is written over a faint, larger version of the same signature.

Martin Skácelík, Auditor
License No. 2119

16 March 2020
Prague, Czech Republic

Identification of ČEZ, a. s.

ČEZ, a. s.

Duhová 2/1444
140 53 Praha 4
Czechia

Registered in the Commercial Register kept by the
Municipal Court in Prague, Section B, File 1581

Established: 1992

Legal form: Joint-stock company

ID No.: 452 74 649

LEI: 529900S5R9YHJHYKKG94

Banking details: KB Praha 1, acc. No. 71504011/0100

Phone: +420 211 041 111

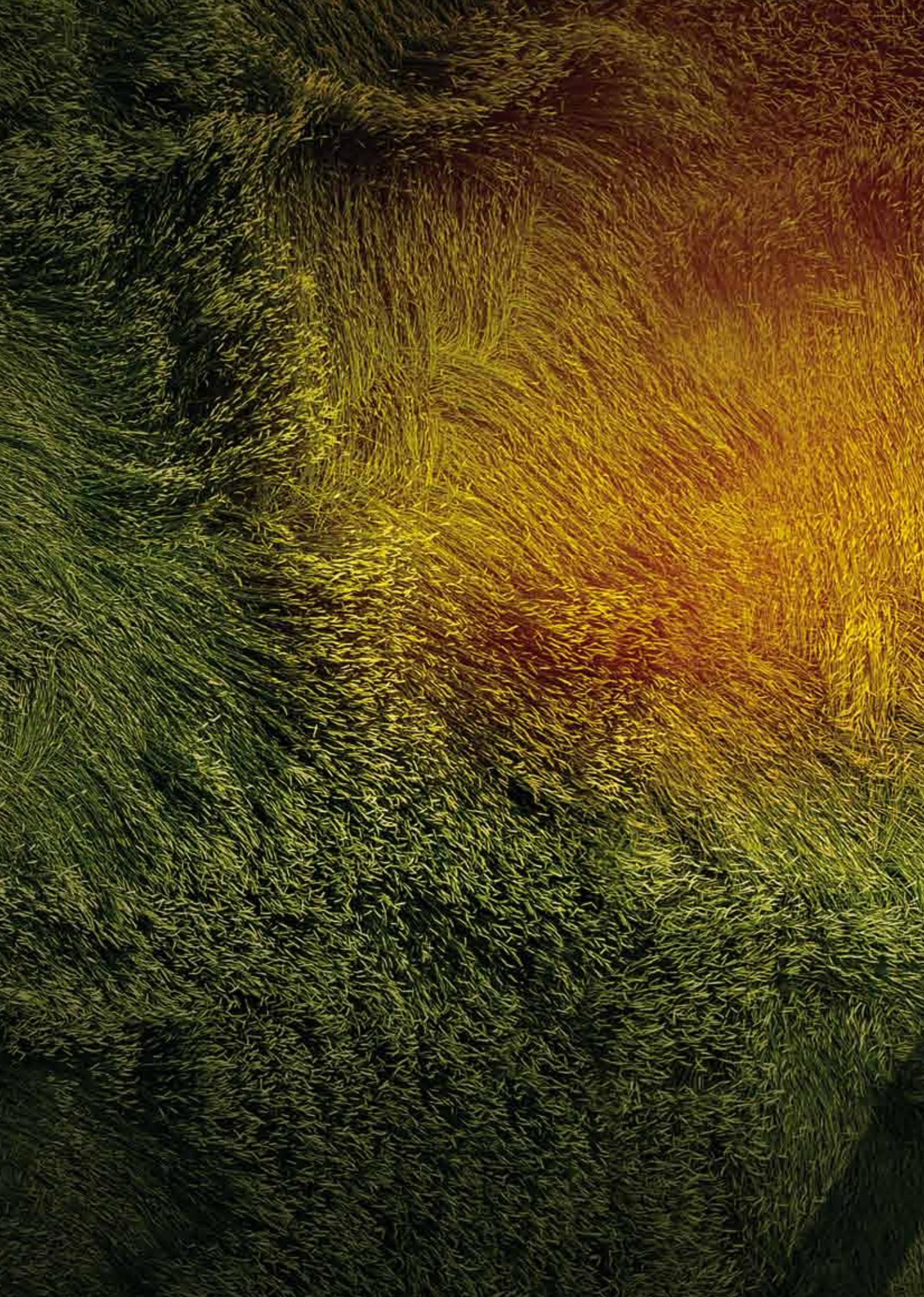
Fax: +420 211 042 001

Internet: www.cez.cz

E-mail: cez@cez.cz

Closing date of the 2019 Annual Report: March 16, 2020

Annex 1 Relation Structure Diagram
for the Period of January 1, 2019, to December 31, 2019



Annex 1 Relation Structure Diagram for the Period of January 1, 2019, to December 31, 2019

Name/Share	ID No.	Country	Registered Office Address	
Czech Republic—Ministry of Finance				
69.78% CEZ, a. s.	00006947	Czechia	Praha 1, Letenská 15, postcode 118 10	
100% CEZ Distribuce, a. s.	45274649	Czechia	Praha 4, Duhová 2/1444, postcode 140 53	
100% CEZ Energetická produkční s.r.o.	24729035	Czechia	Děčín, Teplická 874/8, Děčín IV-Podmokly, postcode 405 02	
100% in PROJEKT LOUNY ENGINEERING s.r.o.	28255833	Czechia	Hodvíc, Komenského 334, postcode 253 01	
100% CEZ ENERGOSEVIS spol. s r.o.	45696988	Czechia	Louny, Na Valích 899, postcode 440 01	
100% CEZ ESCO, a. s.	60698101	Czechia	Třebíč, Brábova tř. 1371/16, Horka-Domky, postcode 674 01	
100% CEZ Energetické služby, s.r.o.	03592880	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
100% MAJINGSTRAVA s.r.o.	27804721	Czechia	Ostrava, Výtavní 1144/103, Vítkovice, postcode 703 00	
100% Acquired on June 23, 2019	47972033	Czechia	Ostrava, Na Jazárně 2767/21a, Moravská Ostrava, postcode 702 00	
50.10% CEZ Energo s.r.o.	29061009	Czechia	Praha 8, Karolínská 661/4, Karlín, postcode 186 00	
100% EVČ s.r.o.	13582275	Czechia	Pardubice, Amošta z Pardubic 676, Zelené Předměstí, postcode 530 02	
100% Ceased to exist through a merger with ENESA a.s. on January 1, 2019				
100% CEZ LDS s.r.o.	01873237	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
49% stake purchased by CEZ ESCO a.s. on July 23, 2019; CEZ ESCO, a.s., is 100% shareholder				
100% EASY POWER s.r.o.	28080947	Czechia	České Budějovice, Krájská 33/5, postcode 370 01	
100% stake sold off on April 26, 2019				
100% CEZ Distribuční systémy a.s.	47474238	Slovakia	Tmava, Františkánska 4, postcode 917 01	
100% CEZ Solární, s.r.o.	27282074	Czechia	Liberec X, Mydlářská 105/10, Františkov, postcode 460 10	
100% ENESA a.s.	27382052	Czechia	Praha 9, U Voborníků 852/10, Vysoký, postcode 190 00	
100% EnergoCentrum Vítkovice, a. s.	03636040	Slovakia	Bratislava, Mlynský rybník 48, postcode 821 09	
100% AZ KLIMA a.s.	24772631	Czechia	Brno, Tuřanka 1519/115a, Slatina, postcode 627 00	
100% AZ KLIMA SK, s.r.o.	35798944	Slovakia	Bratislava, Nová Rožňavská 3018/134/A, Nové Mesto, postcode 831 04	
100% AZ VENT s.r.o.	04019261	Czechia	Brno, Tuřanka 1519/115a, Slatina, postcode 627 00	
5% SKO-ENERGO FIN, s.r.o.	61675954	Czechia	Mladá Boleslav II, tř. Václava Klementa 869, postcode 293 01	
12% SKO-ENERGO s.r.o.	61675958	Czechia	Mladá Boleslav I, tř. Václava Klementa 869, postcode 293 00	
100% CEZ Bytové domy, s.r.o.	06192548	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
100% Ceased to exist through a merger with CEZ Solární, s.r.o. on October 1, 2019				
100% AirPlus, spol. s r.o.	25441931	Czechia	Modlary, čev. 22, postcode 417 13	
51% HORMEN CE a.s.	27154742	Czechia	Praha 4, Na dolních 168/6, Podolí, postcode 147 00	
100% HORMEN SK s. r. o.	44021470	Czechia	Bratislava, Hatbalova 12, postcode 831 03	
100% CEZ Slovensko, a.s.	36797332	Slovakia	Bratislava, Mlynský rybník 48, postcode 821 09	
55% SPRÁVYTKOMFORT, a.s. Prešov	31718523	Slovakia	Prešov, Volgogradská 88, postcode 080 01	
100% CEZ SERVIS, s.r.o.	31706053	Slovakia	Prešov, Volgogradská 88, postcode 080 01	
100% Domat Holding s.r.o.	06199062	Czechia	Pardubice, U Panasonicu 376, Staré Ččovice, postcode 530 06	
100% Ceased to exist through a merger with Domat Control System s.r.o. on October 1, 2019				
100% Domat Control System s.r.o.	27189465	Czechia	Pardubice, U Panasonicu 376, Staré Ččovice, postcode 530 06	
As Domat Holding s.r.o. ceased to exist through a merger with Domat Control System s.r.o. as the acquiring company on October 1, 2019, CEZ ESCO, a.s., became the owner of Domat Control System s.r.o. on the same date (the original owner was Domat Holding s.r.o.)				
100% Domat Control System s. r. o.	44570473	Slovakia	Bratislava, Udemská 11, postcode 851 01	
100% KARTI spol. s r.o.	45791023	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
100% KARTI TZB, spol. s r.o.	43002781	Czechia	Praha 10, V korytech 3234/18a, Strašnice, postcode 100 00	
Acquired on January 2, 2019				
51% e-Dome a. s.	47256265	Slovakia	Bratislava, Plynárska 7/C, postcode 821 09	
Acquired on May 13, 2019				
52.46% LUT Air, s.r.o.	46356088	Czechia	Husinec, Hlavni 130, Řež, postcode 250 68	
100% Ústav aplikované mechaniky Brno, s.r.o.	60715871	Czechia	Brno, Reslovka 972/3, Veveří, postcode 602 00	
100% Výzkumný a zkušební ústav Plzeň s.r.o.	47718684	Czechia	Plzeň, Týlova 1581/46, Jižní Předměstí, postcode 301 00	
100% Centrum výzkumu Řež s.r.o.	26722455	Czechia	Husinec, Hlavni 130, Řež, postcode 250 68	
40% Nuclear Safety & Technology Centre s.r.o., v likvidaci	27091490	Czechia	Husinec-Řež, č.p. 130, postcode 250 68	
100% Ceased to exist on January 23, 2019				
100% EOP INVEST spol. s r.o., v likvidaci	16361679	Czechia	Praha 8, Na žertvách 2247/29, Libeň, postcode 180 00	
100% Went into liquidation on January 1, 2019				
100% CEZ Bohunice a.s.	28861736	Czechia	Praha 4, Duhová 2/1444, postcode 140 53	
49% Jadrová energetická spoločnosť Slovenska, a. s.	45337241	Slovakia	Bratislava, Tomášikova 22, postcode 821 02	
100% CEZ ICT Services, a. s.	26470411	Czechia	Praha 4, Duhová 1531/3, postcode 140 53	
100% Tuto Pro Services, a. s.	29148278	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00	
100% Tuto Pro Infrastructure, s.r.o.	08425817	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00	
Established on August 22, 2019				
100% CEZ Korporátní služby, s.r.o.	26206803	Czechia	Ostrava, 28. října 3123/152, Moravská Ostrava, postcode 702 00	
100% CEZ Obnovitelné zdroje, s.r.o.	25939824	Czechia	Hradec Králové, Křížkova 788/2, postcode 500 03	
99% CEZ Recycle, s.r.o.	03479919	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
99.56% CEZ OZ uzavřený investiční fond a.s.	24135780	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 53	0.39% 0.02%
100% CEZ Prodej, a.s.	27232433	Czechia	Praha 4, Duhová 1/425, postcode 140 53	
100% TENAUR, s.r.o.	26349451	Czechia	Neuměř, č.p. 63, postcode 345 62	
100% CEZ Teplárenská, a.s.	27309941	Czechia	Říčany, Bezručova 2212/30, postcode 251 01	
100% MARIANA, a.s.	25020754	Czechia	Ústí nad Labem, Mlýnský 2254/4, Severní Terasa, postcode 400 11	
55.83% Tepelná hospodářství města Ústí nad Labem s.r.o.	49101684	Czechia	Ústí nad Labem, Malátkova 2437/11, Ústí nad Labem-centrum, postcode 400 11	
100% Toplo Klášterec s.r.o.	22801600	Czechia	Kláštevec nad Ohří, Jana Amose Komenského 450, Měřice u Klášterec nad Ohří, postcode 431 51	
100% AVIN, s.r.o.	23498925	Czechia	Mariánské Lázně, Tepelská 867/3a, Úšovice, postcode 353 01	
100% Ceased to exist through a merger with CEZ Teplárenská, a.s. on August 1, 2019				
100% ITK MEDIA a.s.	28175948	Czechia	Praha 3, Kubelkova 1224/42, Žižkov, postcode 130 00	
Acquired on January 1, 2019; ceased to exist through a merger with CEZ Teplárenská, a.s. on August 1, 2019				
100% Elektrárna Dětmarovice, a.s.	29452279	Czechia	Dětmarovice, 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.	24263397	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
100% Elektrárna Pocerady, a.s.	34288910	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 53	
100% Elektrárna Terasin II, a. s.	04689124	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
100% Energetické centrum s.r.o.	26051818	Czechia	Jindřichův Hradec, Ohř 3, postcode 377 01	
100% Energotrans, a.s.	47115726	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
100% Areal Třeboradice, a.s.	29132282	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
100% Inven Capital, SICAV, a.s.	02059533	Czechia	Praha 4, Pod křížkem 1773/2, Brank, postcode 147 00	
These are founder's shares as defined in Section 158 et seq. of Act No. 240/2013 Sb. on investment companies and investment funds, as amended				
51.05% LOMY MORINA spol. s r.o.	61465569	Czechia	Mořina, č.p. 73, postcode 267 17	
66.67% OSC, a.s.	60714794	Czechia	Brno, StaráKova 557/18a, Ponava, postcode 602 00	
100% Severočeské doly a.s.	49901982	Czechia	Chomutov, Boženy Němcové 5359, postcode 430 01	
100% PRODECO, a.s.	25020790	Czechia	Blíno, Důlní 437, Mostecké Předměstí, postcode 418 01	
100% Revitrans, a.s.	25028197	Czechia	Blíno, Důlní čp. 429, postcode 418 01	
100% Kotelna doprava, a.s.	25438107	Czechia	Kadaň, Tuřanská 7, postcode 432 01	
100% SKODA PRAHA a.s.	00128201	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
100% SKODA PRAHA Invest s.r.o.	27257517	Czechia	Praha 4, Duhová 2/1444, postcode 140 74	
100% Ceased to exist through a merger with SKODA PRAHA a.s. on January 1, 2019				
100% CEZ Asset Holding, a. s.	07334214	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
100% REN Development s.r.o.	07707959	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
100% Ceased to exist through a merger with CEZ Obnovitelné zdroje, s.r.o. on December 1, 2019				
100% CEZ Bulgarian Investments B.V.	51661969	Netherlands	Amsterdam, Herikerbergweg 157, postcode 1101 CN	
Registered office changed on May 23, 2019 (originally Amsterdam Zuidooit, Hogehilweg 5D, postcode 1101 CA)				
100% Free Energy Project Oreshets EAD	201260227	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
100% Bara Group EOOD	102545968	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
100% CEZ ESCO Bulgaria EOOD	204589170	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
87% CEZ Razpredelenie Bulgaria AD	130277958	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
100% CEZ ICT Bulgaria EAD	20357599	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1712	
100% CEZ Trade Bulgaria EAD	113570147	Bulgaria	Sofia, 2 Pozitano Sq., Office 7, floor 7, postcode 1000	
100% CEZ Bulgaria EAD	131434788	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
87% CEZ Energo Bulgaria AD	175133827	Bulgaria	Sofia, Mladost District, 159 Tsarigradsko Shosse Blvd., BenchMark Business Centre, postcode 1784	
100% CEZ MH B.V.	24426342	Netherlands	Amsterdam, Herikerbergweg 157, postcode 1101 CN	
Registered office changed on May 23, 2019 (originally Amsterdam Zuidooit, Hogehilweg 5D, postcode 1101 CA)				
50% Akcez Enerji A.Ş.	28317	Turkey	Izmit, Kocaeli, Körfez Mah. Şehit Rafet Karacan Bulvanı Yüce Rifat Sk. No: 10	
100% Sakarya Elektrik Dağıtım A.Ş.	1094118573	Turkey	Adapazarı, Sakarya, Maltepe Mahallesi, Öhrangazi Cad. TEK Trafikstasyonu PK: 160, postcode 54100	
100% Sakarya Elektrik Perakende Satış A.Ş.	23996	Turkey	Izmit, Kocaeli, Karabıyıklı Mahallesi, Hacı Selim Sokak D:100, Karayolu Üstü No: 14 Ofis, No: 25-26-27, postcode 35430	
37.36% Akenerji Elektrik Üretim A.Ş.	255005	Turkey	Istanbul, Miralay Selik Bay Sokak, Akhan No. 15, Gumussuyu Beyoğlu, postcode 34437	
100% AK-EL Komah Elektrik Üretim ve Ticaret A.Ş.	736921	Turkey	Istanbul, Miralay Selik Bay Sokak, No. 15, Kat: 1, Oda: 1, Gumussuyu Beyoğlu, postcode 34437	
100% AK-EL Yalova Elektrik Üretim A.Ş.	417382	Turkey	Istanbul, Miralay Selik Bay Sokak, Akhan No. 15, Kat: 3-4, Oda: 1, Gumussuyu Beyoğlu, postcode 34437	
100% Ceased to exist through a merger with Akenerji Elektrik Üretim A.Ş. on December 12, 2019				
100% Akenerji Doğal Gaz İthalat İhracat ve Toplam Ticaret A.Ş.	745367	Turkey	Istanbul, Miralay Selik Bay Sokak, Akhan No. 15, Kat: 3-4, Oda: 2, Gumussuyu Beyoğlu, postcode 34437	
100% Akenerji Elektrik Enerji İthalat İhracat ve Toplam Ticaret A.Ş.	5129714	Turkey	Istanbul, Miralay Selik Bay Sokak, Akhan No. 15, Kat: 3-4, Oda: 2, Gumussuyu Beyoğlu, postcode 34437	
99.99% Distribuția Energiei Electrice S.A.	14491102	Romania	Craiova, Jd. Doj, 97, Calea Severinului, postcode 200731	0.01%
100% CEZ Romania S.A.	18196091	Romania	București, 2B Ion Ionescu de la Brad, Sector 1, postcode 013813	1 share
100% TMK Hydroenergy Power S.R.L.	27189093	Romania	Reșița, Jd. Caraș-Severin, 4B Primaverii, postcode 320012	
100% Tomis Team S.A.	18674690	Romania	București, 2B Ion Ionescu de la Brad, Sector 1, postcode 013813	1 share
100% M.W. Team Invest S.R.L.	18926986	Romania	București, 2B Ion Ionescu de la Brad, Sector 1, postcode 013813	
99.99% CEZ Trade Romania S.R.L.	21447690	Romania	București, 2B Ion Ionescu de la Brad, Sector 1, postcode 013813	0.01%
99.98% Ovidiu Development S.R.L.	18974682	Romania	București, 2B Ion Ionescu de la Brad, Sector 1, postcode 013813	0.02%
100% CEZ Vanzare S.A.	21349608	Romania	Craiova, Jd. Doj, 97, Calea Severinului, postcode 200731	1 share
100% CEZ Hungary Ltd.	13520670-4013-113-01	Hungary	Budapest, Rétkőz u. 5, postcode 1118	
100% CEZ Srbija d.o.o.	20190650	Serbia	Beograd, Bulevar Zorana Đinđića 65, postcode 110 70	
100% CEZ Ukraine LLC	34728482	Ukraine	Kyiv, Yeklyk Vasylkivska No. 385, Building 4, Puchong District	
100% CEZ Deutschland GmbH	HRB 140377	Germany	Hamburg, Am Sandtorkai 74, postcode 20457	
100% CEZ Produkty Energetyczne Polska sp. z o.o.	0000321795	Poland	Chorzów, ul. Marii Skłodowskiej-Curie 30, postcode 41-503	
100% CEZ Towarowy Dom Maklerski sp. z o.o.	0000287855	Poland	Warszawa, Aleje Jerozolimskie 63, postcode 00-697	
100% CEZ Holdings B.V.	24301380	Netherlands	Amsterdam, Herikerbergweg 157, postcode 1101 CN	
Registered office changed on May 23, 2019 (originally Amsterdam Zuidooit, Hogehilweg 5D, postcode 1101 CA)				
100% Baltic Green I sp. z o.o.	0000568025	Poland	Warszawa, Aleje Jerozolimskie 61, postcode 00-697	
Registered office changed on May 22, 2019 (originally Warszawa, ul. Marynarska 11, postcode 02-674)				
100% Baltic Green I sp. z o.o.	0000441069	Poland	Warszawa, Aleje Jerozolimskie 61, postcode 00-697	
Registered office changed on May 24, 2019 (originally Warszawa, ul. Marynarska 11, postcode 02-674)				
100% Baltic Green II sp. z o.o.	0000441363	Poland	Warszawa, Aleje Jerozolimskie 61, postcode 00-697	
Registered office changed on May 21, 2019 (originally Warszawa, ul. Marynarska 11, postcode 02-674)				
100% Baltic Green III sp. z o.o.	0000440952	Poland	Warszawa, Aleje Jerozolimskie 61, postcode 00-697	
Registered office changed on May 31, 2019 (originally Warszawa, ul. Marynarska 11, postcode 02-674)				
100% A.E. Wind S.A.	0000610284	Poland	Warszawa, Aleje Jerozolimskie 61, postcode 00-697	
Registered office changed on June 18, 2019 (originally Warszawa, ul. Marynarska 11, postcode 02-674)				
100% Baltic Green V sp. z o.o.	0000514397	Poland	Warszawa, Aleje Jerozolimskie 61, postcode 00-697	
Registered office changed on May 24, 2019 (originally Warszawa, ul. Marynarska 11, postcode 02-674)				
100% Baltic Green VI sp. z o.o.	0000516616	Poland	Warszawa, Aleje Jerozolimskie 61, postcode 00-697	
Registered office changed on May 31, 2019 (originally Warszawa, ul. Marynarska 11, postcode 02-674)				
100% Baltic Green IX sp. z o.o.	0000610092	Poland	Warszawa, Aleje Jerozolimskie 61, postcode 00-697	
Registered office changed on May 23, 2019 (originally Warszawa, ul. Marynarska 11, postcode 02-674)				
100% Eco-Wind Construction S.A., w upadłości	0000300			

Annex 1 Relation Structure Diagram
for the Period of January 1, 2019, to December 31, 2019

Name/Share	ID No.	Country	Registered Office Address
Czech Republic—Ministry of Finance	00006947	Czechia	Praha 1, Letenská 15, postcode 118 10
100% CEPRO, a.s.	60193531	Czechia	Praha 7, Dělnická 213/12, Holešovice, postcode 170 00
84% Česká exportní banka, a.s.	63078333	Czechia	Praha 1, Vodickova 34 č.p. 701, postcode 111 21
100% Letiště Praha, a.s.	26344532	Czechia	Praha 6, K letišti 1019/6, Ruzyně, postcode 161 00
100% B. aircraft, a.s.	24253006	Czechia	Praha 6, Jana Kašpara 1069/1, Ruzyně, postcode 161 00
100% Czech Airlines Handling, a.s.	25674285	Czechia	Praha 6, Aviatická 1017/2, postcode 160 08
100% Czech Airlines Technica, a.s.	27145573	Czechia	Praha 6, Jana Kašpara 1069/1, Ruzyně, postcode 160 08
100% Exportní garancní a pojišťovací společnost, a.s.	45279314	Czechia	Praha 1, Vodickova 34/701, postcode 111 21
100% CALILEO REAL, a.s.	26175291	Czechia	Praha 8, Thámova 181/20, postcode 186 00
General partner is IMOB a.s.			
96.85% HOLDING KLADNO a.s."v likvidaci"	45144419	Czechia	Kladno, Cyrila Boudy 1444, Kročehlav, postcode 272 01
100% IMOB a.s.	60197901	Czechia	Praha 8, Thámova 181/20, Karlín, postcode 186 00
100% SLOVIM s.r.o.	08207783	Czechia	Praha 2, Anglická 140/20, Vinohrady, postcode 120 00
Established on May 29, 2019			
96.50% VIPAP VIDEM KRŠKO d.d.	5971101	Slovenia	Krško, Tovarniška ulica 18, postcode 8270
Shares transferred from the Czech Republic—Ministry of Finance to SLOVIM s.r.o. on September 30, 2019, and subsequently to a transferee not controlled by the Czech Republic—Ministry of Finance on November 14, 2019			
16% ENOVIP d.o.o.	6632157000	Slovenia	Krško, Tovarniška ulica 18, postcode 8270
A transfer of all shares in VIPAP VIDEM KRŠKO d.d. from the Czech Republic—Ministry of Finance to SLOVIM s.r.o. on September 30, 2019, resulted in a transfer of this share on the same date; likewise, a transfer to a transferee not controlled by the Czech Republic—Ministry of Finance on November 14, 2019, also resulted in a transfer of this share			
84.31% LEVAS d.o.o.	5498325	Slovenia	Krško, Tovarniška ulica 18, postcode 8270
A transfer of all shares in VIPAP VIDEM KRŠKO d.d. from the Czech Republic—Ministry of Finance to SLOVIM s.r.o. on September 30, 2019, resulted in a transfer of this share on the same date; likewise, a transfer to a transferee not controlled by the Czech Republic—Ministry of Finance on November 14, 2019, also resulted in a transfer of this share			
100% VIPAP Vertriebs und Handels GmbH	333645f	Austria	Ternitz, Josef Huber-Straße 6, postcode 2620
A transfer of all shares in VIPAP VIDEM KRŠKO d.d. from the Czech Republic—Ministry of Finance to SLOVIM s.r.o. on September 30, 2019, resulted in a transfer of this share on the same date; likewise, a transfer to a transferee not controlled by the Czech Republic—Ministry of Finance on November 14, 2019, also resulted in a transfer of this share			
11.38% ZELÉN d.o.o.	6006027000	Slovenia	Krško, Vrtnina 18, postcode 8270
A transfer of all shares in VIPAP VIDEM KRŠKO d.d. from the Czech Republic—Ministry of Finance to SLOVIM s.r.o. on September 30, 2019, resulted in a transfer of this share on the same date; likewise, a transfer to a transferee not controlled by the Czech Republic—Ministry of Finance on November 14, 2019, also resulted in a transfer of this share			
54.35% Kongresovi centrum Praha, a.s.	63080249	Czechia	Praha 4, 5. května 1640/65, Nusle, postcode 140 00
100% MERO CR, a.s.	60193468	Czechia	Kralupy nad Vltavou, Veltruská 748, postcode 278 01
100% MERO Germany GmbH	152122768	Germany	Vohburg an der Donau, MERO - Weg 1, postcode 850 88
49% MURS a.s.	60196696	Czechia	Praha 1, Jeruzalémská 964/4, postcode 110 00
46.99% Ornith, a.s.v likvidaci	60109092	Czechia	Zámberk, postcode 664 01
Ceased to exist on September 21, 2019			
100% PRISKO a.s.	46355901	Czechia	Praha 8, Thámova 181/20, Karlín, postcode 186 00
100% OKD, a.s.	05979277	Czechia	Karviná, Stonavská 2179, Doly, postcode 735 06
100% OKD, HBZS, a.s.	47676019	Czechia	Ostrava, Lihovarská 1199/10, Radvanice, postcode 716 00
40.78% Československé mlékárny, a.s. Teplice	46291749	Czechia	Teplice, Ljubušná 2154, postcode 415 03
100% THERMAL-F, a.s.	25401726	Czechia	Karlovy Vary, I. P. Pavlova 2001/11, postcode 360 01
100% Výzkumný a zkušební letecký ústav, a.s.	00010669	Czechia	Praha, Beranových 130, Letňany, postcode 199 05
100% SERENUM, a.s.	01438875	Czechia	Praha 9, Beranových 130, Letňany, postcode 199 00
100% VZLU TECHNOLOGIES, a.s.	29146241	Czechia	Praha 9, Beranových 130, Letňany, postcode 199 00
100% VZLU TEST, a.s.	04521820	Czechia	Praha 9, Beranových 130, Letňany, postcode 199 00