



PREdistribuce, a.s. Annual Report



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This document is an unsigned English translation of Czech Annual Report. Only the Czech version of the Annual Report is legally binding.

Information required by law



Information about facts which occurred after the balance sheet day and are significant for the fulfilment of the purpose of the present report

No such facts have occurred.

Information about the projected development of the accounting unit's activities

The information is presented in the chapter "Company strategy" and "Report of the Board of Directors on Business Activities and Assets for 2024".

Information about activities in research and development

The company does not systematically conduct activities in these fields.

Information about acquisition of own shares or own interests

Since 1 January 2018, PREdistribuce, a.s., has been the 100% shareholder of PREnetcom, a.s. On 13 December 2023, it acquired a 25% ownership stake in Elektroenergetické datové centrum, a.s. By resolution of the General Meeting on 18 December 2024, the share capital of the company was increased and 2,171,500 shares were issued to PREdistribuce, a.s., at an issue price of 1 CZK per share. There was no change in the ownership stake.

Information about activities in the field of environmental protection and labour law relations

The information is presented in the chapters "Environmental protection and OHS" and "Human resources".

Information about whether the accounting unit has an organisation unit abroad

The company has no branch and no organisational unit abroad.

Information about risk management objectives and methods in the company

The information is presented in the chapter "Risk management system".

Information about price, credit, liquidity and cash flow risks the accounting unit is exposed to

The information is presented in the chapter "Separate financial statements of PREdistribuce, a.s.".

Information about interruption of business

The company did not interrupt its business during the year.

The Report on Relations of the company PREdistribuce, a.s., for the year 2024 as well as the Report of the Independent Auditor for the shareholders of the company PREdistribuce, a.s., constitute an integral part of the Annual Report. Information regarding sustainability is presented in the chapter "Sustainability report".

Basic information about the company



History of the company

PREdistribuce, a.s. (PREdi) is a stable and prosperous energy company ensuring a reliable supply of electricity to all its customers. It was established as a separate company in September 2005 following its separation from the parent company Pražská energetika, a.s., (PRE). It started operating on 1 January 2006. It is one of the PRE Group companies and the sole, 100% shareholder of the company PREnetcom, a.s., (PREnetcom).

In 2004, its creation was preceded by the amendment to the Czech Energy Act, which followed the transposition of Directive 2003/54/ES of the European Parliament and the Council of the EU concerning common rules for the internal market in electricity. It started the process of unbundling aimed at separating the distribution of electricity from trading in electricity and ensuring that an electricity distribution licence is held by a separate company.

That is why, on 7 September 2005, PRE established a 100% subsidiary PREdi and transferred a part of its business there (the Distribution division – i.e., the distribution network). As a result, PREdi assumed all rights and obligations of PRE related to securing and operating the distribution system in Prague, in Roztoky and in Žalov; it also became the owner of the technical equipment and some of the immovable assets used for electricity distribution in this territory.

Main object of activities of the company and main events in 2024

PREdi owns and operates the distribution system in the capital Prague, in Roztoky and in Žalov covering an area of 504 km². It has been carrying out its operations in accordance with the Energy Act in the public interest, as it has held electricity distribution licence No. 120504769 from the Energy Regulatory Office (ERÚ) since 1 January 2006 for an indefinite period of time. The distribution of electricity is subject to price and quality regulation by the ERÚ to ensure safe, accessible and efficient electricity supply for all consumers.

Its main mission lies in providing a high-quality, efficient, reliable and safe supply of electric energy to all customers in the licensed territory. Its key processes and activities most notably include ensuring a continuous energy supply as well as an efficient renovation, development and modernisation of the distribution network, connection of new customers, buildings and structural units to the network, optimal operation control and resolution of failures, maintenance and repairs of the network, measurements and other services related to distributing electricity especially to customers on low and medium voltage levels and electricity producers.

As a licensed operator of the distribution system, PREdi provides non-discriminatory services to all actors in the energy market. This approach is regularly evidenced in its Annual Report in the section devoted to the implementation of equal treatment measures aimed at eliminating all discriminatory practices of the operator of the distribution system. The company diligently and continuously monitors and evaluates all indicators of the quality and reliability of electricity distribution and related services. With regard to all customers connected to the distribution system, the quality standards of electricity supply were met in accordance with SAIDI/SAIFI reliability indicators and the quality standards of related services complied with ERÚ Decree No. 540/2005 Sb., as amended.

The distribution system consists of 110 kV, 22 kV and 0.4 kV overhead lines and cable lines, 110/22 kV transformer stations and 22/0.4 kV distribution transformer stations. Its operations are overseen and managed by the Energy dispatcher control station. In 2024, the smooth operation of distribution system was not affected by any natural disaster. No extensive technical failures occurred on its distribution equipment, which helped maintain a high level of reliability and the quality of services provided. PREdi ensured high-quality maintenance of the distribution network under the standards and requirements set forth in the Rules of preventive maintenance.

At the end of 2024, more than 847 thousand consumption points were connected to the distribution network, representing a 1.1% increase year-on-year. The highest peak load of the distribution system was recorded on 18 January 2024, amounting to 1,116 MW, representing a moderate increase year-on-year. In 2024, PREdi distributed a total of 5,985 GWh through the grid on all voltage levels, which is on par with last year.

In 2024, the company achieved good financial results, exceeding CZK 840 million. This represents an increase of CZK 352 million year-on-year. Its EBITDA exceeded the planned value, reaching CZK 2,930 million.

In 2024, PREdi invested CZK 2,405 million (including capitalisation) in the renovation and development of its distribution network, which is by CZK 255 million more than in 2023. This attests to the long-term trend of a continuing increase in investment expenditures. Investments were directed into networks on all voltage levels in accordance with pre-prepared and approved investment plans.

Among the most significant implemented projects are the completion of the construction of a cable tunnel connecting the Karlín transformer station (TR) and Hlávčův Bridge, the completion of the reconstruction of the 110 kV distribution station and control system at the Jih TR, the completion of the renewal of the 110 kV cable (K 110) between the Sever and Holešovice TRs, the continuation of the construction of the Invalidovna I cable tunnel, the renewal of the 110 kV overhead line between the Sever and Letňany TRs and the launch of the renewal of the 22 kV distribution station and control system at the Střed TR.

Aside from the main listed strategic constructions in the backbone 110 kV networks and the 110/22 kV transformer stations, PREdi also continued with the renovation of 22/0.4 kV switching and distribution transformer stations and MV and LV cable lines. A significant portion of the resources was invested in smart grid projects on the MV and LV levels and in the construction of related telecommunications infrastructure, which is essential for the optimal operation of a modern distribution network. The total length of the optical network has already exceeded 1,000 km. This year again, PREdi managed to implement more than a hundred 22/0.4 kV smart distribution transformer stations, bringing their total number to almost 600. This step has been essential in improving the data transmission capacity of its dispatch control centres and remote control mechanisms.

At the same time, PREdi continued its efforts to advance its automated metering (AMM) systems, striving to meet high cybersecurity standards. Its plan is to deploy the system at around one third of consumption points by 2027, with further expansion planned beyond that. The company also focused on the development of e-mobility, which has been gaining in importance, especially in light of stricter car emissions regulations set by the European Parliament and the Council of the EU. At the same time, it focused on energy accumulation and related services, which will play a key role in modernising the distribution network in urban agglomerations.

In 2024, PREdi launched an enhanced online connectivity map, allowing for an easy assessment of the available network capacity. At the same time, it introduced online requests for the connection of new generation facilities and the upgrade of the main circuit breaker. Also, it has begun informing customers about power outages. PREdi continuously improves its digital processes to enable more efficient and faster handling of customer requests, and in the coming years, it will automate them further to provide even higher-quality services.

The amendment to the Energy Act, LEX OZE II, approved in 2023, has resulted in several positive changes from the perspective of the distribution system operator, enabling energy companies to optimise the energy system's operation. An important change is the establishment of the electricity data centre, Elektroenergetické datové centrum (EDC), where PREdi holds a 25% stake. In 2024, EDC focused on enabling electricity sharing among energy communities and active customers, supporting the development of decentralised energy and the broader use of renewable sources.

The company's long-term priority has been workplace safety, fire protection and environmental protection. In 2024, it continued to meet the requirements of environmental management systems under ISO 14001 and energy management systems under ISO 50001. It adhered to the principles of the Safe Company and Health-Supporting Company programmes. The company successfully passed recertification audits for management systems in accordance with EN ISO 50001:2018 and EN ISO 14001:2015 standards.

PREdi's priority remains to maintain a high level of reliability and quality of its electricity supply, thus ensuring network safety on all voltage levels. Gradual optimisation of processes and targeted investments help achieve this goal. By implementing modern technologies, it strives not only for more efficient energy use but also for improving the quality of life for residents, while minimising negative environmental impacts.



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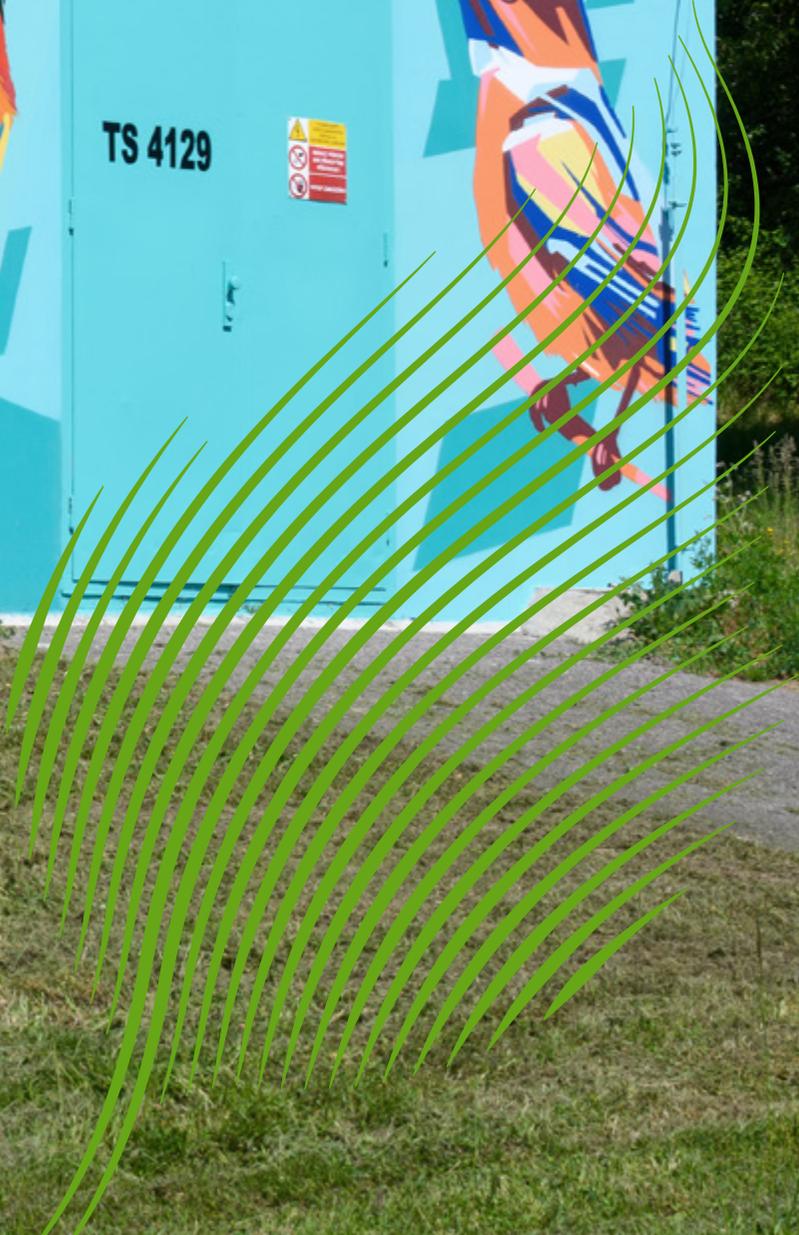


Smart transformer stations improve grid control and reliability

Remotely operated distribution transformer stations are a key part of the PREDistribuce network. Centralised control allows much quicker response to potential outages. The stations can handle energy flows from multiple directions. Over 100 traditional stations are upgraded with smart technology each year.



TS 4129



PRE Group

Pražská energetika, a.s., (PRE) and its subsidiaries are a modern integrated energy corporate group, whose principal activities include electricity and gas sales and trading, electricity distribution, the generation of electricity from renewable sources and the provision of energy services in the capital city of Prague and the entire Czech Republic.



Its history as the provider of electricity and developer of the electrical system in the capital city of Prague goes all the way back to 1897. In that year, the Electric Works of the Royal Capital City of Prague were established. At that time, their task was not only supplying electricity but also the provision of street lighting and operation of trams. Since then, the company has undergone a number of transformations. Today, with its more than 847 thousand consumption points, the PRE Group is the third largest electricity supplier in the Czech Republic, operating a high quality and reliable distribution network. In 2024, it distributed almost 6 TWh of electricity on all voltage levels to end customers and generated 41.49 GWh of electricity from renewable sources.

As part of its activities, the PRE Group supports state-of-the-art technological solutions and provides consultancy on the implementation of innovative technologies and energy savings. All of the PRE Group companies follow strict ethical standards, which primarily include the responsible attitude towards society, the environment and their own employees. In its business activities, PRE embraces the principles of sustainable development and actively contributes to the improvement of the standards of living in the region it operates in.

The PRE Group consists of the parent company Pražská energetika, a.s., and its subsidiaries: PREdistribuce, a.s., PREenergo, a.s. (formerly PREměření, a.s.), eYello CZ, k.s., KORMAK Praha a.s., PREservisní, s.r.o., PREzákaznická, a.s., VOLTCOM, spol. s r.o., and PRE distribuční služby, a.s.

The PRE Group also includes the 100% subsidiaries of PREenergo, a.s., namely: PRE FVE Světlík, s.r.o., SOLARINVEST – GREEN ENERGY, s.r.o., FRONTIER TECHNOLOGIES, s.r.o., PRE VTE Částkov, s.r.o., and PRE FVE Nové Sedlo, s.r.o. At the end of 2024, the company PREenergo, a.s., acquired 100% of the shares of Skupina SOLIDSUN a.s. As a result, Skupina SOLIDSUN a.s., together with its wholly owned subsidiaries (i.e., SOLIDSUN s.r.o., SOLIDSUN ESCO s.r.o., SOLIDSUN Energie a.s., Energocalc s.r.o., ELEKTRO - FA.PAVELEK, s.r.o., and SOLIDSUN, s.r.o., established under Slovak law), became part of the PRE Group. Akusolar, s.r.o., a 100% subsidiary of SOLIDSUN s.r.o., also became part of the PRE Group.

The PRE Group also includes PREnetcom, a.s., a 100% subsidiary of PREdistribuce, a.s., as well as PRO EMV, s.r.o., a 100% subsidiary of PREservisní, s.r.o.

The company PREnetcom, a.s., also holds a stake in NETFIN Infrastructure, a.s., in which it has a 50% share. The company PREservisní, a.s., also holds a stake in Rezydent Park 9 s.r.o., in which it has a 50% share. The company PREdistribuce, a.s., also holds a stake in Elektroenergetické datové centrum, a.s., in which it has a 25% share.

PRE Group companies

Pražská energetika, a.s., (PRE) holds licences for electricity and gas trading in the Czech Republic and its main business activity is trading in electricity and gas.

PREdistribuce, a.s., (PREdi) holds the licence for electricity distribution in Prague, Roztoky and Žalov. In its licensed territory, it ensures electricity distribution as well as the planning of the distribution system renovation and development and the construction, operation, administration and maintenance of the distribution system equipment.

PREenergo, a.s., (PREe) is in charge of providing energy services to its customers, including servicing as well as generation of electricity from renewable sources.

PRE distribuční služby, a.s., (PREds) carries out readings, repairs and installation of electricity metres in the PREdi supplied territory.

PREzákaznická, a.s., (PREzak) provides complete customer services to the clients of PRE, PREdi, PREe and eYello.

PREservisní, s.r.o., (PREs) provides services to the PRE Group, including technical monitoring on behalf of the investor, diagnostics and measurements, property administration, etc.

eYello CZ, k.s., (Yello) sells electricity and gas to households and small businesses.

KORMAK Praha a.s. (KORMAK Praha) provides a complete range of engineering, design and construction services in the field of electricity infrastructure and distribution transformer stations.

VOLTCOM, spol. s r.o., (VOLTCOM) focuses on the design of constructions and their execution, installations, repairs, inspections and testing of electrical equipment.

PREnetcom, a.s., (PREnetcom) develops communication infrastructure within the distribution network in connection with the implementation of smart grids.

SOLARINVEST – GREEN ENERGY, s.r.o., carries out installations of solar and thermal systems (air-conditioning units, heat pumps, etc.).

FRONTIER TECHNOLOGIES, s.r.o., develops, produces and supplies indoor and outdoor smart lighting solutions.

PRE FVE Světlík, s.r.o., owns and operates a photovoltaic power plant under a relevant licence.

PRE VTE Částkov, s.r.o., focuses primarily on electricity generation.

PRE FVE Nové Sedlo, s.r.o., owns and operates a photovoltaic power plant under a relevant licence.

PRO EMV, s.r.o., (PRO EMV) * prepares and implements the construction of charging station networks.

Skupina SOLIDSUN a.s. (Skupina SOLIDSUN) ** provides comprehensive solutions in the field of photovoltaic power plants for residential and commercial projects as well as housing cooperatives.

SOLIDSUN s.r.o. (SOLIDSUN) **

SOLIDSUN ESCO s.r.o. (SOLIDSUN ESCO) **

SOLIDSUN Energie a.s. (SOLIDSUN Energie) **

Energocalc s.r.o. (Energocalc) **

ELEKTRO – FA. PAVELEK, s.r.o. (Elektro Pavelek) **

SOLIDSUN s.r.o. – entity established under Slovak law **(SOLIDSUN SK) ****

Akusolar s.r.o. (Akusolar) **

Companies with shares held by the PRE Group

NETFIN Infrastructure, a.s., (NETFIN) focuses on real estate projects in the field of e-mobility and connections to the optical fibre network.

Rezident Park 9 s.r.o. (RP9) is in charge of real estate development projects.

Elektroenergetické datové centrum, a.s., (EDC) was established to respond to new trends in the energy market, namely decentralisation, decarbonisation and digitalisation.

* PRE EMV, s.r.o., became part of the PRE Group on 5 March 2024.

** Skupina SOLIDSUN a.s., and the companies in its 100% ownership, became part of the PRE Group on 28 November 2024.

Subsidiary PREnetcom, a.s.

PREnetcom, a.s., (PREnetcom) was founded on 27 November 2017 as a 100% subsidiary of PREdi and it started operating on 1 January 2018. Its main task is to fulfil the long-term strategic goals of PREdi – i.e., to implement smart grids by designing and constructing communication infrastructure to connect individual components of the distribution network, which will ensure reliable transfer of network data and enable remote control of the distribution network as part of smart grids and smart metering in the distribution system. Another task of the company consists in exploring the possibility of using the spare capacity of the newly created communication network for commercial purposes, such as smart city and smart home features as well as wholesaling to third parties.



In 2024, PREnetcom sustained its successful strategy of operating, maintaining and managing its passive communication infrastructure within the PRE Group. To achieve operational synergies and leverage its expertise, PREnetcom also focused on deploying smart distribution transformer stations and pilot AMM mechanisms, with a strong emphasis on developing communication infrastructure. Throughout 2024, it managed to smarten more than 100 smart distribution transformer stations. At the end of 2024, the company operated nearly 600 smart distribution transformer stations. As last year saw an increased demand for the connection of small generation units with more than 100 kW, 44 such units were put into operation.

Also, it completed a number of commercial pilot projects of different sizes (i.e., the number of consumption points, or apartments) at various sites in Prague and with different layout of the surrounding buildings. It completed the construction of a new passive optical network at the following sites in Prague: Kunratice, Hostivař, Záběhlice, Strašnice, Vínohrady, Nové Město and Braník. As a result, the optical network has expanded with a further 70 kilometres. PREnetcom installed more than 1,550 electrical boxes and prepared connectivity infrastructure for more than 6,700 flats and family houses.

In 2024, PREnetcom once again focused on developing the construction of internal wiring in apartment buildings and family homes. Managing the entire process, from acquisitions to final construction, was key. Additionally, the company's portfolio of services expanded to include complete installations, covering internet, TV connections and other services that PREnetcom provided for its partners directly at their end customers' locations.

The company also fostered its cooperation with property developers. In addition to its comprehensive cooperation on all projects with FINEP through the joint venture NETFIN Infrastructure, a.s., PREnetcom also carried out other projects, including Sekyra Group – Smíchov City, Trigema – Lihovar, Metrostav – Vackov and others.

NETFIN Infrastructure, a.s.

The company NETFIN Infrastructure, a.s., (NETFIN) is a joint venture of FINEP HOLDING, SE, and PREnetcom. It was established in 2022 to strengthen mutual cooperation within the FINEP group's real estate projects, particularly in the areas of e-mobility and optical network connectivity, possibly also in other fields.

In 2024, NETFIN continued to focus on establishing optical and charging infrastructure for development projects of FINEP in the residential segment, particularly in the areas of Nová Harfa, Malý háj and Prosek. Currently, its infrastructure is already being utilised by more than 800 customers, and their number is expected to gradually increase with the expansion into existing as well as new projects.

Company with equity participation – Elektroenergetické datové centrum, a.s.

Elektroenergetické datové centrum, a.s., (EDC) was established on 14 November 2023. Its subsequent registration in the Commercial Register on 13 December 2023 formalised the company's official establishment. Its primary purpose is to help the Group respond to emerging trends in the energy market, namely decentralisation, decarbonisation and digitalisation.



In 2024, the company carried out standard operations necessary to establish its core business activities, including gradual employee recruitment, setting up internal processes and contributing to legislative changes. Additionally, EDC launched and subsequently completed the implementation of an IT system for electricity sharing. It was officially launched on 1 August 2024, enabling the registration of participants interested in energy sharing in compliance with applicable legislation.

The company also initiated a tender process for an IT solutions provider to meet additional legal requirements, particularly in the areas of flexibility aggregation, energy storage and other related services.

Its sole shareholders include ČEPS, a.s., ČEZ Distribuce, a.s., EG.D, a.s., and PREdistribuce, a.s., each holding a 25% stake. In the second half of 2024, two representatives were appointed to the company's Supervisory Board on behalf of the Czech Republic, as required by applicable legislation.

Foreword of the chairperson of the Board of Directors



Distinguished readers,

First of all, let me wish you good health and a successful year 2025. For our company, the past year was full of challenges, investments as well as achievements that helped strengthen and modernise our distribution network.

After a long period impacted by the Russian invasion of Ukraine – which has now lasted nearly three years – we have become more acutely aware of the importance of a secure and reliable electricity supply. This conflict has highlighted the critical role of the energy sector in meeting customers' expectations regarding the stability, quality and cost of energy. The war-driven crisis, unfolding relatively close to our borders, has had far-reaching effects not only on the geopolitical landscape but also on the energy sector, leading to lasting changes in our operations. In the following years, we faced an extreme surge in electricity and natural gas prices. However, it now seems that the period of high inflation is coming slowly coming to an end, and the situation is beginning to stabilise. This positive trend has already resulted in the overall decrease of electricity prices.

Our goal is the long-term development and modernisation of the distribution network through innovative solutions and the pursuit of efficient and sustainable approaches to ensure maximum reliability, efficiency and safety in electricity supply. Since 2015, we have been following an investment strategy that we flexibly adapt to our long-term objectives and evolving conditions in the energy sector. We focus on enhancing economic performance, supporting decentralised energy production, digitising the distribution network and customer processes and developing modern energy services. This holistic approach helps us strengthen our reliability and key standing in the energy industry.

To fulfil our mission and vision, we invested a total of CZK 2,405 million last year in the development and renovation of the distribution network. This included not only the construction and modernisation of infrastructure but also the development of new optical, control and metering systems. Additionally, we allocated another CZK 266 million from operational funds for repairs, extending the physical lifespan of critical distribution equipment. Our parent company, PRE, approved a significant increase in our investment budget, and that not only as a one-time occurrence, but also over the medium-term horizon. Thanks to this support, we can continue the development and renovation of our network without significantly scaling back our plans, despite the substantial rise in material and labour costs in recent years.

The most significant projects completed on the 110 kV level included the modernisation of switchgear at the key 110/22 kV Jih transformer station in Bohdalec and the construction of a cable tunnel along the Vltava River in Prague 8. This cable route will not only support the planned HV connection between two key 110/22 kV transformer stations in Holešovice and in Pražáčka by implementing a HV cable by 2030. This will greatly improve the reliability of electricity supply to the city centre, but will also facilitate the 22 kV power distribution for new developments along the Vltava. These areas include residential zones extending from the new Karlín 110/22 kV transformer station, through Rohanské nábřeží, Rustonka and Libeň, where extensive development projects and mixed-use centres are already under construction.

We continued our collaboration with ČEPS to accelerate the construction of a new 400/110 kV transformer station in Prague 8 – Ládví and its cable connection to our existing 110/22 kV Sever transformer station. Another equally important strategic initiative is the renovation and increase in the total installed capacity of the transmission point at the 400/110 kV Malešice transformer station. As part of this effort, we have begun the gradual renewal of the 110 kV overhead lines in eastern Prague, running from the 110/22 kV Sever transformer station through the 110/22 kV Východ transformer station to the Malešice hub area.

We also contributed to projects of the gradual digitisation and modernisation of networks at MV and LV levels and continued to build our own fibre-optic network in cooperation with our subsidiary PREnetcom. The total length of our optical network has already exceeded 1,000 km, and we plan to expand it by 15% annually. This significantly enhances the reliability of the distribution system, accelerates network monitoring and control facilitates diagnostics and contributes to more efficient fault resolution.

So far, we have successfully commissioned nearly 600 smart medium- to low-voltage (MV/LV) transformer stations, with over 100 brought into operation in 2024 alone. This step has been essential in improving the data transmission capacity of its dispatch control centres and remote control mechanisms. Our goal is to create smart grids for a total of 1,200 distribution transformer stations by 2030.

Our investment budget also includes funding for measuring electrical energy at end customers, generation sites and aggregate measurement in our facilities. We have completed and evaluated pilot projects for remote meter reading within the network, with the rollout of smart metering (AMM) planned from 2025. The preparatory work for this new metering system has been carried out by PREdi technicians in collaboration with experts from our subsidiary PREnetcom and our sister company PRE distribuční služby. We have been gradually fulfilling the necessary steps for the installation of smart metres, ensuring they meet high cybersecurity standards. In this area, we prioritise a strategy that does not rely solely on mobile operator communication with individual metres but also integrates PLC technology and communication via data concentrators.

In 2024, PREdi launched an enhanced online connectivity map, allowing for an easy assessment of the available network capacity. We also introduced online applications for connecting new energy production facilities and increasing main circuit breaker capacity. Additionally, we now automatically notify customers of power outages. Looking ahead, we will focus on further digitisation and automation to deliver faster and higher-quality services.

Economically speaking, 2024 was a successful year. PREdi managed to fulfil its performance indicators and economic plans and, to a large extent, contributed to the favourable results of the whole PRE Group. Its EBITDA reached CZK 2,930 million, This represents an exceedance of the planned value by CZK 205 million and a year-on-year increase of CZK 179 million.

The volume of electricity distributed reached 5,984.7 GWh, a slight increase of 128.7 GWh compared to 2023. Given the impact of the energy crisis, customers' reduced consumption due to rising prices, and the growing share of electricity generated by photovoltaic power plants, I see this increase in the volume of electricity supplied in Prague as a positive development.

The peak load of the distribution network in 2024 reached 1,116 MW, which is in line with the values from previous years. At the end of, more than 847 thousand consumption points were connected to the distribution system, which represents a 1.1% increase year-on-year.

In 2024, the smooth operation of distribution system was not affected by any natural disaster. No extensive technical failures occurred on its distribution equipment, which helped maintain a high level of reliability and the quality of services provided. With regard to the majority of end customers, the quality standards of electricity supply were met in accordance with SAIDI/SAIFI reliability indicators and the quality standards of related services complied with ERÚ Decree No. 540/2005 Sb., as amended. Based on available statistics, we were the most reliable electricity distributor in the Czech Republic in 2024, further boosting our reputation. Thanks to these outstanding results, we rank among the top not only in the Czech Republic but also among leading Western European metropolitan areas.

The year 2025 marks the final year of the fifth regulatory period, making it essential to actively engage in shaping the future of the energy sector, particularly in understanding the principles that the ERÚ will set for the next five-year period. I believe that the final form of the regulatory framework for the sixth regulatory period will provide for a stable and favourable environment enabling the efficient operation and sustainable development of the sector in the coming years.

Even in a challenging year like 2024, we honoured our key responsibilities as the distributor in the capital city. We maintained the highest standards of reliability and safety while actively driving the grid's planned development. I am confident that 2025 will be another successful year for our company and the entire PRE Group. By the end of the year, we hope to reflect on positive results and look to the future with optimism. Our goal remains to be a key pillar of the PRE Group, to meet the expectations of our shareholder and to ensure customer satisfaction as well as a high quality of life in Prague.

I would like to thank our shareholder for their support, our business partners and suppliers for their excellent cooperation and our customers for their trust. A special acknowledgement goes to our employees for their high level of professionalism and dedication. Their expertise is crucial to the uninterrupted operation of the distribution network, and I deeply appreciate their work.

I wish everyone an abundance of positive energy.

Signed by

Milan Hampl

chairperson of the Board of Directors

Corporate bodies of the company



Board of Directors as of 31 December 2024

Milan Hampl
chairperson

Petr Dražil
vice-chairperson

Tobias Mirbach
member

Jan Sixta
member

Supervisory Board as of 31 December 2024

Pavel Elis
chairperson

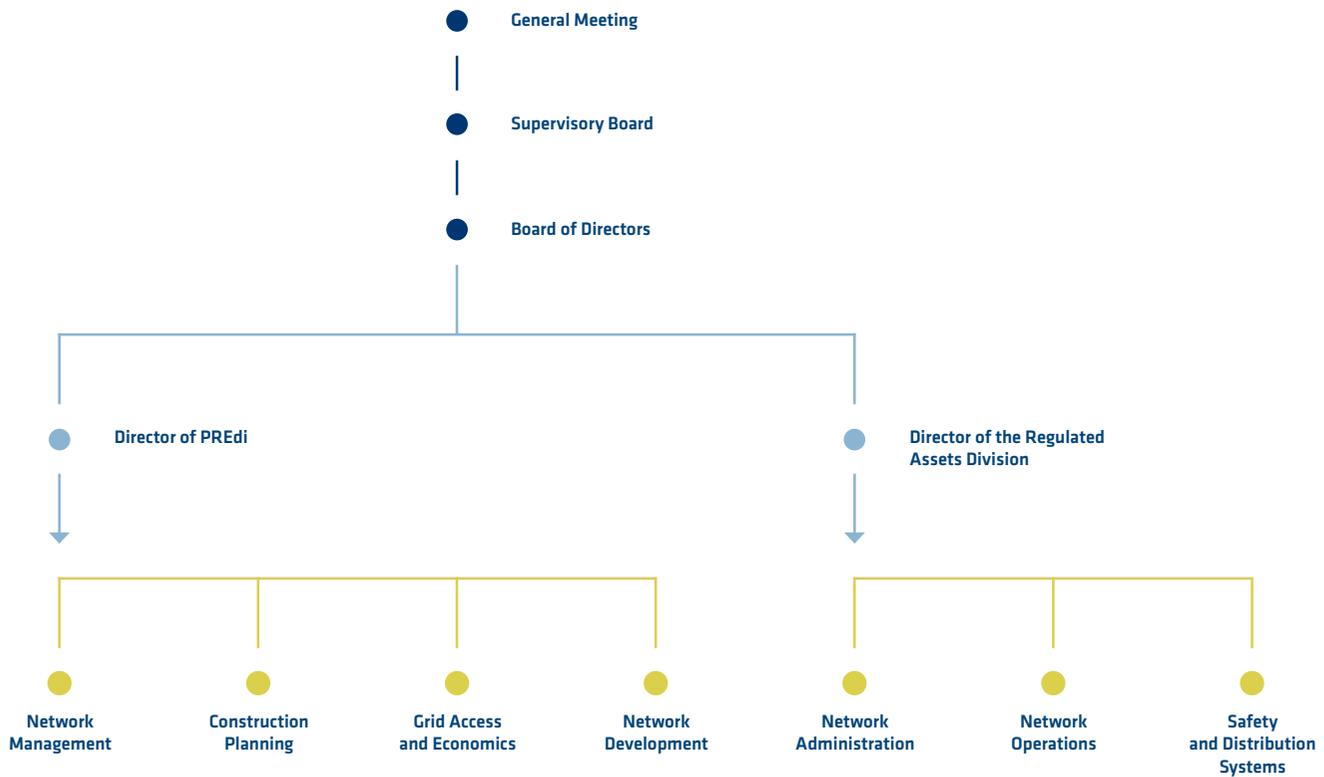
Alexander Manfred Sloboda
member

Karsten Krämer
member

Marek Záruba
member

In 2024, no members of the company bodies were subject to a conflict of interest or infringed prohibition of competition.

Company organisation chart





Milan Hampl



Petr Dražil



Tobias Mirbach



Jan Sixta



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Green roofs: a welcome refuge for insects and birds



Though hidden from the everyday passerby, the green roofs atop PREdistribuce buildings make a meaningful contribution to a healthier urban environment. The bio-roof on the Karlín transformer station roof alone spans 750 m² and is covered in sedum and various grasses.



Company strategy

The strategic focus of PREdi is defined by its primary mission – to ensure the reliable and safe distribution of electricity to all its customers in the territory of the capital city of Prague, Roztoky and Žalov by using a meticulously maintained distribution system.



Its main strategic goal is to keep optimising and modernising the network assets, ensuring their maximum utilisation for electricity distribution, and providing high quality and non-discriminatory services to network customers in cooperation with the other members of the PRE Group. A key priority is also the smart modernisation of the distribution system, which includes implementing intelligent technologies and supporting digitisation to enhance operational reliability and contribute to the long-term sustainability of the distribution system.

In the European energy sector, the tendency is to promote decentralisation, electrification (mainly in the heating sector and transportation) as well as energy-saving solutions. The emerging trends in the energy sector will be dictated by the implementation of energy and climate goals set forth in new EU regulations by 2030 and beyond. The EU's goal is to achieve climate neutrality by 2050, a key pillar of the so-called European Green Deal and a commitment under the Paris Agreement on climate protection. Following the turbulent developments in the energy market and the threat to energy security, not only in the Czech Republic, but also throughout Europe, especially due to the Russian aggression against Ukraine, the European Commission drafted REPowerEU, an ambitious set of measures that aim to cut the EU's reliance on Russian fossil fuels as quickly as possible, well before 2030. The aim is to fast forward the green transition, while increasing the resilience of the EU-wide energy system. The plan includes both financial and legal steps aimed at building new energy infrastructure and system to fit Europe's needs. This rapid development of the EU legislative framework and energy strategy illustrates the speed of change that the energy sector is undergoing.

Subsidies from the Modernisation Fund, the Just Transition Fund and the National Recovery Plan are driving the rapid expansion of decentralised energy sources with unpredictable output. At the same time, the share of new technologies, such as e-mobility, AMM systems and energy storage, is increasing. Compared to the previous period, there has been a notable surge in the number of requests and successful connections of photovoltaic power plants and heat pumps.

E-mobility is also gaining in importance in response to stricter vehicle emission standards set by the regulation approved by the European Parliament and the Council of the EU. The City of Prague has incorporated its climate protection goals into a newly approved Climate Plan, which includes a wide range of measures aimed at achieving carbon neutrality. One of the key initiatives is ensuring the connection of the planned energy hub to power the heat pump at the Central Wastewater Treatment Plant (ÚČOV) in Prague.

As a result, the company is placing a strong emphasis on implementing modern solutions and preparing the distribution network for the evolving context. The goal is to ensure the stability and efficiency of the grid in response to the growing number of renewable energy sources, charging stations, and technological advancements in energy storage, AMM systems and energy services.

At the same time, it remains crucial to maintain a high level of reliability, safety, and power supply quality, even in crisis situations. Emergency situations, including blackouts, are a rising threat. They can be triggered by terrorism or cyber-attacks but also by source instability and overload of certain parts of the transmission network during peak periods.

In response to growing demands and in line with its investment strategy, the company is increasingly investing in the modernisation and development of the 22 kV and 1 kV distribution network. Its key objective is to enhance the reliability and efficiency of the distribution system, particularly by upgrading 22/0.4 kV distribution transformer stations with smart technology and expanding telecommunications infrastructure. This approach aligns with the updated National Action Plan for Smart Grids, approved by the Czech government at the end of 2024.

In 2024, the company invested approximately CZK 2.4 billion in the development of the distribution network, with a significant portion allocated to the expansion of optical infrastructure. As a result, its optical network has exceeded 1,000 km, and the company aims to extend it by 15% annually. This robust network significantly enhances the reliability of the distribution system, enabling faster monitoring, grid management, diagnostics as well as more efficient fault resolution. The benefits of smart grid upgrades are particularly evident in the quicker restoration of electricity supply during MV cable network outages, ensuring that PREDi customers experience no more than 30 minutes of downtime per year on average. The construction and operation of optical networks are handled by PREnetcom, the company's subsidiary.

Additionally, PREDi is preparing the implementation of AMM in compliance with the current electricity metering regulation. By the end of 2027, it plans to equip approximately one-third of consumption points with AMM and continue expanding the system.

At the same time, the company carries out necessary maintenance and inspections of existing 110 kV networks and 110/22 kV transformer stations, some of which are critical to the infrastructure's security. Continuous maintenance of the 110 kV backbone network and its operations and safety are key to minimise large-scale outages that could cause electricity supply disruptions across a large territory and even the collapse of transport and the entire city's operation.

Close cooperation with ČEPS, the transmission system operator, remains crucial for ensuring sufficient power capacity and supply reliability. Another step toward greater reliability will be the construction of a new 400/110 kV power hub at the Sever TR, scheduled for 2027. In 2023, the City of Prague, ČEPS and PREDi signed a memorandum of cooperation to enhance the coordination of their investment projects.

PREDi is also actively involved in implementing the Smart Prague initiative in collaboration with the Prague City Council, which includes connecting smart streetlights, charging stations and other modern infrastructure elements that enhance the urban technological solutions. Through these efforts, the company contributes to improving the quality of life, energy savings, environmental protection as well as public data sharing.

In 2024, the company launched an upgraded online connectivity map, allowing users to easily check available grid capacity for connecting new power sources directly on the company's website. It also introduced an online application system for new connections and main circuit breaker upgrades, two of the most common customer requests to the distributor. Additionally, the company is expanding automated customer notifications about power outages and will continue to focus on digitising and automating more processes in the coming years. This will lead to faster and more efficient handling of customer requests.

PREDi's objective is to remain a stable and thriving energy company, a reliable electricity distributor for its customers and a trusted partner in addressing their problems with electricity distribution to their consumption points. In the years to come, it will strive to meet the challenge of increasing the reliability, quality and safety of electricity supply to all of its customers in light of the ever-growing presence of state-of-the-art technologies. This applies not only to distribution but also to customer service and communication. To support this goal, PREDi is strengthening its collaboration with technical universities to attract talented students who will contribute to innovation and future developments in the energy sector.

It also wants to continue to play a key role in achieving the objectives of its shareholder, PRE, and remain a source of security and a trusted social partner to its loyal employees. PREDi also wishes to continue in its successful cooperation with other PRE subsidiaries, namely PREs, which ensures technical monitoring on behalf of the investor and diagnostics of cable routes, PREds, which ensures data measurements and readings for customers on low-voltage levels, and KORMAK Praha and VOLTCOM, which both ensure for PREDi investment construction works, including the design, engineering, construction, but also renovation, modernisation and repairs of distribution system equipment.

Main strategic constructions in 2025

The main strategic investments will be made in the area of construction and modernisation of 110/22 kV transformer stations and 110 kV overhead lines and cables lines in the PREDi supplied territory. Individual projects will be carried out in line with PREDi's long-term strategy of distribution network development. All construction in Prague has been duly coordinated with the planning departments of the Prague City Council and respects the current urban plan.

In view of admissibility and complexity of construction, the strategic constructions for 2025 and following years include:

- > the completed construction of the Invalidovna I cable tunnel;
- > the completed renewal of the 110/22 kV transformer, T 102 at the Pražáčka TR;
- > the continued renewal of the transformer service facility and warehouse at the Sever TR;
- > the continued renewal of the 22 kV distribution station and control system at the Střed TR;
- > the renewal of the 110 kV overhead line between the Letňany and Východ TRs;
- > the upgrade of the 110/22 kV transformation, T 101, T 102 at the Běchovice TR;
- > the upgrade of the 110/22 kV transformation, new T 102 at the Letňany TR;
- > the upgrade of the 110/22 kV transformation, new T 103, new third section of the 22 kV distribution station at the Sever TR;
- > the launch of the renewal of the Měcholupy TR;
- > the launch of the 110/22 kV transformation upgrade, T 101, T 102 at the Červený Vrch TR;
- > the launch of the 110/22 kV transformation upgrade, T 102 at the Černý Most TR; and,
- > the launch of the reconstruction of the Východ TR.

Report of the Board of Directors on Business Activities and Assets for 2024

PREdistribuce, a.s., (PREdi) is an integral part of the modern, innovative and thriving energy PRE Group. It operates as an independent, stable and trustworthy distribution company, whose main mission is to provide reliable and high-quality electricity distribution services to its customers within the licensed area.



Thanks to effective network management, the company ensured a safe and reliable supply of electrical energy to all its customers throughout the past 2024 without any major outages. The operational results of the distribution system as well as the monitored reliability indicators, SAIDI/SAIFI, clearly confirmed the ongoing trend of reduced electricity distribution faults in the City of Prague. The company maintains its position as the most reliable electricity distributor in the Czech Republic. Throughout the year, the quality standards of electricity supply and related services were met with regard to the absolute majority of the end customers connected to the company's distribution network in accordance with ERÚ Decree No. 540/2005 Sb.

At the end of 2024, more than 847 thousand consumption points were connected to the distribution network, representing a 1.1% increase year-on-year. The highest peak load of the distribution system was recorded on 18 January 2024, amounting to 1,116 MW, representing a moderate increase year-on-year. In 2024, PREdi distributed a total of 5,985 GWh through the grid on all voltage levels, which is on par with the previous.

The company fully recognises the growing importance of a stable and reliable energy infrastructure, which is essential for the sustainable development and modernisation of the energy sector. Investments in the digitisation of the distribution network are key to enable effective monitoring, management and optimisation of its operations against the backdrop of a constantly evolving environment. As part of this process, the company focuses on enhancing network resilience against cyber threats, operational disruptions and potential attacks, which is crucial for ensuring the security of electricity supply.

The digitisation of customer-oriented processes is another priority for the company. The implementation of modern technologies and communication platforms will simplify access to information, expand the range of online services and streamline customer interactions. In this regard, in 2024, the company launched an upgraded online connectivity map to easily check available network capacity and introduced online requests for power plant connections or main circuit breaker upgrades. It now automatically notifies customers of power outages. Looking ahead, the company plans further digitisation and automation to provide even faster and more efficient services.

In terms of workplace safety, fire protection and environmental protection, the company complies with environmental management system requirements under ISO 14001 and energy management system standards under ISO 50001. Also, it adheres to the principles of the Safe Company and Health-Supporting Company programmes. The cooperation between PRE and the controlling entities and their controlled entities brings considerable advantages to PRE thanks to the acquired know-how and numerous synergies, which PRE can also achieve. The company successfully passed recertification audits for its management systems in accordance with EN ISO 50001:2018 and EN ISO 14001:2015 standards.

In its business activities, PREdi embraces the principles of sustainable development, striving to help improve the standards of living in the capital city of Prague, where it operates. It carries out its activities with regard to social responsibility, environmental protection and economic prosperity.

Financial report

From a financial standpoint, 2024 was a successful year. The company's profit increased by CZK 352 million year-on-year, amounting to CZK 840 million. Its EBITDA exceeded the planned value and reached a total of CZK 2,930 million.

The volume of distributed electricity, which constitutes the main portion of the company's EBITDA and financial results, amounted to a total of 5,985 GWh, which exceeded the planned value, particularly due to the excellent results achieved in January and the second half of the year.

The company's operating profit reached CZK 1,506 million, which is an increase of CZK 127 million year-on-year. The most important operating revenue item was the revenue from distribution services; the most important operating expense item was the cost of transmission and distribution services. Both of these items saw a significant year-on-year increase due to the rise in approved revenues and the amount of electricity distributed.

In 2024, PREdi purchased services for the total of CZK 1,825 million, which was CZK 11 million more than in 2023. The purchase of services within the PRE Group constitutes the largest portion of its expenses. The highest financial expenditure outside the PRE Group was spent on repairs and maintenance of distribution equipment as well as on rent for cable ducts.

The company's total personnel expenses increased by CZK 30 million year-on-year. The increase was mainly due to an increase in wage costs and the associated increase in social security and health insurance costs.

The adjustment of operating assets value increased by CZK 51 million year-on-year, primarily due to the growth in depreciation of tangible assets resulting from the overall increase in the depreciated asset value.

The year-on-year increase in the value of other operating income was primarily driven by higher revenue from the sale of land at the Jinonice and Sever TRs for further use within the PRE Group. The company's other operating expenses were lower than in 2023.

Due to the rise in interest rates on borrowed capital, interest expenses increased year-on-year, which in turn impacted the company's financial performance.

PREdi's total assets increased by CZK 1,705 million year-on-year, reaching CZK 32,978 million. The increase in the value of these assets was primarily driven by the growth of long-term tangible assets, particularly cable lines, as a result of investments in the company's distribution assets. Additionally, the growth was also driven by an increase in the company's current assets, specifically short-term receivables. On the other hand, the value of long-term intangible assets decreased due to their disposal resulting from obsolescence and further unusability.

The asset-side accruals and deferrals include prepaid rent for a leased external property. This item decreased year-on-year as a result of its gradual amortisation through expenses.

On the liability side, the company recorded growth in both equity, driven by a higher year-on-year financial result, and external sources of funding, with the most significant increase in long-term liabilities within the PRE Group.

On the liability side, accruals and deferrals increased year-on-year. They include future revenues from connection fees and future expenses in the form of received long-term loans within the PRE Group.

In 2024, 56% of the company's funding came from equity, 37% from liabilities and 7% from other liabilities.

Investments

PREdi considers investment into the distribution network key to ensuring a reliable and high-quality supply of electric energy as well as to maintaining the safety of its networks. Each year, the company drafts and implements a long-term, medium-term, and annual investment plan, which is approved by the company's governing bodies and subject to oversight by the ERÚ as part of regulatory measures. The ERÚ assesses whether the planned investments in network renewal and development align with economic needs and the legitimate demands of customers, such as new connections or increased power capacity.

It is essential to regularly modernise and develop the energy infrastructure, including planned maintenance, to ensure the required quality of electricity supply and related services. This approach enables the company to maintain high operational reliability and deliver quality distribution services that meet customer expectations. Failure to comply with these standards may be sanctioned in accordance with the applicable legislation, specifically ERÚ Decree No. 540/2005 Sb.

The planning and allocation of investments are based on analyses of the technical condition, the development of loads in individual supply areas, transmission capacity and operational reliability of individual network components. Actual lifespans and possibilities of their effective maintenance are also taken into account. In 2024, the company continued with planned renovation, inspection and modernisation of existing 110 kV networks and 22 kV distribution stations, respecting the financial constraints outlined in the investment plan.

All construction in Prague has been duly coordinated with the planning and construction departments of Prague City Council and respects the urban plan. This close cooperation allows the company to ensure maximum comfort for both residents and businesses.

The investment constructions included projects that will enhance the reliability and safety of electricity supply to customers and contribute to further improving the network management systems. Furthermore, these projects create favourable conditions to absorb the expected increase in requirements of new customers, decentralised sources and charging stations for the expanding e-mobility sector. In 2024, PREdi invested CZK 2,405 million (including capitalisation) in the renovation and development of its distribution network, an increase of CZK 255 million year-on-year. Investments were allocated to networks on all voltage levels to ensure a stable and high-quality energy infrastructure.

In line with its investment strategy, the company focused on strategic investments, particularly the construction and modernisation of 110/22 kV transformer stations and their system integration through overhead or cable 110 kV lines. In 2024, PREdi completed several major strategic projects, including:

- > the completed construction of the cable tunnel between the Sever TR and Hlávčův Bridge;
- > the completed reconstruction of the 110 kV distribution stations and control system at the Jih TR;
- > the completed renewal of the 110 kV cable (K 110) between the Sever and Holešovice TRs;
- > the continued construction of the Invalidovna I cable tunnel;
- > the completed renewal of the 110/22 kV transformer, T 102 at the Pražáčka TR;
- > the launch of the reconstruction works of the 22 kV distribution station and control system of the Střed TR;
- > the launch of the reconstruction works of the premises and warehouse at the Sever TR;
- > the completed renovation of the 110 kV overhead cable line connecting the Sever and Letňany TRs; and,
- > the upgrade of the 22 kV Radlice network.

Aside from the main listed strategic constructions in the backbone 110 kV networks and the 110/22 kV transformer stations, PREdi also continued with the renovation of 22 kV switching stations, 22/0.4 kV distribution transformer stations and MV and LV cable networks. At the same time, the company carried out planned renewal and modernisation of low-voltage 1 kV networks.

Throughout 2024, the company successfully implemented more than a hundred 22/0.4 kV smart distribution transformer stations, bringing their total number to nearly 600. The implementation of these modern technologies is part of the company's long-term strategy focused on developing a smart energy infrastructure that meets both current and future customer needs.

In recent years, the company has been preparing for the gradual roll-out of AMM smart metering. Its priority goal is to implement the AMM system at approximately one-third of consumption points by the end of 2027. Once this milestone is reached, PREDi will continue expanding these technologies to the remaining consumption points in the following years. AMM will provide customers with detailed insights into their own energy consumption, which will, in turn, promote energy-efficient behaviour and savings.

In parallel with the modernisation of the distribution network, PREDi continued developing its optical infrastructure. PREnetcom, PREDi's wholly owned subsidiary specialising in the management and expansion of metallic and optical cable networks, play a key role in this regard. A fast, robust and reliable telecommunications network is a fundamental prerequisite for the future development of smart grids and the implementation of measures defined in the National Smart Grid Action Plan and the State Energy Concept. PREDi's optical network has exceeded 1,000 km, and the company aims to extend it by 15% annually.

The company also actively promotes the development of e-mobility, energy storage and modern energy services, all of them being essential for the dynamic growth of the urban distribution network. These efforts address the growing demands on energy infrastructure, driven by more electric vehicles and expanding decentralised energy sources.

All of these steps and investments reinforced PREDi's role as a reliable, innovative energy distributor, ready to adapt to new trends and evolving needs of modern energy systems.

Conclusion

Thanks to strategic planning, effective management and the ability to adapt flexibly to changes in the energy sector, the company successfully navigated all the challenges of 2024. It has maintained its reputation as a reliable and trusted partner.

In the future, it will keep strengthening its position as a modern, stable distribution company that smoothly integrates innovation into its distribution system. Its success is built on the support of its parent company, PRE, along with collaboration with PRE as well as other companies within the PRE Group.

A key pillar of the company's success is its most valuable asset: its employees. Their expertise, dedication, and tireless efforts are essential to achieving outstanding results, ensuring the continuous operation of the energy infrastructure and providing high-quality customer service. Our thanks and recognition go to everyone who contributed to these achievements and helped drive the company's growth.

In Prague, 2 April 2025

Signed by

Milan Hampel

chairperson of the Board of Directors

Signed by

Petr Dražil

vice-chairperson of the Board of Directors

Overview of selected company indicators



Main financial indicators (MCZK)

	2024	2023	2022	2021	2020
Total assets	32,978	31,273	30,813	30,228	29,785
Distribution equipment	26,316	25,677	25,011	24,591	24,294
Other fixed assets	3,674	3,374	3,367	3,177	2,994
Cash pooling receivables within the Group	0	0	0	0	0
Trade receivables	125	54	65	112	105
Other assets	2,862	2,168	2,369	2,348	2,392
Total liabilities and equity	32,978	31,273	30,813	30,228	29,785
Equity	18,555	18,196	18,988	19,497	19,489
Deferred tax liability	3,566	3,520	3,147	3,107	3,081
Cash pooling payables within the Group	703	912	1,642	1,733	1,163
Trade receivables	601	532	350	167	354
Deferred revenues	2,088	2,013	1,966	1,964	1,954
Reserves	197	191	175	200	230
Credit	6,200	5,200	3,700	2,700	2,700
Other assets	1,068	708	845	858	816
Gross profit from the sale of distribution services	5,155	5,064	5,167	4,905	4,802
Profit/loss from ordinary activity before tax	1,067	1,022	1,583	1,558	1,535
Profit/loss from ordinary activity after tax	840	488	1,280	1,259	1,250
EBIT	1,506	1,379	1,859	1,683	1,648
EBITDA	2,930	2,751	3,203	3,046	2,984
Total number of employees as of 31 December	486	483	478	472	467

Allocation of investments (MCZK, including capitalisation)

	2024	2023	2022	2021	2020
Total investment	2,405.0	2,149.8	1,956.0	1,844.9	1,729.5
HV distribution equipment	228.9	217.3	188.2	235.4	257.0
MV distribution equipment	879.2	776.8	808.4	681.4	652.9
LV distribution equipment	1,138.9	995.9	831.8	750.8	636.4
Electricity metres	158.0	159.8	127.6	177.3	183.2

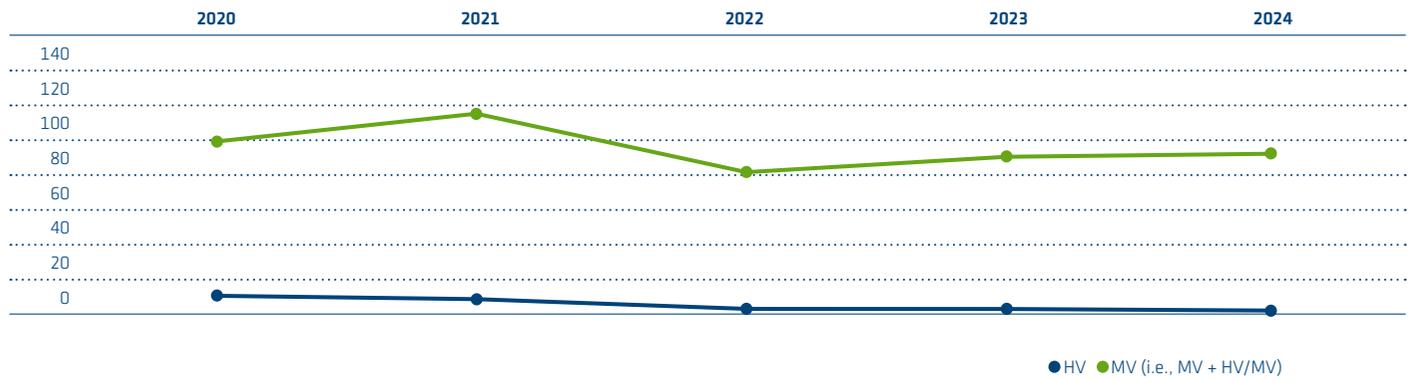
Selected network indicators

Unit		2024	2023	2022	2021	2020
Maximum network load	MW	1,116	1,110	1,137	1,117	1,121
Total length of electricity networks	km	12,676	12,640	12,541	12,468	12,422
of which: HV	km	220	220	220	220	220
MV	km	3,970	3,955	3,937	3,914	3,906
LV	km	8,486	8,465	8,384	8,334	8,296
Number of HV/MV transformer stations	pieces	27	27	26	26	26
of which: owned by PREdi	pieces	26	26	25	25	25
owned by other entities	pieces	1	1	1	1	1
Number of MV/LV distribution stations	pieces	3,301	3,281	3,272	3,253	3,237
Total number of MV/MV stations and MV/LV stations	pieces	5,063	5,024	5,001	4,968	4,934

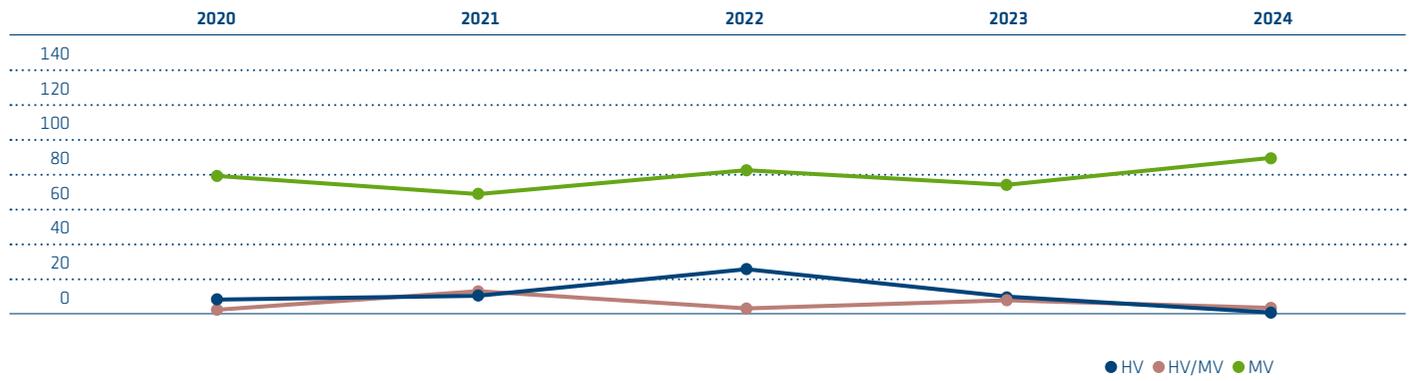
Distributed electricity

Unit		2024	2023	2022	2021	2020
Supplied territory	km ²	504	504	504	504	505
Total distribution (procured)	GWh	5,984.7	5,856.1	6,000.0	5,984.4	5,864.0
Total number of consumption points	total number	847,311	838,358	830,656	823,612	816,979
of which: Wholesale – HV, MV networks	total number	2,153	2,140	2,115	2,096	2,077
Retail – small businesses – LV network	total number	131,259	128,993	126,640	126,151	126,641
Retail – households – LV network	total number	713,899	701,225	701,901	695,365	688,261

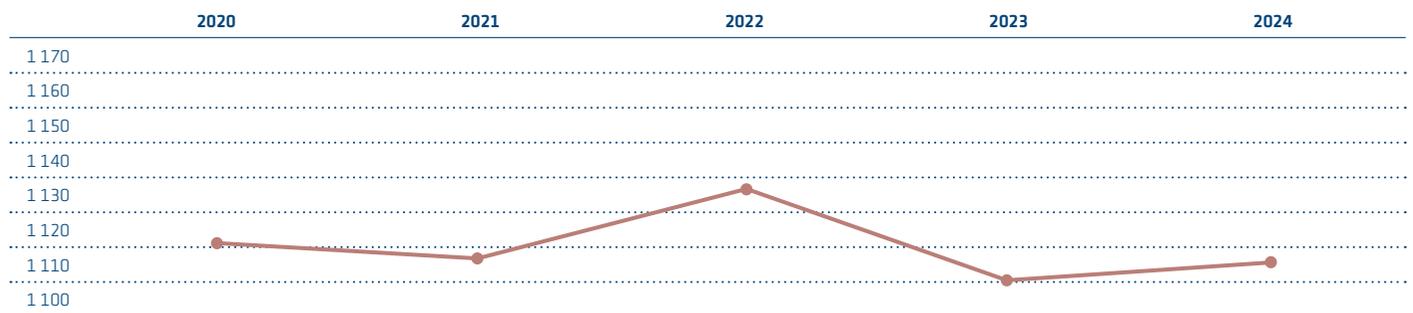
Number of HV and MV failures



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



Maximum achieved load (MW)





28



Solar panels cut costs and boost sustainability

The photovoltaic power plant on the roof of the Spojovna Brewery in Prague's Kunratice district is a great example of efficient use of renewable energy in the food and beverage industry. With its annual output of approximately 28 MWh, it significantly reduces the restaurant's operating costs while fitting seamlessly into the building's modern design.



Financial analysis



Level of productivity

	Unit	2024	2023	2022	Calculation formula
Total revenues	MCZK	11,728	7,712	9,290	Total revenue from the income statement
Sales margin from the sale of distribution	MCZK	5,155	5,064	5,167	Sales from the sale of distribution services – cost of transit and system services from the income statement
Profit after tax	MCZK	840	488	1,280	Profit after tax from the income statement

Level of profit from revenue

	Unit	2024	2023	2022	Calculation formula
Sales margin from the sale of distribution per CZK 1 of revenue	%	45.3	68.4	51.7	Sales margin from the sale of distribution / revenue from distribution services x 100
Profit before tax per CZK 1 of revenue	%	9.1	13.3	17.0	Profit/loss from ordinary activity before tax / total income x 100

Other indicators

	Unit	2024	2023	2022	Calculation formula
Current liquidity	%	135.9	110.2	88.7	Short-term assets / short-term liabilities x 100
Equity proportion to total invested capital	%	56.3	58.2	61.6	Equity / total invested capital x 100
Return on capital employed ROCE	%	5.3	5.1	7.2	ROCE = EBIT / (equity + long-term loans + deferred tax liability) x 100
Work productivity out of total revenue	TCZK/employee	24,691	16,235	19,765	Total revenue / average adjusted number of employees
EBIT – earnings before interest and taxes	MCZK	1,506	1,379	1,859	Earnings before interest and taxes
EBITDA – earnings before interest, taxes, depreciation and amortisation	MCZK	2,930	2,751	3,203	EBITDA = EBIT + depreciation

Trends in the electricity and energy sector

2024 was the fourth year of the fifth regulatory period. The regulation rules and processes will follow the main principles established for the fifth regulatory period, which will last from 1 January 2021 to 31 December 2025, and were published in the document issued by the Energy Regulatory Office titled Principles of Price Regulation for the Regulatory Period 2021–2025 in the Energy Sector, Gas Sector, Activities of the Energy Sector and Gas Sector Operator and for Guaranteed Offtakers.



Overview of relevant legislation

The legislative framework for the sector of electricity distribution primarily consists of the following regulations as amended:

- > Act No. 458/2000 Sb., on Business Conditions and Public Administration in the Energy Sectors and Amendment to Other Acts (the Energy Act);
- > Act No. 165/2012 Sb., on Supported Energy Sources and Amendments to Certain Acts;
- > Act No. 406/2000 Sb., on Energy Management;
- > Act No. 283/2021 Sb., the Building Act;
- > Act No. 194/2017 Sb., on Measures to Reduce Costs of Deploying High-Speed Electronic Communications Networks and Amendment to Other Acts;
- > Decree No. 408/2015 Sb., on Rules on Electricity Market;
- > Decree No. 16/2016 Sb., on Conditions for Connection to Electrical Grid;
- > Decree No. 359/2020 Sb., on Electricity Metering;
- > Decree No. 207/2021 Sb., on Billing for Supplies and Related Services in Energy Sectors;
- > Decree No. 194/2015 Sb., on Price Regulation Methods and Procedures for Price Regulation in Electricity and Heat Sectors;
- > Decree No. 262/2015 Sb., on Regulatory Reporting;
- > Decree No. 540/2005 Sb., on Quality of Electricity Supply and Related Services in Electricity Sector;
- > Decree No. 80/2010 Sb., on State of Emergency in Electricity Sector and Content Requirements of Emergency Plan;
- > Decree No. 8/2016 Sb., on Details of Granting Licenses for Business in Energy Sectors; and,
- > Decree No. 489/2021 Sb., on Procedures for Registration of Support with Market Operator and Implementation of Certain Provisions of Act on Supported Energy Sources (Registration Decree).

Acts published in 2024

On 29 May 2024, Act No. 183/2024 Sb. was published, amending Act No. 416/2009 Sb., on Acceleration of Strategically Important Infrastructure (Linear Act). It came into effect on 1 July 2024.

On 21 August 2024, Act No. 265/2024 Sb. was published, amending Act No. 458/2000 Sb., on Business Conditions and Public Administration in Energy Sectors and Amendment to Other Acts (the Energy Act). It came into effect on 1 January 2025.

On 21 August 2024, Act No. 265/2024 Sb. was published, amending Act No. 165/2012 Sb., on Supported Energy Sources and Amendment to Other Acts. It came into effect on 1 January 2025.

Decrees published in 2024

On 28 December 2023, Decree No. 4/2024 Sb. was published, amending Decree No. 404/2016 Sb., on Requirements and Breakdown of Reports Necessary for Preparing Operational Reports of Systems in Energy Sectors, including the Terms, Scope and Rules for Preparing Reports (Statistical Decree), as amended by Decree No. 154/2018 Sb. It came into effect on 1 February 2024.

On 4 January 2024, Decree No. 6/2024 Sb. was published, amending Decree No. 408/2015 Sb., on Electricity Market Rules, as amended, and Decree No. 490/2021 Sb., which amends Decree No. 408/2015 Sb., on Electricity Market Rules, as amended. It came into effect on 17 January 2024.

On 25 March 2024, Decree No. 78/2024 Sb. was published, amending Decree No. 401/2010 Sb., on Content Requirements for Rules for Operating the Transmission System, Rules for Operating Distribution System, System Operator's Code for Transmission System, System Operator's Code for Distribution System, Gas Storage Operator's Code and Market Operator's Terms and Conditions, as amended by Decree No. 330/2017 Sb. It came into effect on 26 April 2024.

On 24 May 2024, Decree No. 138/2024 Sb. was published, amending Decree No. 359/2020 Sb., on Electricity Metering, as amended by Decree No. 375/2023 Sb. It came into effect on 1 July 2024.

On 10 June 2024, Decree No. 156/2024 Sb. was published, amending Decree No. 408/2015 Sb., on Electricity Market Rules, as amended, and Decree No. 6/2024 Sb., which amends Decree No. 408/2015 Sb., on Electricity Market Rules, as amended, and Decree No. 490/2021 Sb., which amends Decree No. 408/2015 Sb., on Electricity Market Rules, as amended. It came into effect on 1 July 2024.

On 25 June 2024, Decree No. 219/2024 Sb. was published, amending Decree No. 207/2021 Sb., on Billing for Supplies and Related Services in Energy Sectors, as amended by Decree No. 271/2022 Sb. It came into effect on 1 August 2024.

On 14 August 2024, Decree No. 248/2024 Sb. was published, amending Decree No. 16/2016 Sb., on Conditions for Connection to Electricity Grid, as amended by Decree No. 487/2021 Sb. It came into effect on 1 October 2024.

On 29 November 2024, Decree No. 366/2024 Sb. was published, amending Decree No. 6/2024 Sb., which amends Decree No. 408/2015 Sb., on Electricity Market Rules, as amended, and Decree No. 490/2021 Sb., which amends Decree No. 408/2015 Sb., on Electricity Market Rules, as amended by Decree No. 156/2024 Sb., and Decree No. 156/2024 Sb., which amends Decree No. 408/2015 Sb., on Electricity Market Rules, as amended, and Decree No. 6/2024 Sb., which amends Decree No. 408/2015 Sb., on Electricity Market Rules, as amended, and Decree No. 490/2021 Sb., which amends Decree No. 408/2015 Sb., on Electricity Market Rules, as amended. It came into effect on 31 December 2024.

On 29 November 2024, Decree No. 366/2024 Sb. was published, amending Decree No. 489/2021 Sb., on Procedures for Registering Support by Market Operator and Implementation of Certain Other Provisions of Act on Supported Energy Sources (Registration Decree). It came into effect on 1 January 2025.

On 3 December 2024, Decree No. 371/2024 Sb. was published, amending Decree No. 79/2022 Sb., on the Technical and Economic Parameters for Setting Reference Purchase Prices and Green Bonuses and for Implementation of Certain Other Provisions of Act on Supported Energy Sources (Decree on Technical and Economic Parameters), as amended by Decree No. 275/2023 Sb. It came into effect on 1 January 2025.

Regulations of the Czech government published in 2024

On 17 January 2024, Government Regulation No. 17/2024 Sb. was published, amending Government Regulation No. 463/2022 Sb., on Setting of Electricity and Gas Prices in Extraordinary Market Situation for Losses in Distribution Networks and on Compensation Provided for Supply of Electricity and Gas for Losses at Set Prices, as amended by Government Regulation No. 214/2023 Sb. It came into effect on 2 February 2024.

On 17 January 2024, Government Regulation No. 18/2024 Sb. was published, amending Government Regulation No. 36/2023 Sb., on Format and Template of Form Submission for Excessive Income Contribution. It came into effect on 3 February 2024.

On 15 May 2024, Government Regulation No. 134/2024 Sb. was published, amending Government Regulation No. 5/2023 Sb., on Compensation Provided for Supply of Electricity and Gas at Set Prices, as amended. It came into effect on 29 May 2024.

On 22 May 2024, Government Regulation No. 139/2024 Sb. was published, on Conditions for Applying Special Rights of Vulnerable Customers. It came into effect on 1 July 2024.

On 26 June 2024, Government Regulation No. 203/2024 Sb. was published, establishing the amount of state budget funds allocated for providing financial compensation for indirect costs to sectors found to have a significant risk of carbon leakage due to the impact of greenhouse gas emission costs on electricity prices for the year 2023. It came into effect on 1 July 2024.

On 16 October 2024, Government Regulation No. 316/2024 Sb. was issued, On Determination of Method of Supporting Energy Security of Czech Republic. It came into effect on 1 November 2024.

On 20 November 2024, Government Regulation No. 359/2024 Sb. was issued, On Determination of Designated Areas Affecting Structures for Energy Production from Renewable Sources with Total Installed Capacity up to 50 kW. It came into effect on 1 January 2025.

On 18 December 2024, Government Regulation No. 459/2024 Sb. was issued, amending Government Regulation No. 189/2022 Sb., on Defining Development of Supported Energy Sources. It came into effect on 1 January 2025.

Price decisions of the Energy Regulatory Office published in 2024

On 1 January 2024, Price Decision No. 3/2023 of Energy Regulatory Office dated 27 September 2023 came into effect, Setting Support for Supported Energy Sources, which was amended by Price Decision No. 8/2023 dated 28 December 2023. Another amendment was made by Price Decision No. 6/2024 dated 26 August 2024, coming into effect upon its publication.

Effective from 1 January 2024, Price Decision No. 5/2023 of Energy Regulatory Office dated 29 November 2023 came into effect, which was subsequently amended by Price Decision No. 10/2023 dated 28 December 2023 and later amended by Price Decision No. 3/2024 dated 25 June 2024.

On 1 January 2023, Price Decision No. 6/2023 of Energy Regulatory Office dated 29 November 2023 came into effect, which was subsequently amended by Price Decision No. 4/2024 dated 25 June 2024.

Human resources



Human resources management

The personnel agenda for PREdi is managed by the HR section of the parent company, PRE. The individual departments within the HR section provide PREdi with comprehensive services, including recruitment, personnel administration, social policy, employee training and payroll management. Similar to the parent company, PREdi applies both tariff and contractual wages. To effectively manage personnel and payroll administration, the SAP HR module is used, centralising and automating key processes.

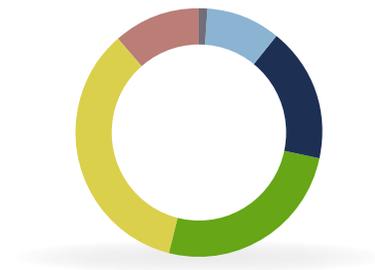
Qualification structure

	%
■ university education	25.36
■ completed secondary education with diploma	56.50
■ secondary and secondary vocational	18.14
■ elementary education	0.00



Age structure

	%
■ under 20 years	1.23
■ 20-30 years	9.69
■ 30-40 years	17.53
■ 40-50 years	25.57
■ 50-60 years	34.64
■ over 60 years	11.34



All areas are outlined in the collective agreement, with further details and practical aspects elaborated in the company's internal regulations. The collective agreement is made for a three-year period, ensuring stable and predictable conditions for PREdi employees.

Occupational safety, fire protection and environmental protection are also key components of the services provided. These activities are carried out by professionals from the PREdi's the Occupational Safety and Environmental Protection department (OSEP) in cooperation with other specialised divisions. The main focus of this agenda is the inspections in all areas of occupational safety. The results of these inspections serve as a basis for proposals aimed at ensuring the effective operation of the Occupational Health and Safety system (OHS). Thanks to these measures, risks associated with the working environment are minimised, workplace injuries are prevented and potential dangerous situations at the workplace are eliminated.

Training

PREdi considers the systematic development of employee education as one of the key tools for effective human resources management. The company employs various approaches to professional development, including vocational training and open courses, enabling employees to acquire the necessary competencies, knowledge and skills. In addition to these standard forms of education, the company offers tailored training sessions and specialised development programmes that are customised to meet the specific needs of employees, focusing on their individual areas of expertise. These development programmes are long-term, fostering career growth while also promoting personal development.

PREdi, in collaboration with its parent company PRE, has been building strong partnerships with selected technical schools, especially in the field of electrical energy. The focus is on supporting the education and preparation of the next generation of energy professionals at both secondary and university education levels.

PREdi is particularly focused on secondary schools offering vocational education in electrical energy, providing students with the opportunity to complete free internships directly at its workplaces. These internships allow students to gain practical experience in the field, which is valuable not only for their professional growth but also for future career prospects. Collaboration with these schools constitutes an opportunity to reach out to young talent. Since 2024, PREdi employees have also been involved in teaching at selected secondary schools, actively participating in the instruction of technical subjects related to electrical energy. This collaboration aims to enrich the educational process with real-world experiences and bring students closer to current trends and technologies in the energy sector.

In the area of recruitment, PREdi continues to focus on universities and maintain collaboration with the Department of Electrical Engineering at the Czech Technical University (ČVUT). The goal of this project is to establish long-term relationships with promising students who can join PRE's Trainee Programme. The programme is designed to provide students with comprehensive practical experience in the energy sector, allowing them to better understand how energy companies operate and contribute to their development. Upon successfully completing the Trainee Programme, students are offered the chance to join the PREdi team with the possibility of permanent employment after the programme ends.

Social policy

PREdi's social policy represents one of its main pillars, acting as a stabilising and motivational tool. This approach reflects a responsible attitude towards employees and serves as a strategic means to enhance their satisfaction, boost loyalty and optimise performance. The company draws from a deeply rooted tradition and years of experience, aiming for continuous improvement in employees' working conditions.

PREdi offers its employees a wide range of benefits that cover various aspects of life. They include meal allowances, support for cultural and sports activities and premium healthcare services. The company's social programme is anchored in the collective agreement, ensuring its stability and systematic implementation through a combination of universal and optional benefits. The details and rules are outlined within internal regulations.

Universal benefits available to all employees include meal allowances, exceptional healthcare, the possibility to receive interest-free housing loans or social loans and assistance. The company also provides special rewards for life and work anniversaries, which not only serve as a form of recognition but also strengthen employees' sense of belonging and motivation. A significant part of the offer is also support for financial stability through contributions to pension schemes, supplementary savings or life insurance.

The system of optional benefits allows employees to customise their benefits according to their personal preferences and needs. This flexible approach covers various areas, including healthcare, education, cultural activities, transportation, sports, leisure stays, energy costs and access to specific products and services offered by PREe.

Healthcare

Employee healthcare is a top priority at PREdi, which actively promotes the well-being of its workforce beyond the requirements of current legislation. In line with this commitment, the company provides a wide array of healthcare services, including premium programmes focused on preventing and treating serious illnesses. PREdi collaborates with its parent company, PRE, to offer its employees preventive and treatment programmes targeting key health concerns such as breast cancer prevention and diagnostics, early thyroid screenings, urological health and comprehensive dental care.

For occupational health services, PREdi partners with Poliklinika Agel Praha, where employees receive medical care from qualified professionals. These services primarily focus on preventive examinations, including entry, special and regular check-ups aimed at early detection of potential health risks.

Regular workplace health inspections are conducted at PREdi facilities, with results evaluated by the company's contracted health care professional in cooperation with the Occupational Health and Safety (OHS) department within the Human Resources section. Based on these inspections, risks affecting employee health are identified and preventive measures are implemented to reduce illness, workplace injuries and stress-related conditions.

Additionally, PREdi provides vaccination programmes to protect employees from infectious diseases and support overall health.

Environmental protection and OHS

PREdi sees a responsible approach to environmental protection and ensuring safe working conditions for its employees as its long-term priority.



To achieve its goals and commitments, it implements a unified Environmental Protection, Safety and Energy Savings Policy. As part of its management system, PREdi continuously meets the requirements of EN ISO 50001:2018 and EN ISO 14001:2015 and follows the principles of the Safe Company programme and the Health-Supporting Company competition.

In line with its long-term environmental and energy efficiency objectives, the company implemented the following initiatives in 2024:

- > calculating the carbon footprint for the previous year and establishing initiatives aimed at its long-term reduction;
- > expanding its fleet of electric vehicles and enhancing charging infrastructure for e-mobility; and,
- > recertifying its management systems in accordance with EN ISO 50001:2018 and EN ISO 14001:2015.

In terms of the occupational health and safety of its employees, PREdi has been implementing long-term preventive programmes aimed at the promotion of good health of its employees. One of the key activities in 2024 also includes the renovation of selected workplaces to improve the overall working conditions.

Sustainability report

In 2024, PREdi teamed up with its parent company PRE, its subsidiaries (the PRE Group), and PRE's parent company EnBW to launch a strategic project focused on meeting ESG requirements. The goal is to drive the group's sustainable transformation by implementing comprehensive ESG reporting, ensuring alignment of strategies and standards across the entire EnBW Group, include the PRE Group.



The first step was an initial IRO (Impact, Risks and Opportunities) analysis to identify key impact areas, risks and opportunities related to ESG requirements. This included a detailed review of current reporting processes, an assessment of compliance with the CSRD directive and ESRS standards and an evaluation of the PRE Group's readiness to adopt standardised ESG procedures. Based on the results of this analysis, the companies agreed that the PRE Group would fulfil its ESG non-financial reporting obligations through a consolidated report published by its parent company, EnBW.

Subsequently, further stages of implementing CSRD and ESRS requirements were initiated, including the first reporting of qualitative ESG indicators and preparations for reporting quantitative indicators. The first consolidated ESG report, including the PRE Group, will be published by EnBW in 2025.

At the same time, the PRE Group has launched additional initiatives aimed at developing and improving various aspects of ESG reporting. These efforts focus on refining internal processes to enhance the quality and transparency of reported information.

Risk management system

Risk management in PREdi draws on a common methodical framework shared by all the companies of the PRE Group. The primary objective of the risk management system is to eliminate or mitigate the negative impacts of risks faced by the company while enhancing its value by accepting manageable risks and seizing the opportunities they pose. The system also serves to regularly monitor and assess the effectiveness of risk management tools and measures and ensures timely warning. Special attention is given to risks that, based on the significance assessment, pose the greatest threat.



The process of risk management includes the identification and assessment of risks and the definition and specification of controls and other measures aimed at mitigating risks and reporting specific risks. The monitored risks are assessed in terms of their potential impact and likelihood using three scenarios of possible development. New risks are constantly identified.

Risks are systematically monitored across categories including strategic, financial, operational, and compliance risks, with sustainability risks newly incorporated into the risk map. Sustainability risks related to environmental and social aspects are identified through an IRO (Impact, Risks and Opportunities) analysis conducted as part of ESG reporting, which serves to systematically detect these risks. Risks are regularly updated to ensure the relevance of mitigation measures and strategic responses to changing conditions and all identified risks are recorded in the risk catalogue.

The most significant impact on the company's financial performance results from legislative and regulatory risks, particularly those linked to the setting of key regulatory parameters and other applicable rules for the upcoming regulatory period (2026–2030), which could significantly influence the achievement of the company's expected financial results. Depending on their nature, operational risks are usually managed in a decentralised way by individual organisational units; the most significant operational risks and their management are assessed by internal audits.

The key body of the risk management system is the Risk Management Committee, which regularly debates summary risk management reports and formulates management strategies for the most important risks in view of the company's risk exposures. The Committee evaluates the total possible impact of risks on the company's economic results.

The risk management system and a relevant methodology are based on the methods and procedures of the EnBW corporate group. The monitored risks are reported at regular intervals using a unified structure stipulated by the risk management standards of the EnBW corporate group.

Subsidy schemes

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



PREdi participates in the following projects supported by state subsidies:

- > **Load management for power distribution** – No. TK04020195 in the Central Registry of Projects
The project is provided by the Technology Agency of the Czech Republic within its THÉTA Programme aimed at supporting applied research, experimental development and innovation. The project aims to design HW and SW technologies that will allow for a decentralised management of the operations of distribution networks and consumption points in the current modern energy sector. The primary beneficiary of the state subsidy is ZPA Smart Energy, a.s. PREdi also participates in this scheme, but in this case does not draw any resources. It was launched on 1 January 2022 and completed on 31 December 2024.
- > **Optimisation of AMM roll-out based on pilot projects and testing value-added communication systems** – No. TK04020157 in the Central Registry of Projects
The project is provided by the Technology Agency of the Czech Republic within its THÉTA Programme aimed at supporting applied research, experimental development and innovation). The goal was to develop a comprehensive metering system to support PLC technology used for smart meter communication. The primary beneficiary of the state subsidy is the Czech Technical University in Prague. PREdi also participated in the project and received state funding in line with project conditions. It was launched on 1 January 2022 and completed on 31 December 2024. Prototype measuring devices are already actively used in the PREdi network.
- > **Design, development and practical testing of IT system for optimisation of spare capacity of distribution network for electric vehicles charging using public charging network and testing of dynamic management of charging using V2G feature** – No. TK04020147 in the Central Registry of Projects
The project is provided by the Technology Agency of the Czech Republic within its THÉTA Programme aimed at supporting applied research, experimental development and innovation). The goal was to develop and test a solution that enables the distribution network operator to continuously provide charging infrastructure elements with information about the currently available distribution capacity in different parts of the network, thereby maximising its utilisation. This solution reduces investment costs on the distribution network side and accelerates the development of charging infrastructure. The primary beneficiary of the state subsidy is Unicorn Software Factory, a.s. PREdi also participates in this scheme, but in this case does not draw any resources. It was launched on 1 January 2022 and completed on 30 June 2024.
- > **Use of Vehicle-to-Grid (V2G) Technology for Providing Energy Flexibility** – No. TS01020030 in the Central Register of Projects
The project was initiated by the Technology Agency of the Czech Republic within its THÉTA Programme 2 aimed at supporting applied research and innovation. The project aims to design an economically sustainable model for utilising electric vehicles and their batteries to increase power flexibility and stabilise the electricity grid. The primary recipient of the state subsidy is the Czech Technical University in Prague. PREdi is also a participant in the project but does not receive state funding in this case. It was launched on 1 June 2024 and will run until 31 May 2027.

PREdi is also applying for grants under the National Recovery Plan (NPO), specifically within the call for the Construction, Reconstruction, and Modernisation of Distribution Networks – Call I. NPO. As part of this call, two applications were submitted in 2024 (CZ.31.6.0/0.0/0.0/23_116/0011212; CZ.31.6.0/0.0/0.0/23_116/0011211). The goal is to create additional capacities for connecting renewable energy sources to distribution networks by eliminating bottlenecks in the Czech Republic's grid. The supported activities are expected to be implemented in 2025.

Report on General Meetings

In 2024, five General Meetings were held in the form of resolutions issued by the parent company as the sole shareholder.



General Meeting held on 11 January

Agenda:

- > approval of the management's objectives for 2024.

General Meeting held on 7 March

Agenda:

- > evaluation of 2023 objectives and the payment of the annual performance bonus.

General Meeting held on 3 May

Agenda:

- > Report of the Board of Directors on Business Activities and Assets for 2023;
- > Supervisory Board Report on Activities;
- > the separate financial statements for 2023, the proposal for the distribution of 2023 profit, including the determination of the amount of dividends and director's fees and the method of payment;
- > the company's business strategy for 2024;
- > the Report on Relations for 2023; and,
- > the Annual Report for 2023.

General Meeting held on 11 July

Agenda:

- > approval of an advance payment of the variable yearly bonus to the Board of Directors' executive members.

General Meeting held on 7 November

Agenda:

- > election of a new member of the Supervisory Board.

Supervisory Board Report on Activities in 2024

In accordance with the Articles of Association, the Supervisory Board consists of four members. As a supervisory body, it oversees the performance of the company's business activities in compliance with the law and the Articles of Association.



In 2024, four meetings of the Supervisory Board were held. They were regularly attended by the chairperson and the vice-chairperson of the Board of Directors.

The Supervisory Board continuously monitored the activities of the company and the key decisions of the Board of Directors. The Board of Directors regularly informed the Supervisory Board about the current developments in the company, its economic results, the implementation of the investment plan, and the company's financial situation. To this end, the Board of Directors submitted written materials and its members commented on them when the materials were debated by the Supervisory Board.

In 2024, the Supervisory Board, amongst others:

- > reviewed and examined the Report on Relationships for 2023 and found no discrepancies in the report within the meaning of the requirements of the Business Corporations Act, including an assessment of any potential harm and its possible compensation under Sections 71 and 72;
- > reviewed the Board of Directors' report on the company's business activities and financial position for 2023;
- > reviewed and examined the separate financial statements for 2023, took note of the auditor's opinion on the financial statements, and concluded that the financial statements provide a true and fair view of the company's assets, financial position, and business results;
- > reviewed the proposal for the distribution of 2023 profit, including determination of the amount of profit shares (dividends) and directors' fees and the method of payment; it recommended its adoption by the General Meeting;
- > debated the Annual Report for 2023;
- > debated and reviewed the company's business strategy for 2024;
- > debated the materials to be debated by the General Meeting of the company convened on 3 May 2024;
- > reviewed the economic plan for 2025 and the draft plan for 2026–2027;
- > reviewed and approved the investment plan for the project Západní Město – Finep, upgrade of the 22 kV network from the Jinonice TR 9919;
- > reviewed and approved the investment plan for the project Západní Město – Finep, upgrade of the 22 kV network from the Zličín TR 9910;
- > reviewed and approved the investment plan for the project Reconstruction of overhead lines V 111, V 112, V 113, V 114, V 109 between the Sever – Letňany TRs;
- > reviewed and approved the investment plan for the project Reconstruction of overhead lines V 111, V 112, V 113, V 114 – Section between the Letňany – Východ TRs; .
- > reviewed and approved the investment plan for the project SCADA Upgrade 2023;
- > reviewed and approved the investment plan for the project Upgrade of 110/22 kV transformation, addition of third section R 22 kV and renewal of secondary equipment at the Smíchov TR;
- > took of the result of the discussion of parameters for the sixth regulatory period; and,
- > took note of the allocated subsidy under the National Recovery Plan.

The Supervisory Board declares that the company's economic results in 2024 were very good and expresses its thanks for them to the members of the Board of Directors as well as the company's employees.

In Prague, 25 February 2025

Signed by

Pavel Elis

chairperson of the Supervisory Board



140



EV charging made accessible thanks to wallboxes

Wallboxes for public EV charging are now being installed directly on transformer stations in residential areas. With their distinctive, unified design, they're easy to spot—and even easier to use. Today, 140 of these smart wallboxes are up and running across Prague.



Report on Relations of PREdistribuce, a.s., for 2024

(“the Report on Relations”) drawn up in accordance with Section 82 of Act No. 90/2012 Sb., on Business Corporations and Cooperatives (“the Business Corporations Act”) for the accounting period of 1 January to 31 December 2024. The relations are described in a manner respecting the provisions of Section 504 of Act No. 89/2012 Sb., the Civil Code, concerning trade secrets, and by analogy with the provisions of Section 359 of the Business Corporations Act concerning restrictions of information provision.



1. The structure of the relations between the controlled entity and the controlling entity, role of the controlled entity and the manner and means of control

Controlling entity (managing entity): **Pražská energetika, a.s. (PRE)**, registered office Prague 10, Na Hroudě 1492/4, 100 00, ID No.: 60193913, registered at the Municipal Court in Prague, file number B 2405, owns a 100% share of the managing entity.

Controlled entity (managed entity): **PREdistribuce, a.s. (PREdi)**, registered office Prague 5, Svornosti 3199/19a, 150 00, ID No.: 27376516, registered at the Municipal Court in Prague, file number B 10158.

The companies PREdistribuce, a.s., PREzákaznická, a.s. (PREzak), PREenergo, a.s. (PREe), eYello CZ, k.s. (Yello), KORMAK Praha a.s. (KORMAK Praha), PREservisní, s.r.o. (PREs), VOLTCOM, spol. s r.o. (VOLTCOM) and PRE distribuční služby, a.s. (PREds) together form a group with PRE as the managing entity. Also part of the group is PREnetcom, a.s. (PREnetcom), a 100% subsidiary of PREdi, which is its managing entity. Together with other entities, they form the PRE Group (PRE Group).

The PRE Group also includes 100% subsidiaries of PREenergo, a.s., namely: PRE FVE Světlík, s.r.o., SOLARINVEST – GREEN ENERGY, s.r.o., FRONTIER TECHNOLOGIES, s.r.o., PRE VTE Částkov, s.r.o., PRE FVE Nové Sedlo, s.r.o., and PRO EMV, s.r.o., a 100% subsidiary of PREservisní, s.r.o. (since 5 March 2024).

As of 28 November 2024, the PRE Group also includes Skupina SOLIDSUN a.s., a 100% subsidiary of PREenergo, a.s., and its 100% subsidiaries: SOLIDSUN s.r.o., SOLIDSUN ESCO s.r.o., SOLIDSUN Energie a.s., Energocalc s.r.o., ELEKTRO – FA. PAVELEK, s.r.o., SOLIDSUN s.r.o. established under Slovak law, and Akusolar s.r.o., a 100% subsidiary of SOLIDSUN s.r.o.

The companies in which members of the PRE Group hold equity interests are: NETFIN Infrastructure, a.s., a 50% subsidiary of PREnetcom, a.s., Rezident Park 9 s.r.o., a 50% subsidiary of PREservisní, s.r.o., and Elektroenergetické datové centrum, a.s., a 25% subsidiary of PREdistribuce, a.s.

PREdi is a 100% subsidiary of PRE. PRE elects and removes members of the Board of Directors and the Supervisory Board of PREdi. PRE defines the strategic management of the PRE Group and also makes decisions about PREdi's business concept, including the rules of remuneration and the principles of collective bargaining. PRE formulates, assesses and supervises the objectives of the executive management of PREdi. PRE also gives PREdi's Board of Directors strategic instructions and defines strategic principles. PREdi follows the internal group guidelines of PRE. PREdi is a part of the consolidation PRE Group. The above described management of PREdi by PRE is carried out within the scope defined by applicable law, especially Section 25a of Act No. 458/2000 Sb., the Energy Act. The role of PREdi within the PRE corporate group is to be a stable and reliable operator of the distribution system in the capital and in the city of Rožtoky. PREdi meets the requirements and expectations of the distribution network users by using state-of-the-art technologies and procedures.

PREdi is at the same time the controlling entity of its 100% subsidiary PREnetcom, a.s. As such, PREdi elects and removes members of PREnetcom's Supervisory Board, approves its business strategy and establishes the strategic vision and principles to its Board of Directors.

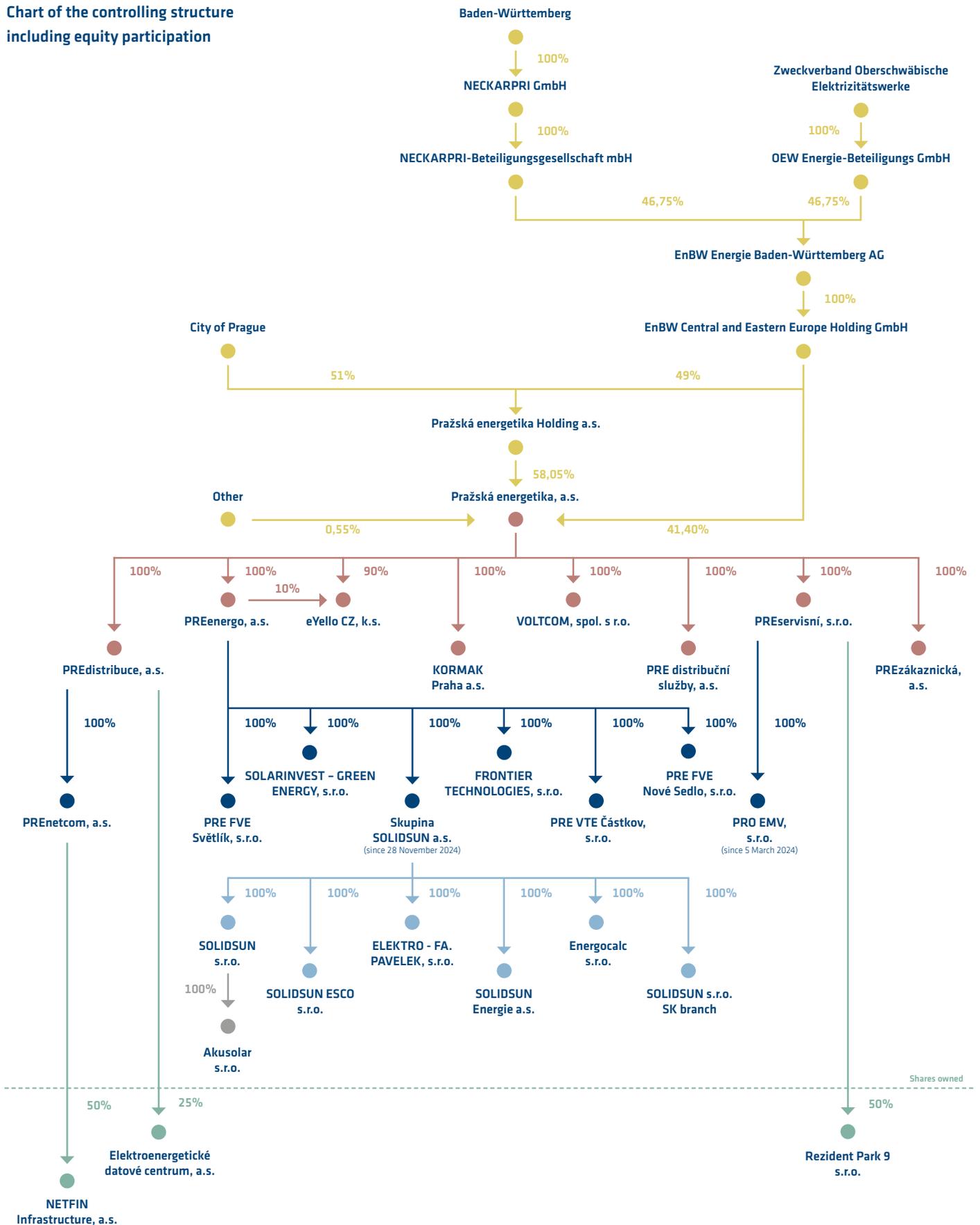
Overview of the companies forming the PRE Group together with the controlling and controlled entity:

- > **PREzákaznická, a.s.**, registered office Prague 10, Na Hroudě 1492/4, 100 00, ID No.: 06532438, file number B 22870 registered at the Municipal Court in Prague;
- > **PREenergo, a.s.**, registered office Prague 10, Na Hroudě 2149/19, 100 05, ID No. 25677063, file number B 5433 registered at the Municipal Court in Prague;
- > **eYello CZ, k.s.**, registered office Prague 10, Kubánské náměstí 1391/11, 100 00, ID No. 25054040, file number A 76596 registered at the Municipal Court in Prague;
- > **KORMAK Praha a.s.**, registered office Prague 10, náměstí Bratří Jahnů 34/34, 104 00, ID No. 48592307, file number B 20181, registered at the Municipal Court in Prague;
- > **PREservisní, s.r.o.**, registered office Prague 10, Na Hroudě 1492/4, 100 00, ID No. 02065801, file number C 215222 registered at the Municipal Court in Prague;
- > **VOLTCOM, spol. s r.o.**, registered office Prague 6, Otevřená 1092/2, 169 00, ID No. 44794274, file number C 7541 registered at the Municipal Court in Prague;
- > **PRE distribuční služby, a.s.**, registered office Prague 10, Na Hroudě 1492/4, 100 00, ID No. 19826982, file number B 28442 registered at the Municipal Court in Prague;
- > **PREnetcom, a.s.**, registered office Prague 10, Na Hroudě 1492/4, 100 00, ID No. 06714366, file number B 23057 registered at the Municipal Court in Prague;
- > **PRE FVE Světlík, s.r.o.**, registered office Prague 10, Na Hroudě 2149/19, 100 00, ID No. 28080378, file number C 287994 registered at the Municipal Court in Prague;
- > **SOLARINVEST – GREEN ENERGY, s.r.o.**, registered office Prague 10, Na Hroudě 2149/19, 100 00, ID No. 28923405, file number C 153406 registered at the Municipal Court in Prague;
- > **FRONTIER TECHNOLOGIES, s.r.o.**, registered office Prague 10, Na Hroudě 2149/19, 100 00, ID No. 27234835, file number B 106530 registered at the Municipal Court in Prague;
- > **PRE VTE Částkov, s.r.o.**, registered office Prague 10, Na Hroudě 2149/19, 100 00, ID No. 27966216, file number C 327201 registered at the Municipal Court in Prague;
- > **PRE FVE Nové Sedlo, s.r.o.**, registered office Prague 10, Na Hroudě 2149/19, 100 00, ID No. 11911913, file number C 356261 registered at the Municipal Court in Prague;
- > **PRO EMV, s.r.o.**, registered office Prague 10, Na Hroudě 1492/4, 100 00, ID No. 21330000, file number C 400205 registered at the Municipal Court in Prague;
- > **Skupina SOLIDSUN a.s.**, registered office Frýdek-Místek, Míru 3267, 738 01, ID No. 07664761, file number B 11127 registered at the Regional Court in Ostrava;
- > **SOLIDSUN s.r.o.**, registered office Frýdek-Místek, Míru 3267, 738 01, ID No. 02258129, file number C 57425 registered at the Regional Court in Ostrava;
- > **SOLIDSUN ESCO s.r.o.**, registered office Frýdek-Místek, Míru 3267, 738 01, ID No. 09493841, file number C 83245 registered at the Regional Court in Ostrava;
- > **SOLIDSUN Energie a.s.**, registered office Frýdek-Místek, Míru 3267, 738 01, ID No. 09293507, file number B 11229 registered at the Regional Court in Ostrava;
- > **Energocalc s.r.o.**, registered office Prague 4, Na strži 1702/65, 140 00, ID No. 09075241, file number C 353585 registered at the Municipal Court in Prague;
- > **ELEKTRO – FA. PAVELEK, s.r.o.**, registered office Opava, Ostravská 327/54, 747 70, ID No. 60322195, file number C 11443 registered at the Regional Court in Ostrava;
- > **SOLIDSUN s.r.o.** – entity established under Slovak law – registered office Nitra, Chotárna 41, 949 01, Slovakia, ID No. 36300543 (SK), file number Sro 63249/N registered at the District Court in Nitra; and,
- > **Akusolar s.r.o.**, registered office Frýdek-Místek, 8. pěšího pluku 2380, 738 01, ID No. 06273271, file number C 81493 registered at the Regional Court in Ostrava.

Joint ventures

- > **NETFIN Infrastructure, a.s.** (50% stake owned by PREnetcom), registered office Prague 10, Na Hroudě 1492/4, ID No.: 17093881, registered at the Municipal Court in Prague, file number B 27250;
- > **Rezident Park 9 s.r.o.** (50% stake owned by PREs since 31 May 2023), registered office Prague 8, Koželužská 2450/4, Libeň, 180 00, ID No.: 09771298, registered at the Municipal Court in Prague, file number C 342289; and,
- > **Elektroenergetické datové centrum, a.s.** (25% stake owned by PREdi since 13 December 2023), registered office Prague 10, Na Hroudě 1492/4, 100 00, ID No.: 21020264, registered at the Municipal Court in Prague, file number B 2849.

Chart of the controlling structure including equity participation



2. Overview of the actions carried out during the last accounting period on the instigation or in the interest of the controlling entity or its controlled entities if such actions concerned assets exceeding 10% of the equity of the controlled entity as identified in the last financial statements

In 2024, no actions concerning assets exceeding 10% of PREdi's equity were carried out on the instigation or in the interest of the managing entity or its controlled entities.

3. Overview of mutual contracts between the controlled entity and the controlling entity and between the controlled entities

a) Contracts between PREdi and PRE

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

Contract on electricity supply to cover losses in the distribution system and for the own needs of the distribution system operator No. P200006/14 – in effect from 1 January 2006 for an indefinite period of time

Contract on the provision of short-term loans No. P200006/22 – in effect from 30 November 2005 for an indefinite period of time

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

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

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

Lease contract No. NO21109/006 – in effect from 1 April 2009 for an indefinite period of time

Contract on the establishment of easement No. VV/G33/04457/08 – in effect from 31 March 2008 to 2 April 2048

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

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

Contract on long-term loan No. 2/2014 PS20000014/030 – in effect from 26 November 2014 to 28 November 2026

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

Contract on the lease of non-residential premises for business No. NV/S21/1633025 – in effect from 1 March 2016 for an indefinite period of time

Contract on the lease of non-residential premises for business No. NV/S21/1633026 – in effect from 1 March 2016 for an indefinite period of time, as amended

Contract on the lease of non-residential premises for business No. NV/S21/1633022 – in effect from 1 March 2016 for an indefinite period of time, as amended

Contract on the lease of non-residential premises for business No. NV/S21/1633026 – in effect from 1 March 2016 for an indefinite period of time, as amended

Contract on the lease of non-residential premises for business No. NV/S21/1633021 – in effect from 1 March 2016 for an indefinite period of time

Contract on the lease of non-residential premises for business No. NV/S21/1633024 – in effect from 1 March 2016 for an indefinite period of time, as amended

Contract on the lease of non-residential premises for business No. NV/S21/1633027 – in effect from 1 March 2016 for an indefinite period of time, as amended

Contract on the lease garage parking spaces No. NV/S21/1634181 – in effect from 1 April 2016 for an indefinite period of time, as amended

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

Contract on the provision of short-term loans No. PS20000017/009 – in effect from 17 February 2017 for an indefinite period of time

Contract on the cooperation on the construction of charging stations No. PS21001018/036 – in effect from 14 June 2018 to 31 December 2028

Contract on the sale of electricity in "PREpoint" public charging stations No. 191600180/PS20000019/045 – in effect from 20 February 2019

Contract of mandate to contract No. PS20000021/025 (services linked to damage-causing events) – in effect from 21 July 2021 for an indefinite period of time

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

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

Contract on long-term loan No. 1/2024, PS20000024/033 – in effect from 30 July 2024 to 1 August 2036

Framework agreement on the options and conditions for active power export for the provision of balancing services for ČEPS, a.s., via Distribution System No. 001_2022_RS – in effect from 3 October 2022 for 5 years

2 purchase agreements for the acquisition of real estate (land)

12 contracts on the establishment of easement to place PREdi's distribution system equipment in PRE's immovable assets, concluded for an indefinite period of time

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

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

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

b) Contracts between PREdi and PREs

Contract on the provision of services No. PS20000024/006, D6000/LS/2024/0009 – in effect from 1 January 2024 for an indefinite period of time

Contract on the supply of metering equipment No. KV/S25/2361726, M5200/RS/2022/0003 – in effect from 1 January 2023 to 31 December 2026

Contract on the supply of defunct metering equipment No. S252007/003, C00261/06 – in effect from 30 December 2006 for an indefinite period of time

Contract on the supply of used metering equipment No. S252007/004, C00260/06 – in effect from 30 December 2006 for an indefinite period of time

c) Contracts between PREdi and PREe

Contract on the provision of services No. PS20000024/005, E6000/O/2024/002 – in effect from 1 January 2024 for an indefinite period of time

Contract for work No. P20006/19, C00203/06 – in effect from 1 March 2006 for an indefinite period of time, as amended

Contract on the lease of land No. N21110/016, C00418/10 – in effect from 1 April 2010 to 31 December 2030

Contract on the lease of land No. N021110/004, C00438/10 – in effect from 1 September 2010 to 31 December 2030

Contract on the lease of land No. N21110/039, C00436/10 – in effect from 1 October 2010 to 31 December 2035, as amended

Contract on the lease of a part of real estate No. N021110/005, C00439/10 – in effect from 1 October 2010 to 31 December 2035, as amended

9 contracts on the cooperation on performing work on unmeasured parts of electricity consumption equipment

Contract on personal data processing No. PS27200021/007 – in effect from 9 August 2021 for the time of the effect of the above-listed contracts

Contract on the provision of distribution system services from MV and HV with the operator of local distribution system No. 80003131, M6100/E/2016/0126 – in effect from 15 November 2016 for an indefinite period of time

Contract on the provision of distribution system services from MV and HV with the operator of local distribution system No. 80006860, E7000/O/2024/145 – in effect from 28 March 2024 for an indefinite period of time

Contract on the establishment of easement No. VV/G33/12987/1841915 – in effect from 9 April 2018 for an indefinite period of time

Contract on the lease of land No. NO/ S21/2469035, E7000/N/2024/065 – in effect from 1 April 2024 for an indefinite period of time

Contract on the lease of land No. NO/ S21/2469185, E6000/010 – in effect from 1 May 2024 for an indefinite period of time

Lease contract No. NO/S21/2470498, E8000/N/2024/088 (lease of a building) – in effect from 1 October 2024 for an indefinite period of time

Partial agreement on the options and conditions for active power export for the provision of balancing services for ČEPS, a.s., via Distribution System No. SVR_d_001_2024 – in effect from 20 March 2024 for 5 years

Agreement on enabling the use of the delivery point for the provision of balancing services for ČEPS, a.s., No. m_001_2024 – in effect from 4 July 2024 for 5 years

Contracts on the purchase of a movable asset (electric bike)

Order for e-bike battery purchase

Order for e-bike battery inspection

5 orders for separator machines installation

d) Contracts between PREdi, PREd and PREe

Agreement on the assignment of a contract pursuant to Sections 1895 et seq. of Act No. 89/2012 Sb., the Civil Code, No. PS20000024/022, D6000/SL/2024/0015, E6000/O/2024/008 – in effect from 1 January 2024

e) Contracts between PREdi and PREzak

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

f) Contracts between PREdi and Yello

General contract on electricity distribution to consumption points of the electricity trader's customers No. S00/10390 – in effect from 16 November 2012 for an indefinite period of time, as amended

g) Contracts between PREDi and KORMAK Praha

Contract on the provision of services No. PS20000024/018 – in effect from 1 January 2024 for an indefinite period of time

Contract on work – provision of expert services in the network of PREDistribuce, a.s., No. PS23000117/002 – in effect from 1 February 2017 for an indefinite period of time, as amended, including individual orders

Contract of mandate to contract No. PS23000117/002 – in effect from 1 December 2017 for an indefinite period of time

Contract for work – graphic and drawing documentation No. PS21002012/004 – in effect from 15 February 2012 for an indefinite period of time

Contract on personal data processing No. PS27200021/2019/008 – in effect from 17 December 2021 for an indefinite period of time

Contract on the cooperation on performing work on unmeasured parts of electricity consumption equipment No. PS27200022/002 – in effect from 11 January 2022 to 14 December 2026

Lease contract – supply contract No. NV/S24/1946371 – in effect from 11 July 2019 for an indefinite period of time

Contract on the provision of dispatcher control services and handling No. PS23330224/011 – in effect from 1 January 2024 to 31 December 2024

General purchase agreement for the supply of SG5 switchgear No. R/S24/2466947, No. V 4010/PREDi/2021/001, including orders – in effect from 30 March 2021 for an indefinite period of time, as amended

General purchase agreement No. R/S24/2365069 (supply of AXH switchgear) – in effect from 24 August 2023 for an indefinite period of time, as amended

Contract on work – provision of design and engineering services for the construction of a relay equipment within the distribution system, No. 99/S24/PR/2363502 – in effect from 16 August 2023 to 30 April 2024, as amended

Contract on work – provision of design and engineering services for the construction of a relay equipment within the distribution system, No. 99/S24/PR/2469096 – in effect from 26 June 2024 to 31 October 2024, 6 contracts for work on carrying out repairs of distribution system equipment

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

136 contracts for work on carrying out construction of the distribution system equipment

h) Contracts between PREDi and PREs

Contract on the provision of services No. PS20000023/006 – in effect from 1 January 2023 for an indefinite period of time

Framework agreement for the coordination and planning of Occupational Health and Safety (OHS) No. R/S24/2361411 – in effect from 1 January 2023 for an indefinite period of time, including 3 orders

Contract on the establishment of an easement No. VV/G33/16240/2362666 – in effect from 25 April 2023 to 30 December 2030 or until the 1st day of the month following the commissioning of the new TR (whichever occurs earlier)

Purchase agreement No. KV/G33/17323/2470047 (on immovable assets) – in effect from 20 September 2024

Agreement on the conclusion of a future purchase agreement (real estate) No. KB/S24/2468722 – in effect from 8 July 2024

Agreement on the conclusion of a future easement agreement No. VB/S24/2468725 – in effect from 8 July 2024

Contract on the lease of land No. NV/S21/2468718 – in effect from 10 July 2024, for a fixed term until the formal handover of the vacated land to the lessor

Agreement on a future exchange contract (real estate – land) No. CB/G33/2468724 – in effect from 8 July 2024

Purchase agreement No. KV/G33/17171/2468686 and Network placement agreement No. JV/G33/17173/2468688 – in effect from 8 July 2024

Purchase agreement No. KV/G33/17174/2468689 and Network placement agreement No. JV/G33/17176/2468691 – in effect from 8 July 2024

2 orders for the draft of OHS planning

i) Contracts between PREDi and VOLTCOM

Contract on the provision of services No. PS20000024/017 – in effect from 1 January 2024 for an indefinite period of time

Contract on personal data processing No. PS27200019/012 – in effect from 16 December 2019 for an indefinite period of time

Contract on the cooperation on performing work on unmeasured parts of electricity consumption equipment No. PS27200019/013 – in effect from 17 December 2019 to 20 November 2024, or until the cooperating partner's certificate expires

Contract on the provision of maps No. PS21002011/005 – in effect from 21 December 2010 for an indefinite period of time

General contract for work No. PO/S21/2261180 – installation, dismantling and disposal of transformers – in effect from 1 January 2023 to 31 December 2025

Contract on the provision of dispatcher control services and handling No. PS23330224/001 – in effect from 1 January 2024 to 31 December 2024

Contract for work (inspection and maintenance of transformer stations) No. PS23000124/015 – in effect from 1 June 2024 until 31 December 2024

4 contracts on work to perform a job – in effect from 10 January 2024 to 31 December 2024

2 contracts for work on the provision of design and engineering services for the repairs of distribution system equipment

21 contracts for work on carrying out repairs of distribution system equipment

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

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

2 purchase agreements for the sale of transformers

j) Contracts between PREdi and PREnetcom

Contract on the assignment of contract No. PS20000019/021 – in effect from 1 February 2019 (contract for work No. 8237/98 – servicing – dated 28 July 1998, as amended)

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

Contract on the lease of non-residential premises for business No. NO/S21/2153642 – in effect from 1 May 2021 for an indefinite period of time

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

238 contracts for work on carrying out construction of the distribution system equipment

k) Contracts between PREdi, PRE and PREnetcom

General contract on the provision of services No. PS20000019/010 – in effect from 1 January 2019 to 31 December 2048

The PRE Group and PREdi have concluded contracts on the conclusion of a contract on the connection to the distribution system for all new consumption points.

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

4. Review of whether the controlled entity incurred damage and a review of its settlement

PREdi has not incurred any damage from the relation with the controlling entity or the entities controlled by the managing entity or from the above mentioned contractual relationships. Transactions arising from the above mentioned contractual relationships are agreed in prices usual at the place and time; no preferential treatment was provided to one party or the other.

5. Advantages and disadvantages arising from the relations between the controlled entity and the controlling entity and between the controlled entity and the entities controlled by the controlling entity, and the risks that arise from them and information on the potential settlement of damage

PREdi has not incurred any damage or faced any risks resulting from the relation with the managing entity or the entities controlled by the managing entity, or from the above mentioned contractual relationships.

Cooperation between PREdi and PRE and the companies of the PRE Group, respectively, brought considerable advantages to PREdi thanks to the acquired know-how. Owing to its affiliation with the corporate group, PREdi has, in particular, access to the corporate group's knowledge and experience, as well as to the technology used, the real estate and all the advantages and synergies it brings.

The Board of Directors, as the statutory body of PREdi, declares that the data contained in this Report on Relations are correct and complete and that the procedure of drawing up the Report on Relations according to Section 82 et seq. of the Business Corporations Act made full use of all the information and data which the statutory body has at its disposal and which it has ascertained acting with due diligence.

In Prague, 6 March 2025

Signed by

Milan Hampl

chairperson of the Board of Directors

Signed by

Petr Dražil

vice-chairperson of the Board of Directors



KPMG Česká republika Audit, s.r.o.

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*This document is an unsigned English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.*

Independent Auditor's Report

to the Shareholder of PREdistribuce, a.s.

Opinion

We have audited the accompanying financial statements of PREdistribuce, a.s. ("the Company"), prepared in accordance with Czech accounting legislation, which comprise the balance sheet as at 31 December 2024, and the income statement, the statement of changes in equity and the cash flow statement for the year then ended, and notes to the financial statements, comprising material accounting policies. Information about the Company is set out in Note "General information" to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Czech accounting legislation.

Basis for Opinion

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



Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body 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 laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

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

- the other information describing matters that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- the other information has been prepared in accordance with applicable laws and regulations.

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

Responsibilities of the Statutory Body and Supervisory Board for the Financial Statements

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

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

The Supervisory Board is responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Report on relations

We have reviewed the factual accuracy of the information disclosed in the report on relations of PREdistribuce, a.s. (“the Company”) for the year ended 31 December 2024. The responsibility for the preparation and factual accuracy of this report rests with the Company’s statutory body. Our responsibility is to express our view on the report on relations based on our review.

We conducted our review in accordance with Auditing Standard No. 56 of the Chamber of Auditors of the Czech Republic. This standard requires that we plan and perform the review to obtain limited assurance as to whether the report on relations is free of material misstatement. A review is limited primarily to inquiries of the Company’s personnel and analytical procedures and examination, on a test basis, of the factual accuracy of information, and thus provides less assurance than an audit. We have not performed an audit of the report on relations and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that would lead us to believe that the report on relations of PREdistribuce, a.s. for the year ended 31 December 2024 contains material factual misstatements.

Statutory Auditor Responsible for the Engagement

Petr Kuna is the statutory auditor responsible for the audit of the financial statements of PREdistribuce, a.s. as at 31 December 2024, based on which this independent auditor’s report has been prepared.

Prague
2 May 2025

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

Signed by

Petr Kuna
Partner
Registration number 2476

Separate financial statements of PREdistribuce, a.s.

In full format as at 31 December 2024

Separate financial statements prepared in accordance with Act No. 563/1991 Sb., the Accounting Act, as amended; Regulation No. 500/2002 Sb., which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and the Czech Accounting Standards for Businesses, as amended.

Income statement (TCZK)

Ident.	Text	Note	2024	2023
I.	Revenue from distribution services and other revenues	(1)	11,413,486	7,437,239
I. 1.	Revenue from distribution services		11,379,906	7,407,921
I. 2.	Other revenues		33,580	29,318
A.	Cost of sales	(3)	(8,075,474)	(4,190,688)
A. 2. 1.	Cost of transit and system services and losses		(6,224,618)	(2,343,531)
A. 2. 2.	Consumed material and energy		(25,519)	(32,844)
A. 3.	Purchased services		(1,825,337)	(1,814,313)
D.	Personnel expenses	(2)	(649,137)	(618,909)
D. 1.	Wages and salaries		(446,779)	(420,894)
D. 2.	Social security and health insurance expenses and other expenses		(202,358)	(198,015)
D. 2. 1.	Social security and health insurance expenses		(156,225)	(146,783)
D. 2. 2.	Other expenses		(46,133)	(51,232)
E.	Adjustments relating to operating activities		(1,417,022)	(1,365,556)
E. 1.	Adjustments to intangible and tangible fixed assets		(1,424,100)	(1,371,851)
E. 1. 1.	Depreciation and amortisation of intangible and tangible fixed assets	(6, 7)	(1,424,100)	(1,371,851)
E. 3.	Adjustments to receivables	(9)	7,078	6,295

Income statement (TCZK)

Ident.	Text	Note	2024	2023
III.	Other operating revenues		314,536	274,234
III. 1.	Proceeds from disposals of fixed assets		73,793	53,369
III. 2.	Proceeds from disposals of raw materials		3,544	1,850
III. 3.	Other operating revenues	(1)	237,199	219,015
F.	Other operating expenses		(80,452)	(157,531)
F. 1.	Net book value of fixed assets sold		(32,857)	(61,998)
F. 3.	Taxes and charges		(2,555)	(2,182)
F. 4.	Provisions relating to operating activity and complex prepaid expenses		2,803	(3,918)
F. 5.	Other operating expenses		(47,843)	(89,433)
*	Operating profit (loss)		1,505,937	1,378,789
VI.	Interest revenue and similar revenue		-	1
J.	Interest expense and similar expense	(4)	(438,362)	(356,606)
J. 1.	Interest expense and similar expense - group undertakings		(435,670)	(354,124)
J. 2.	Other interest expense and similar expense		(2,692)	(2,482)
VII.	Other financial revenue		1	34
K.	Other financial expense		(183)	(175)
*	Profit (loss) from financial operations		(438,544)	(356,746)
**	Profit (loss) before tax	(5)	1,067,393	1,022,043
L.	Income tax	(5)	(227,510)	(534,067)
L. 1.	Current income tax		(181,210)	(160,744)
L. 2.	Deferred income tax		(46,300)	(373,323)
**	Profit (loss) after tax		839,883	487,976
***	Profit/loss for the period		839,883	487,976
*	Net turnover for the period		11,620,646	

Balance sheet (TCZK)

Ident.	ASSETS	Note	2024			2023
			Gross	Adjust.	Net	Net
	TOTAL ASSETS		65,388,577	(32,410,529)	32,978,048	31,272,883
B.	Fixed assets		62,364,872	(32,374,682)	29,990,190	29,050,720
B. I.	Intangible fixed assets	(7)	56,215	(52,719)	3,496	16,438
B. I. 1.	Research and development		41,275	(39,838)	1,437	2,530
B. I. 2. 1.	Software		13,501	(12,881)	620	2,580
B. I. 5. 2.	Intangible fixed assets under construction		1,439	-	1,439	11,328
B. II.	Tangible fixed assets	(6)	62,289,495	(32,321,963)	29,967,532	29,017,182
B. II. 1.	Land and buildings		45,312,847	(22,035,952)	23,276,895	22,681,720
B. II. 1. 1.	Land		683,553	-	683,553	711,257
B. II. 1. 2a.	Cables and overhead power lines		28,470,510	(12,761,643)	15,708,867	15,048,511
B. II. 1. 2b.	Power structures		16,158,784	(9,274,309)	6,884,475	6,921,952
B. II. 2.	Plant and equipment		13,791,455	(8,911,878)	4,879,577	4,768,210
B. II. 2. 2a.	Transformer station and distribution plant technology		10,719,254	(6,996,242)	3,723,012	3,706,694
B. II. 2. 2b.	Dispatching and control system equipment		2,733,219	(1,659,439)	1,073,780	992,783
B. II. 2. 2c.	Other equipment		338,982	(256,197)	82,785	68,733
B. II. 4.	Other tangible fixed assets		2,412,293	(1,374,133)	1,038,160	1,054,624
B. II. 4.3.	Other tangible fixed assets – electricity meters in the network		2,412,293	(1,374,133)	1,038,160	1,054,624
B. II. 5.	Advance payments for tangible fixed assets and tangible fixed assets under construction		772,900	-	772,900	512,628
B. II. 5. 1.	Advance payments for tangible fixed assets		21,803	-	21,803	21,424
B. II. 5. 2.	Tangible fixed assets under construction		751,097	-	751,097	491,204
B. III.	Long-term investments	(8)	19,162	-	19,162	17,100
C.	Current assets		3,015,293	(35,847)	2,979,446	2,210,335
C. I.	Inventories		-	-	-	2
C. I. 5.	Advance payments for inventories		-	-	-	2
C. II.	Receivables		3,012,938	(35,847)	2,977,091	2,208,071
C. II. 1.	Long-term receivables		85	-	85	83
C. II. 1. 1.	Trade receivables		80	-	80	78
C. II. 1. 5.	Receivables – other		5	-	5	5
C. II. 2.	Short-term receivables		3,012,853	(35,847)	2,977,006	2,207,988
C. II. 2. 1.	Trade receivables	(9)	159,078	(35,847)	123,231	54,404
C. II. 2. 2.	Receivables – group undertakings	(18)	2,161	-	2,161	11
C. II. 2. 4.	Receivables – other		2,851,614	-	2,851,614	2,153,573
C. II. 2. 4. 3.	Tax receivables		31,327	-	31,327	107,767
C. II. 2. 4. 4.	Short-term advances paid		717	-	717	56,244
C. II. 2. 4. 5.	Estimated receivables	(18)	2,819,155	-	2,819,155	1,989,042
C. II. 2. 4. 6.	Other receivables		415	-	415	520
C. IV.	Cash		2,355	-	2,355	2,262
C. IV. 1.	Cash on hand		2,355	-	2,355	2,258
C. IV. 2.	Bank accounts		-	-	-	4
D.	Deferrals		8,412	-	8,412	11,828

Balance sheet (TCZK)

Ident.	LIABILITIES AND EQUITY	Note	2024	2023
TOTAL LIABILITIES AND EQUITY			32,978,048	31,272,883
A.	Equity	(10)	18,554,867	18,196,084
A. I.	Share capital		17,707,934	17,707,934
A. IV.	Retained profits		7,050	174
A. V.	Profit (loss) for the period		839,883	487,976
B. + C.	Liabilities		12,156,489	10,917,287
B.	Provisions		197,462	191,411
B. 4.	Other provisions	(11)	197,462	191,411
C.	Payables		11,959,027	10,725,876
C. I.	Long-term liabilities		9,766,179	8,719,879
C. I. 6.	Liabilities – group undertakings	(18)	6,200,000	5,200,000
C. I. 8.	Deferred tax liability	(12)	3,566,179	3,519,879
C. II.	Short-term payables		2,192,848	2,005,997
C. II. 3.	Short-term advances received		679,022	409,062
C. II. 4.	Trade payables	(13)	402,403	116,436
C. II. 6.	Liabilities – group undertakings	(18)	900,969	1,327,814
C. II. 8.	Liabilities – other		210,454	152,685
C. II. 8. 3.	Payables to employees		25,799	23,652
C. II. 8. 4.	Social security and health insurance liabilities	(5)	15,207	13,826
C. II. 8. 5.	Tax liabilities and subsidies	(5)	126,951	46,941
C. II. 8. 6.	Estimated payables		41,824	67,612
C. II. 8. 7.	Other payables		673	654
D.	Accruals		2,266,692	2,159,512
D. 1.	Accrued expenses		178,781	146,559
D. 2.	Deferred revenues	(14)	2,087,911	2,012,953

Statement of changes of equity (TCZK)

	Fund				
	Share capital	from profit - reserve fund	Profit/ loss	Retained earnings	Total equity
Balance as at 31 December 2022	17,707,934	0	1,280,093	182	18 988 209
Dividend payments	-	-	(1,268,993)	(7)	(1,269,000)
Directors' fees paid	-	-	(11,100)	-	(11,100)
Rounding	-	-	-	(1)	(1)
Net profit for 2023	-	-	487,976	-	487,976
Balance as at 31 December 2023	17,707,934	-	487,976	174	18,196,084
Dividend payments	-	-	(470,000)	-	(470,000)
Directors' fees paid	-	-	(11,100)	-	(11,100)
Retained profits	-	-	(6,876)	6,876	-
Rounding	-	-	-	-	-
Net profit for 2024	-	-	839,883	-	839,883
Balance as at 31 December 2024	17,707,934	-	839,883	7,050	18,554,867

Cash flow statement (TCZK)

	Note	2024	2023
Cash and cash equivalents at the beginning of the period	(19)	(910,167)	(1,640,012)
Operating activity			
Accounting profit from ordinary activities before taxation		1,067,393	1,022,043
Depreciation and amortisation	(6, 7)	1,424,100	1,371,851
Write-off of doubtful receivables and other assets		8,772	5,255
Change in adjustments and provisions	(9, 11)	(1,028)	9,687
Investment contributions accounted for in revenues	(14)	(207,160)	(199,498)
Gains (losses) from sale and disposal of fixed assets		(30,301)	67,618
Interest	(4)	435,670	354,124
Net cash flow from operating activity before changes in working capital		2,697,446	2,631,080
Change in receivables from operating activity and deferrals		(841,979)	324,271
Change in short-term payables from operating activity and accruals		378,078	(6,984)
Change in inventories		2	4
Net cash flow from operating activity before taxation and interest		2,233,547	2,948,371
Interest paid	(4)	(403,449)	(301,204)
Interest received	(4)	-	1
Income tax paid		(104,770)	(264,291)
Net cash flow from operating activity		1,725,328	2,382,877
Investment activity			
Cash paid for acquisition of fixed assets		(2,388,224)	(2,158,112)
Cash paid for acquisition of financial assets		(2,062)	(15,000)
Proceeds from investment contributions	(14)	282,118	246,810
Proceeds from sale of fixed assets		73,793	53,370
Net cash flow from investment activity		(2,034,375)	(1,872,932)
Financial activity			
Change in intercompany receivables and payables from financing		1,000,000	1,500,000
Dividends paid and directors' fees paid		(481,100)	(1,280,100)
Net cash flow from financial activity		518,900	219,900
Change in cash and cash equivalents		209,853	729,845
Cash and cash equivalents at the end of the period	(19)	(700,314)	(910,167)

GENERAL INFORMATION

Establishment and description of the Company

PREdistribuce, a.s., (“PREdi” or the “Company”), was established as a joint-stock company on 16 August 2005 and was entered in the Commercial Register of the Municipal Court in Prague on 7 September 2005.

The Company’s registered office is located at Svornosti 3199/19a, Prague 5, 150 00, ID No.: 27376516.

The Company’s principal activities include the distribution of electricity in the capital Prague, in Rožtoky and in Žalov, covering an area of 504 km², from which it derives most of its revenues. The distribution of electricity is carried out in the public interest and the associated rights and obligations, with the exception of general legal regulations, are governed by Act No. 458/2000 Sb., the Energy Act, as amended, and the related implementation guidance.

Statutory and supervisory bodies as at 31 December 2024

Board of Directors

Milan Hampl	Chairperson of the Board of Directors
Petr Dražil	Vice-chairperson of the Board of Directors
Tobias Mirbach	Member of the Board of Directors
Jan Sixta	Member of the Board of Directors

Supervisory Board

Pavel Elis	Chairperson of the Supervisory Board
Alexander Manfred Sloboda	Member of the Supervisory Board
Karsten Krämer	Member of the Supervisory Board
Marek Záruba	Member of the Supervisory Board

The Company’s sole shareholder is Pražská energetika, a.s., with its registered office at Na Hroudě 1492/4, Prague 10, 100 00.

Organisational structure

The Company has two divisions, the Managing Director’s division and the Regulated Assets division. The Managing Director’s division is further divided into four sections: Network Management, Preparation of Constructions, Network Access and Economics, and Network Concepts. The Regulated Assets division is divided into three sections: Network Administration, Network Operation, and Security and Distribution Systems.

The PRE Group

In 2024, the PRE Group consisted of the parent company, Pražská energetika, a.s., which is the holder of licences for trading in electricity and gas in the Czech Republic, and its subsidiaries. These include PREdistribuce, a.s., PREenergo, a.s., PRE distribuční služby, a.s., eYello CZ, k.s., KORMAK Praha a.s., PREservisní, s.r.o., PREzákaznická, a.s., and VOLTCOM, spol. s r.o. The following 100% subsidiaries of PREenergo, a.s., also form part of the PRE Group: PRE FVE Světlík, s.r.o., SOLARINVEST – GREEN ENERGY, s.r.o., FRONTIER TECHNOLOGIES, s.r.o., PRE VTE Částkov, s.r.o., and PRE FVE Nové Sedlo, s.r.o., and as of 28 November 2024 Skupina SOLIDSUN a.s. with its subsidiaries. The PRE Group also includes PREnetcom, a.s., which is a 100% subsidiary of PREdistribuce, a.s., and as of 5 March 2024 also PRO EMV, s.r.o., which is a 100% subsidiary of PREservisní, s.r.o.

PREnetcom, a.s., also has a 50% equity investment in NETFIN Infrastructure, a.s. PREservisní, s.r.o. has a 50% equity investment in Rezident Park 9 s.r.o. PREdistribuce, a.s., has a 25% equity investment in Elektroenergetické datové centrum, a.s.

The consolidated financial statements of the widest group of entities to which the Company as a consolidated entity belongs are prepared by EnBW Energie Baden-Württemberg AG, with its registered office at Durlacher Allee 93, 76131 Karlsruhe, Germany. These consolidated financial statements are available at the consolidating entity's registered office.

The consolidated financial statements of the narrowest group of entities to which the Company as a consolidated entity belongs are prepared by Pražská energetika, a.s., with its registered office at Na Hroudě 1492/4, Vršovice, 100 00 Prague 10. These consolidated financial statements are available at the consolidating entity's registered office.

ACCOUNTING PRINCIPLES

Statement of compliance

The financial statements were prepared in accordance with Act No. 563/1991 Sb., the Accounting Act, as amended; Regulation No. 500/2002 Sb., which provides implementation guidance on certain provisions of the Accounting Act for reporting entities that are businesses maintaining double-entry accounting records, as amended; and the Czech Accounting Standards for Businesses, as amended.

Due to the change in the determination of net turnover under the amended Ordinance for accounting periods beginning on or after 1 January 2024, net turnover for the comparative period is not shown in the profit and loss account.

For the year 2024, based on the change in the definition of net turnover under the amendment to Act No. 563/1991 Sb., on Accounting, it has been calculated as Revenue from distribution services and other revenues plus Connection Allowances (part of Other operating expenses).

Basis of the preparation of the financial statements

These financial statements are presented in thousands of Czech crowns (TCZK) and millions of Czech crowns (MCZK). The accounting records are maintained in compliance with general accounting principles, specifically the historical cost valuation basis, the accruals principle, the prudence concept and the going concern assumption.

Foreign currency translation

During the year, assets and liabilities denominated in a foreign currency are translated using the daily foreign exchange rate announced by the Czech National Bank. During the year, foreign exchange gains and losses are only recognised when realised. At the balance sheet date, foreign currency assets and liabilities are translated at the Czech National Bank's official rates for that date. Unrealised foreign exchange gains and losses are recognised in the income statement.

Tangible and intangible fixed assets

Assets owned by the Company

Purchased tangible and intangible fixed assets are stated at acquisition cost, which includes the purchase price and costs related to the acquisition. Tangible and intangible fixed assets costing more than TCZK 40 and TCZK 60, respectively, with a useful life exceeding one year are recognised in the balance sheet. Acquisition cost does not include investment contributions (see below). The Company used the possibility of capitalising interest in line with Section 47 of Regulation No. 500/2002 Sb., as amended.

Assets acquired through the contribution to the Company and assets that were used by other entities before the acquisition by the Company are valued based on an expert appraisal. As of the acquisition date of these assets, the Company recognises the acquisition cost and wear and tear resulting from the use of the acquired assets by prior entities.

The cost of internally produced tangible and intangible assets includes direct and indirect costs related to the production of the asset.

Low-value tangible and intangible assets

Tangible assets costing between TCZK 2 and TCZK 40 with an individual useful life exceeding one year are classified as low-value tangible assets and software equipment costing less than TCZK 60 is classified as low-value intangible assets. The acquisition costs of these assets are charged to expenses and their physical balances are maintained in off-balance sheet records, the only exception being electricity meters that are recognised and depreciated as tangible fixed assets.

Technical improvements

Major expenses incurred to replace parts of individual items of fixed assets increase the carrying value of the related assets. Other subsequent costs are capitalised only if they result in the increase in the future economic value of the related asset. All costs related to routine repairs and maintenance are charged to expenses..

Depreciation and amortisation

Fixed assets are depreciated for accounting purposes using the straight-line method over the following depreciation periods:

Asset category	Depreciation period in years
Buildings, halls and other structures	20, 50, 70
Cable tunnels, cables and overhead power lines	30, 40, 70
Fibre optics	30
Power structures	30
Working machines and equipment	4, 5, 8, 10, 12, 20, 29, 30
Telecommunication equipment	4, 8, 15
Machinery and special technology equipment, communication cables	10
Electricity meters	15
Vehicles	4
Furnitures and fixtures	8
Hardware and software	4, 8, 15
Other intangible assets	4

Short-term receivables

Short-term receivables are stated at their nominal value less adjustments.

Investment contributions

Customers pay part of the cost incurred reasonably by the Company upon being connected to the required power supply. The customers' obligation to pay this fee is stipulated in Act No. 458/2000 Sb., and Regulation No. 16/2016 Sb., as amended. The payment is accounted for as deferred income over 20 years.

Cash and cash equivalents

Cash and cash equivalents include cash, cash in transit, current bank accounts and other current highly liquid financial assets whose value can be easily determined and are easily convertible into cash. Cash pooling is regarded as a cash equivalent for the cash flow purposes.

Adjustments to the value of assets

At each balance sheet date, the Company reviews the carrying amounts of its assets (with the exception of deferred tax assets) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, an adjustment is recorded to reflect the impairment of the asset.

Share capital

Issued shares

The Company issued registered ordinary shares (refer to the Note on equity).

Dividends

Dividends are recognised as payable in the period when the distribution of profit was approved.

Cash pooling

The Company participates in the parent company's cash pooling. Interest arising from cash pooling is recorded as interest income or interest expense as appropriate. The remaining balance of cash pooling is reported as a receivable from or a payable to the parent company. Cash pooling is regarded as a cash equivalent for the cash flow purposes.

Provisions

Provisions are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event and an outflow of cash is likely.

The Company pays employee benefits pursuant to the Collective Agreement arising from bonuses paid to employees upon retirement and work and life jubilees. Provisions for these benefits are measured at the present value of anticipated future payments using actuarial models. To calculate the provision, a projected unit credit method is used – i.e., for each period worked, the employee is entitled to a proportion of the present value of the benefit. The calculation takes into account the probability that the benefit will not be paid out, i.e., the probability that the employee will stay in the Company until the benefit is paid out.

Short-term payables

Short-term payables are stated at their nominal value.

Revenue recognition

Revenue from provided services is recognised in the income statement when the services are rendered.

Expense recognition

Operating leases

Operating lease payments are recognised in the income statement evenly over the lease period. Operating leases mostly comprise leases of administrative buildings, cable tunnels and non-residential premises where MV/LV distribution substations are placed.

Finance leases

Instalments for leased assets are accrued and expensed. Assets acquired after the termination of the lease are carried at acquisition or replacement cost.

Income tax

Income tax is recognised in the income statement and includes current income tax and the deferred tax.

Current income tax comprises the tax payable arising from the Company's performance in the current year and additional payments (or excessive payments) from prior periods arising from the difference between the estimated and actual tax in prior periods.

Deferred tax is accounted for using the balance sheet liability method. Deferred tax arises from all temporary differences between the accounting and tax carrying amounts of all assets and liabilities using the tax rate that is expected to apply when the assets are realised or the liabilities are settled. The calculation of deferred tax does not take into account the top-up tax.

A deferred tax asset is recognised only to the extent that it is probable that it will be utilised in the following accounting periods.

Cash flow statement

The Company prepares its cash flow statement using an indirect method. Cash pooling is regarded as a cash equivalent for the cash flow purposes.

Significant accounting estimates

The presentation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period. Management of the Company has made these estimates and assumptions on the basis of all the relevant information available to it. Nevertheless, pursuant to the nature of estimates, the actual results and outcomes in the future may differ from these estimates. The Company considers the determination of the unbilled distribution of electricity the key area which is subject to the use of estimates. The increase in unbilled distribution is determined using the balance sheet approach as equal to the difference between the aggregate electricity input and output including losses and actual consumption for the relevant period. The total closing level is additionally reviewed by making a control calculation in the customer system.

CONTENTS OF THE NOTES TO THE FINANCIAL STATEMENTS

1. Revenue recognition
2. Personnel expenses
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20. Material subsequent events

(1) Revenues (TCZK)

Revenues relating to the supply of distribution services and other revenues	2024	2023
Sale of distribution and system services to B2B customers	4,179,461	2,406,311
Sale of distribution and system services to B2C (including low voltage B2B)	7,177,522	4,987,358
Other revenues	22,923	14,252
Revenues relating to the supply of distribution services	11,379,906	7,407,921
Other services	33,580	29,318
Total	11,413,486	7,437,239

Other operating revenues	2024	2023
Release of connection fees accruals	207,160	199,498
Compensation for unauthorised consumption	6,964	5,954
Other	23,075	13,563
Total	237,199	219,015

(2) Personnel expenses (TCZK)

	2024	2023
	Employees and executives	Employees and executives
Average headcount	475	475
Salaries	400,213	376,639
Salaries paid depending on the Company's goal performance	31,333	29,920
Remuneration paid to members of the Company's bodies	15,233	14,335
Insurance	156,225	146,783
Other social costs (according to the collective agreement)*	46,133	51,232
Total	649,137	618,909

* This primarily includes the costs of severance payments and employee benefits defined in the collective agreement. Specifically, the benefits include catering contributions, bonuses paid to employees in relation to work and life anniversaries and retirement leaves and contributions to pension insurance.

(3) Purchase of material, services and utilities (TCZK)

	2024	2023
Purchase of distribution and system services	5,640,726	2,026,305
Electricity consumption for grid losses *	583,892	317,226
Lease of cable tunnels	153,696	137,199
Lease of non-residential premises	119,631	113,228
Lease of cars	25,915	25,127
Services of the parent company	496,295	459,856
Installation work and reading of meters	283,780	313,781
Customer service	257,996	272,891
IT support	32,364	33,333
Repairs of fixed assets	323,434	333,143
Consumed material and energy	22,313	29,263
Other	135,432	129,336
Total	8,075,474	4,190,688

* Electricity grid losses and own electricity consumption are technologically related. These costs cannot be reliably separated and are therefore presented on an aggregate basis in "Electricity consumption for grid losses".

(4) Interest expense (TCZK)

	2024	2023
Interest expense: from cash pooling	(86,764)	(128,234)
from loans in the Group *	(348,906)	(225,886)
from employee benefits	(2,692)	(2,482)
others outside the Group	-	(4)
Total	(438,362)	(356,606)

* In addition to interest expense, part of the borrowing costs also included capitalised interest of TCZK 23,012 (2023: TCZK 18,652), which is included in the acquisition cost of assets.

(5) Income tax (TCZK)

Effective tax rate	2024		2023	
Profit/loss for the period	839,883		487,976	
Income tax	227,510		534,067	
Profit before tax	1,067,393		1,022,043	
Income tax using the applicable income tax rate	224,153	21.00%	194,188	19.00%
Impact of items that are never tax-deductible	3,357	0.31%	4,008	0.39%
Impact of change in deferred tax rate *		0.00%	335,227	32.80%
Corrections of estimates of prior years' taxes		0.00%	644	0.06%
Total income tax / effective tax rate	227,510	21.31%	534,067	52.25%

* In the context of the increase of the corporate income tax rate effective from 1 January 2024, the Company has increased the deferred tax rate from 19% (used as at 31 December 2022) to 21% in 2023.

The current income tax estimate for 2024 of TCZK 181,100 (2023: TCZK 160,100) was reduced by income tax prepayments of TCZK 212,427 (2023: TCZK 267,867) and the resulting receivable is recorded in State-tax receivable.

In accordance with Act No. 416/2023 Sb., on top-up taxes for large multinational groups and large domestic groups, the Company has become a taxpayer for the top-up tax. The Company has assessed that the impact of the equalisation tax on the tax payable for 2024 is nil or insignificant

Payables to the state	2024	2023
Social security and health insurance liabilities	15,207	13,826
Tax liabilities	126,951	46,941

None of these liabilities are overdue.

(6) Tangible fixed assets (MCZK)

	Land	Power structures	Cables and overhead power lines	Telecommunication technology and information technologies	Electricity meters	Sundry	Assets under construction	Total
Acquisition cost								
Balance as at								
31 December 2022	722.9	25,973.4	26,267.7	2,545.1	2,323.4	307.7	651.8	58,792.0
Additions	31.5	461.5	1,047.2	127.2	144.6	12.0	313.5	2,137.5
Disposals	(43.5)	(180.8)	(157.6)	(22.4)	(86.5)	(5.0)	(58.5)	(554.3)
Transfers	0.4	197.7	140.5	35.2	19.9	0.5	(394.2)	--
Balance as at								
31 December 2023	711.3	26,451.8	27,297.8	2,685.1	2,401.4	315.2	512.6	60,375.2
Accumulated depreciation								
Balance as at								
31 December 2022	-	(15,495.6)	(11,734.4)	(1,636.8)	(1,318.2)	(238.7)	-	(30,423.7)
Depreciation expense	-	(489.8)	(672.5)	(78.0)	(115.0)	(12.7)	-	(1,368.0)
Disposals	-	162.3	157.6	22.5	86.4	4.9	-	433.7
Balance as at								
31 December 2023	-	(15,823.1)	(12,249.3)	(1,692.3)	(1,346.8)	(246.5)	-	(31,358.0)
Net book value as at								
31 December 2022	722.9	10,477.8	14,533.3	908.3	1,005.2	69.0	651.8	28,368.3
Net book value as at								
31 December 2023	711.3	10,628.7	15,048.5	992.8	1,054.6	68.7	512.6	29,017.2

	Land	Power structures	Cables and overhead power lines	Telecommunication technology and information technologies	Electricity meters	Sundry	Assets under construction	Total
Acquisition cost								
Balance as at								
31 December 2023	711.3	26,451.8	27,297.8	2,685.1	2,401.4	315.2	512.6	60,375.2
Additions	4.5	428.2	1,188.3	125.0	92.5	25.6	540.5	2,404.6
Disposals	(32.3)	(50.7)	(190.7)	(119.2)	(93.6)	(3.1)	(0.7)	(490.3)
Transfers	0.1	48.7	175.1	42.3	12.0	1.3	(279.5)	0.0
Balance as at								
31 December 2024	683.6	26,878.0	28,470.5	2,733.2	2,412.3	339.0	772.9	62,289.5
Accumulated depreciation								
Balance as at								
31 December 2023	-	(15,823.1)	(12,249.3)	(1,692.3)	(1,346.8)	(246.5)	-	(31,358.0)
Depreciation expense	-	(497.5)	(703.1)	(86.2)	(120.9)	(12.9)	-	(1,420.6)
Adjustments	-	-	-	-	-	-	-	-
Disposals	-	50.0	190.8	119.1	93.6	3.1	-	456.7
Transfers	-	-	-	-	-	-	-	-
Balance as at								
31 December 2024	-	(16,270.6)	(12,761.6)	(1,659.4)	(1,374.1)	(256.2)	-	(32,321.9)
Net book value as at								
31 December 2023	711.3	10,628.7	15,048.5	992.8	1,054.6	68.7	512.6	29,017.2
Net book value as at								
31 December 2024	683.6	10,607.4	15,708.9	1,073.8	1,038.2	82.8	772.9	29,967.6

None of the Company's assets are pledged or used as a guarantee. Additions to fixed assets as at 31 December 2024 and as at 31 December 2023, primarily related to the restoration and development of distribution networks.

(7) Intangible fixed assets (MCZK)

	Software	Sundry	Assets under construction	Total
Acquisition cost				
Balance as at 31 December 2022	19.7	39.6	0.7	60.0
Additions	0.3	0.6	11.3	12.2
Transfers	-	0.7	(0.7)	-
Balance as at 31 December 2023	20	40.9	11.3	72.1
Accumulated amortisation				
Balance as at 31 December 2022	(15.3)	(36.7)	-	(52.0)
Amortisation expense	(2.2)	(1.6)	-	(3.8)
Balance as at 31 December 2023	(17.5)	(38.3)	-	(55.8)
Net book value as at 31 December 2022	4.5	2.8	0.7	8
Net book value as at 31 December 2023	2.6	2.5	11.3	16.4

	Software	Sundry	Assets under construction	Total
Acquisition cost				
Balance as at 31 December 2023	20.0	40.9	11.3	72.2
PAdditions	-	-	0.4	0.4
Disposals	(6.5)	-	(9.9)	(16.4)
Transfers	-	0.4	(0.4)	0
Balance as at 31 December 2024	13.5	41.3	1.4	56.2
Accumulated amortisation				
Balance as at 31 December 2023	(17.5)	(38.3)	-	(55.8)
Amortisation expense	(1.9)	(1.5)	-	(3.4)
Disposals	6.5	-	-	6.5
Balance as at 31 December 2024	(12.9)	(39.8)	-	(52.7)
Net book value as at 31 December 2023	2.6	2.5	11.3	16.4
Net book value as at 31 December 2024	0.6	1.5	1.4	3.5

Low-value fixed assets

In line with the Company's accounting policies (refer to "Accounting principles"), low-value fixed assets are expensed upon acquisition. The acquisition cost of low-value tangible assets with the acquisition cost of up to TCZK 40 that were in use as of the balance sheet date amounts to TCZK 86,332 (2023: TCZK 85,613). The Company holds no low-value intangible fixed assets.

(8) Long-term investments (TCZK)

	Note	Share	2024	2023
PREnetcom, a.s.	Non-marketable	100%	2,000	2,000
Elektrotechnické datové centrum, a.s.	Non-marketable	25%	17,062	15,000
Other *			100	100
Total			19,162	17,100

* Other investments include the Company's member's share in the Czech Association of Regulated Power Supply Companies.

Other information about the subsidiary

Information about the subsidiary derives from the separate financial statements of this company, prepared under the Czech Accounting Standards.

Company name: PREnetcom, a.s.

The company was established for the purpose of meeting the PRE Group's long-term goals with respect to the communication between individual distribution network components to ensure safe transfer of network data and its remote control. It cooperates with the Company on the designing, planning and coordination of optical infrastructure construction and maintenance.

	2024	2023
Registered office: Prague 10, Na Hroudě 1492/4		
ID No.: 06714366		
Average headcount	34	30
Financial data (TCZK)		
Share capital	2,000	2,000
Total equity	95,701	76,625
Profit/loss after tax	19,976	20,108
Revenue from sale of products and services	111,463	101,160

(9) Trade receivables (TCZK)

Trade receivables	2024	2023
Up to 6 months past due	4,593	3,663
6 to 12 months past due	769	867
More than 12 months past due	32,359	41,166
Gross past-due trade receivables	37,721	45,696
Before due	121,357	51,633
Total gross trade receivables	159,078	97,329

The Company recorded the following adjustment to past-due receivables:

Balance as at 31 December 2022	49,220
Additions and utilisation during the current period	(6,295)
Balance as at 31 December 2023	42,925
Additions and utilisation during the current period	(7,078)
Balance as at 31 December 2024	35,847

(10) Equity (TCZK)

Registered share capital and types of shares as at 31 December 2024

The Company's share capital comprises 21,549 registered shares in the certificate form (2023: 21,549 shares) with the nominal value of CZK 821,752 (2023: CZK 821,752).

Distribution of profit

The General Meeting will decide on the distribution of profit of TCZK 839,883 (2023: TCZK 487,976).

(11) Other provisions (TCZK)

	Business risks	Salaries	Employee benefits	Total
Balance as at 31 December 2022	32,317	49,601	93,511	175,429
Additions to provisions in the current period	4,731	56,936	6,867	68,534
Utilisation/release of provisions in the current period	(813)	(49,601)	(2,138)	(52,552)
Balance as at 31 December 2023	36,235	56,936	98,240	191,411
Additions to provisions in the current period	590	64,131	3,247	67,968
Utilisation/release of provisions in the current period	(3,393)	(56,936)	(1,588)	(61,918)
Balance as at 31 December 2024	33,432	64,131	99,899	197,462
Long-term provisions	33,432	-	94,698	128,130
Short-term provisions	-	64,131	5,200	69,331
Total	33,432	64,131	99,899	197,462

Provisions are recognised in respect of the following:

- > Business risks – arising from the operation of fixed assets;
- > Salaries – including salaries paid depending on the fulfilment of the plan, charged to personnel expenses; and,
- > Employee benefits – comprising a provision for future liabilities arising from the collective agreement, principally retirement benefits, benefits for work and life anniversaries and unused optional benefits, charged to personnel expenses. The long-term portion of the liability was discounted at the balance sheet date.

(12) Deferred tax liability (TCZK)

Deferred tax assets and liabilities reported in the balance sheet

Deferred tax assets (-) and liabilities (+) arising from the temporary differences between the accounting and tax values are attributable to the following items:

	2024	2023
Fixed assets	3,608,923	3,560,863
Receivables	(1,276)	(1,063)
Provisions	(20,489)	(19,566)
Liabilities arising from the collective agreement	(20,979)	(20,355)
Total	3,566,179	3,519,879

(13) Trade payables (TCZK)

The Company carries no trade payables past their due dates.

(14) Temporary liabilities (TCZK)

Deferred revenues ⁱ	
Balance as at 31 December 2022	1,965,640
Investment contributions received	246,810
Investment contributions accounted for in revenues *	(199,497)
Balance as at 31 December 2023	2,012,953
Investment contributions received	282,118
Investment contributions accounted for in revenues *	(207,160)
Balance as at 31 December 2024	2,087,911

* Investment contributions accounted for in revenues are part of "Other operating revenues" in the income statement.

(15) Leased assets (TCZK)

Operating leases

As disclosed in the accounting policies, assets held by the Company under operating leases predominantly include HV and MV cable conduits, non-residential premises for MV/LV distribution substations and administrative buildings. The lease contracts have been concluded for an indefinite period of time.

Aggregate annual costs of these leases

	2024	2023
Cable conduits	153,696	137,199
Non-residential premises	50,261	45,367
Administrative buildings	69,370	69,326
Lease of cars	25,915	26,339
Other	1,204	0
Total	300,446	278,231

(16) Fees payable to auditors (TCZK)

	2024	2023
Fees payable to auditors for a statutory audit of the financial statements	1,595	1,452
Fees payable to auditors for a statutory audit of the financial statements	1,595	1,452

(17) Related parties (TCZK)

Persons having managing authority include the members of the Board of Directors, the Company's management and the members of the Supervisory Board.

Some of the members who have managing authority use company cars for both business and private purposes.

Total bonuses for the members of the statutory and supervisory bodies and the senior management

	2024	2023
Number	8	8
Bonuses in TCZK	26,888	25,977

Transactions with the members of the statutory bodies and the executive management

As at 31 December 2024, the Company recorded receivables from the members of the Board of Directors and the Supervisory Board in the aggregate amount of TCZK 9 (31 December 2023: TCZK 19). These receivables were settled during January 2025.

As at 31 December 2024 the Company had incurred no pension liabilities to former members of management, supervisory and administrative bodies.

(18) Intra-company relations (TCZK)

	Receivables of PREdi		Payables of PREdi	
	as at 31 December		as at 31 December	
	2024	2023	2024	2023
Pražská energetika, a.s.	2,169,433	1,549,322	7,161,517	6,590,336
of which: trade receivables/payables	18	-	58,266	331,347
trade receivables/payables from cash pooling	-	-	702,669	912,429
estimated receivables/payables	-	-	21,802	-
long-term loan *	-	-	6,200,000	5,200,000
short-term loan *	-	-	3,066	6,948
accrued revenues/expenses	-	-	175,714	139,612
estimated amounts – unbilled distribution services **	2,169,415	1,549,322	-	-
PREenergo, a.s.	59	-	2,189	35,878
of which: trade receivables/payables	59	-	2,189	35,878
estimated amounts – unbilled services	-	-	-	-
eYello CZ, k.s.	10,376	6,855	10,818	6,687
of which: trade receivables/payables	72	-	-	20
advances received for distribution services	-	-	10,818	6,667
estimated amounts – unbilled distribution services	10,304	6,855	-	-
PREzákaznická, a.s.	-	-	31,558	33,245
of which: trade receivables/payables	-	-	31,558	33,245
PREnetcom, a.s.	256	-	50	1,414
PREservisní, s.r.o.	9,182	9,524	13,335	11,111
of which: trade receivables/payables	1,856	-	13,335	11,111
deferrals/accruals	7,326	9,524	-	-
KORMAK Praha a.s.	19	6	319	386
VOLTCOM, spol. s r.o.	29	5	1,001	2,005
PRE distribuční služby, a.s.	-	-	91,582	-
Total	2,189,354	1,565,712	7,312,369	6,681,062

* The long-term loan consists of six parts:

1. a loan of MCZK 600 maturing on 18 June 2026 that bears interest at 3Y CZK IRS + mark-up of 3.1% p.a.;
2. a loan of MCZK 700 maturing on 28 November 2026 that bears interest at 3Y CZK IRS + mark-up of 3.0% p.a.;
3. a loan of MCZK 1,400 maturing on 29 June 2027 that bears interest at 3Y CZK IRS + mark-up of 2.5% p.a.;
4. a loan of MCZK 1,000 maturing on 15 July 2034 that bears interest at 3Y CZK IRS + mark-up of 1.4% p.a.;
5. a loan of MCZK 1,500 maturing on 25 July 2035 that bears interest at 3Y CZK IRS + mark-up of 1.4% p.a.;
6. a loan of MCZK 1,000 maturing on 1 August 2036 that bears interest at 3Y CZK IRS + mark-up of 1.2% p.a.

The loans serve for financing the operating and investment needs of the debtor.

** Estimated receivables reported in the balance sheet amount to TCZK 2,819,155 (31 December 2023: TCZK 1,989,042), of which TCZK 2,169,415 (31 December 2023: TCZK 1,549,322) represents unbilled distribution services provided to Pražská energetika, a.s., TCZK 10,304 (31 December 2023: TCZK 6,855) represents unbilled distribution services provided to eYello CZ, k.s., and TCZK 639,436 (31 December 2023: TCZK 432,785) represents unbilled distribution services and unbilled credit notes, if any, related to these services provided outside the PRE Group.

	PREdi revenues		PREdi expenses	
	2024	2023	2024	2023
Pražská energetika, a.s.	6,503,941	4,557,125	2,114,727	2,524,238
of which: distribution services	6,490,657	4,545,251	-	-
services, consumed material	13,036	11,874	602,152	565,241
electricity for grid losses and own consumption	-	-	583,892	317,225
other revenues	-	-	-	-
assets sold	248	-	-	-
dividends	-	-	470,000	1,269,000
interest on cash pooling	-	-	86,765	128,234
interest on loans (including capitalised)	-	-	371,918	244,538
eYello CZ, k.s.	24,461	17,159	-	-
of which: distribution services	24,446	17,144	-	-
other revenues	15	15	-	-
PREenergo, a.s.	2,184	1,608	9,900	473,648
of which: installation and supply of electricity meters	2,184	1,602	9,664	313,781
fixed assets	-	6	236	159,867
KORMAK Praha a.s.	161	1,040	235,645	199,504
of which: fixed assets	-	-	211,362	184,829
repairs of fixed assets	-	-	21,591	14,423
services	139	41	2,692	252
other revenues	22	999	-	-
PREzákaznická, a.s.	-	-	257,996	272,891
of which: customer and other services	-	-	257,996	272,891
PREservisní, s.r.o.	64,051	53,034	491,090	506,172
of which: fixed assets	64,051	53,034	436,368	446,569
repairs of fixed assets	-	-	15,190	27,456
services	-	-	39,532	32,147
material	-	-	-	-
PRE distribuční služby, a.s.	7	-	432,102	-
of which: replacement and servicing of meters	-	-	189,493	-
monthly reading of meters	-	-	84,623	-
fixed assets	7	-	157,986	-
PREnetcom, a.s.	2,877	2,819	73,388	69,341
of which: services – IT support	2,877	2,819	32,364	33,333
fixed assets	-	-	41,024	36,008
FRONTIER TECHNOLOGIES, s.r.o.	-	-	-	557
v tom: of which: fixed assets	-	-	-	-
repairs of fixed assets	-	-	-	557
VOLTCOM, spol. s r.o.	991	1,272	213,576	207,694
of which: fixed assets	-	-	170,293	157,222
repairs of fixed assets	-	-	43,283	50,472
services	664	667	-	-
other revenues	327	605	-	-
Total	6,598,673	4,634,057	3,828,424	4,254,045

All transactions with the PRE Group entities were performed on the basis of arm's length conditions.

Moreover, the Company records transactions and balances with the companies that are related parties via the relation with the PRE Group's shareholder, i.e., the Capital City of Prague.

	Intra-company sales		Intra-company purchases	
	2024	2023	2024	2023
Relations with subsidiaries and associates	132,755	46,998	32,869	19,446
Capital City of Prague	132,755	46,998	32,869	19,446
Relations with other entities	456,687	340,541	192,764	146,309
Výstaviště Praha, a.s.	9,275	3,320	-	-
Technická správa komunikací hl. m. Prahy, a.s.	408	86	-	-
Pražská plynárenská Servis distribuce, a. s., člen koncernu Pražská plynárenská, a.s.	302	365	-	-
Prometheus, energetické služby, a.s., člen koncernu Pražská plynárenská, a.s.	3,374	2,234	-	-
Pražské služby, a.s.	486	62	283	214
Technologie Hlavního města Prahy, a.s.	313	157	1	2
Teplo pro Prahu a.s.	1,833	1,137	-	-
Dopravní podnik hl.m. Prahy, akciová společnost	330,801	269,575	3,768	1,388
Kolektory Praha, a.s.	1	1	153,457	136,966
Pražské vodovody a kanalizace, a.s.	101,976	58,913	9,569	7,727
Pražská plynárenská, a.s.	6,085	4,691	7	12
Elektroenergetické datové centrum, a.s.	1,224	-	25,679	-
Pražská strojírna a.s.	609	-	-	-
Total	589,442	387,539	225,633	165,755

	Receivables		Payables	
	2024	2023	2024	2023
Relations with subsidiaries and associates	-	4	40	157
Capital City of Prague	-	4	40	157
Relations with other entities	13,695	5,033	15,606	25,057
Výstaviště Praha, a.s.	785	133	-	-
Technická správa komunikací hl. m. Prahy, a.s.	92	43	-	-
Dopravní podnik hl.m. Prahy, akciová společnost	12,435	4,720	9,452	23,466
Pražské vodovody a kanalizace, a.s.	212	135	950	1,588
Pražské služby, a.s.	9	1	10	2
Pražská plynárenská, a. s.	-	1	2	1
Pražská plynárenská Servis distribuce, a.s., člen koncernu Pražská plynárenská, a.s.	162	-	-	-
Elektroenergetické datové centrum, a.s.	-	-	5,188	-
Pražská strojírna a.s.	-	-	4	-
Total	13,695	5,037	15,646	25,214

(19) Cash flow statement

For the purposes of the cash flow statement, cash and cash equivalents are defined to include cash in hand, cash in transit, cash at the bank and other financial assets whose valuation can be reliably determined and that can be readily converted to cash. Receivables and payables from cash pooling that are reported in “Short-term receivables – group undertakings” and “Short-term payables – group undertakings” are also deemed cash and cash equivalents for the cash flow statement purposes. The balances of cash and cash equivalents as at the year-end are as follows:

	2024	2023
Cash	2,355	2,262
Cash pooling	(702,669)	(912,429)
Income tax paid	(700,314)	(910,167)

(20) Material subsequent events

No changes were made after the date of the financial statements.

In Prague, 2 May 2025

Signed by

Milan Hampl

chairperson of the Board of Directors

Signed by

Petr Dražil

vice-chairperson of the Board of Directors

Affidavit



To the best of our knowledge, the Annual Report, in exercising all reasonable due diligence, presents a true and honest picture of the financial situation, business activities and economic results of PREdistribuce, a.s., in 2024, and of the prospects for the company's future development. No facts have been deliberately omitted from or distorted in the Annual Report which could have altered its meaning.

In Prague, 2 May 2025

Signed by

Milan Hampl

chairperson of the Board of Directors

Signed by

Petr Dražil

vice-chairperson of the Board of Directors

List of abbreviations



AMM	automatic metering management
B2B	big customers
B2C	small customers
CSRD	EU directive introducing more detailed sustainability reporting requirements (Corporate Sustainability Reporting Directive)
ČVUT	Czech Technical University in Prague
EnBW	Energie Baden-Württemberg AG
ERÚ	Energy Regulatory Office (Energetický regulační úřad)
ESG	non-financial reporting in the areas of corporate social responsibility and environmental sustainability (Environmental, Social, and Governance)
ESRS	EU-wide standards for sustainability reporting (European Sustainability Reporting Standards).
EU	European Union
FVE	photovoltaic power plant
GWh	Gigawatt hour
HV	high voltage
IRO	Impacts, Risks, and Opportunities
kV	Kilovolt
LV	low voltage
MV	medium voltage
MW	Megawatt
OHS	occupational health and safety
OSEP	occupational safety and environmental protection
SAIDI/SAIFI	electricity supply reliability indicators
TR	110/22 kV transformer station
TWh	Terawatt hour
ÚČOV Praha	Central Wastewater Treatment Plant (Ústřední čistírna odpadních vod)
VTE	wind farm

Contact information



	Address	Postal code	Telephone
PREdistribuce, a.s. ID No.: 27376516	Prague 5, Svornosti 3199/19a www.predistribuce.cz e-mail: info@predistribuce.cz	150 00	800 550 055 for calls from abroad: +420 267 055 555
Distribution emergency line	Praha 2, Kateřinská 1528/9 e-mail: poruchy@predistribuce.cz	120 00	Poruchová linka: 800 823 823
Pražská energetika, a.s. ID No.: 60193913	Prague 10, Na Hroudě 1492/4 www.pre.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
Press relations	Prague 10, Na Hroudě, 1492/4	100 00	267 051 030
PREenergo, a.s. ID No.: 25677063	Prague 10, Na Hroudě 2149/19 www.preenergo.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
PRE Costumer Centre	Praha 1, Jungmannova 747/28 e-mail: tepelnestudio@pre.cz	110 00	267 053 464
Electrical installation services	e-mail: servis.elektro@pre.cz		733 143 143
PRE distribuční služby, a.s. ID No.: 19826982	Prague 10, Na Hroudě 1492/4 www.preds.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
Electricity meters sale	Prague 9, Novovysočanská 696/3	190 00	267 052 389
eYello CZ, k.s. IČO: 25054040	Prague 10, Kubánské náměstí 1391/11 www.yello.cz e-mail: yello@yello.cz	100 00	267 056 704

	Address	Postal code	Telephone
PREzákaznická, a.s. ID No.: 06532438	Prague 10, Na Hroudě 1492/4 www.prezakaznicka.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
PRE Customer Centre	Prague 1, Jungmannova 36/31	110 00	
	Prague 4, Vladimírova 64/18	140 00	
PRE Call Centre	Prague 10, Kubánské náměstí 1391/11	100 00	800 550 055
PREservisní, s.r.o. ID No.: 02065801	Prague 10, Na Hroudě 1492/4 www.preservisni.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
KORMAK Praha a.s. ID No.: 48592307	Prague 10 – Uhříněves, náměstí Bratří Jandusů 34/34 www.kormak.cz e-mail: kormak@kormak.cz	104 00	267 051 301
VOLTCOM, spol. s r. o. ID No.: 44794274	Prague 6, Otevřená 1092/2 www.voltcom.cz e-mail: voltcom@voltcom.cz	169 00	267 051 635
PREnetcom, a.s. ID No.: 06714366	Prague 10, Na Hroudě 1492/4 www.prenetcom.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
SOLARINVEST – GREEN ENERGY, s.r.o. ID No.: 28923405	Prague 10, Na Hroudě 2149/19 www.solarinvest.cz e-mail: info@solarinvest.cz	100 00	724 981 004
FRONTIER TECHNOLOGIES, s.r.o. ID No.: 27234835	Prague 10, Na Hroudě 2149/19 www.frontier-technologies.eu e-mail: info@frontier-technologies.eu	100 00	277 002 346
PRE FVE Světlík, s.r.o. ID No.: 28080378	Prague 10, Na Hroudě 2149/19 www.preenergo.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
PRE FVE Nové Sedlo, s.r.o. ID No.: 11911913	Prague 10, Na Hroudě 2149/19 www.preenergo.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555

	Address	Postal code	Telephone
PRE VTE Částkov, s.r.o. ID No.: 27966216	Prague 10, Na Hroudě 2149/19 www.preenergo.cz e-mail: pre@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
Skupina SOLIDSUN a.s. ID No.: 07664761	Frýdek-Místek, Míru 3267 www.solidsun.cz e-mail: info@solidsun.cz	738 01	800 400 506 for calls from abroad: +420 267 055 555
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