



'25

The Annual Report of the company PREdistribuce, a.s., (PREdi) alongside detailed financial data, traditionally uses its visual concept to highlight themes connected to the region where the company operates, as well as on people linked to the company. This year, the focus is on social responsibility - not at the level of the company, but through the actions of its employees. Across the organisation, dozens of people devote their free time to helping where it's needed. They channel their passions and interests into meaningful activities that benefit others. The individuals featured in the photographs represent just a small sample, offering a glimpse into the wide range of initiatives they are involved in.

We invite you to get to know them.

## TABLE OF CONTENTS

<b>2</b>	Information required by law
<b>3</b>	Basic information about the company
<b>6</b>	PRE Group
<b>9</b>	Subsidiary PREnetcom, a.s.
<b>11</b>	Company with equity participation – Elektroenergetické datové centrum, a.s.
<b>12</b>	Foreword of the chairperson of the Board of Directors
<b>14</b>	Corporate bodies of the company
<b>20</b>	Company strategy
<b>23</b>	Report of the Board of Directors on Business Activities and Assets for 2025
<b>27</b>	Overview of selected company indicators
<b>32</b>	Financial analysis
<b>33</b>	Trends in the electricity and energy sector
<b>36</b>	Human resources
<b>39</b>	Environmental protection and OHS
<b>40</b>	Sustainability report
<b>41</b>	Risk management system
<b>42</b>	Subsidy schemes
<b>43</b>	Report on General Meetings
<b>44</b>	Supervisory Board Report on Activities in 2025
<b>48</b>	Report on Relations of PREdistribuce, a.s., for 2025
<b>56</b>	Independent Auditor's Report to the Shareholder of PREdistribuce, a.s.
<b>60</b>	Separate financial statements of the company PREdistribuce, a.s.
<b>84</b>	Affidavit
<b>85</b>	List of abbreviations
<b>86</b>	Contact information

Changes that occurred between the end of the accounting period (31 December 2025) and the closing date of the Annual Report (28 April 2026) are marked in italics, with the exception of the Report on Relations of PREdistribuce, a.s., for 2025.

This document is an unsigned English translation of the 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**

The information is available in the text of the Annual Report marked in italics.

### **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 2025".

### **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 sole shareholder of PREnetcom, a.s. At the end of 2025, a demerger project was approved providing for a spin-off by merger involving PREdistribuce, a.s., as the demerged company, and Pražská energetika, a.s., as the successor company. Under this demerger, 90% of the shares in PREnetcom, a.s., were spun off and transferred to Pražská energetika, a.s., (the "Demerger"). The effective date of the Demerger and the date of its registration in the Commercial Register was 1 January 2026.

On 13 December 2023, the company PREdistribuce, a.s., acquired a 25% ownership interest in Elektroenergetické datové centrum, a.s. Following a resolution of the General Meeting on 18 December 2024, the share capital of this company was increased and 2,171,500 shares with an issue price of CZK 1 per share were issued to PREdistribuce, a.s. The ownership interest remained unchanged.

### **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 2025 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 provided in the chapter "Sustainability report".

## BASIC INFORMATION ABOUT THE COMPANY

### History of the company

PREdistribuce, a.s., (PREdi) is a stable energy company ensuring a safe and reliable supply of electricity to all its customers. It is one of the PRE Group companies and, until 31 December 2025, a 100% shareholder of the company PREnetcom, a.s. (PREnetcom). *As of 1 January 2026, PREdi was divided by way of a corporate demerger, whereby the separated part of its assets, a 90% shares in PREnetcom was transferred to company Pražská energetika, a.s., (PRE) as the successor company.*

PREdi 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. In 2004, its creation was preceded by the amendment of 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 commercial activities.

That is why, on 7 September 2005, PRE established a 100% subsidiary PREdi and transferred its Distribution division there. 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 activity of the company

PREdi owns and operates the electricity distribution system and performs its activities in the public interest in accordance with applicable legislation, in particular the Energy Act. Under electricity distribution licence No. 120504769, granted by the Energy Regulatory Office with effect from 1 January 2006 for an indefinite period, PREdi ensures the distribution of electricity within a service area of 504 km<sup>2</sup> covering Prague, Roztoky, and the municipality of Žalov. The distribution of electricity is subject to price and quality regulation by the Energy Regulatory Office.

Its main mission lies in providing a safe, reliable, high-quality, and efficient supply of electricity to all customers. To this end, PREdi operates, maintains, renews, and develops the distribution system consisting of overhead and underground lines on voltage levels of 110 kV, 22 kV and 0.4 kV, 110/22 kV transformer stations, and 22/0.4 kV distribution transformer stations. Operation and control of the distribution system are ensured by the Energy Dispatch Centre, while maintenance is carried out in accordance with the requirements of the Preventive Maintenance Code.

The company's key activities include the efficient renewal, modernisation and development of the distribution network, the connection of new consumption and generation facilities, operation control of the distribution system, fault management, maintenance and repair works, the provision of metering, and other services related to the distribution of electricity to both low- and medium-voltage customers.

As the distribution system operator, PREdi ensures equal and non-discriminatory access for all electricity market participants. Compliance with this obligation is transparently documented each year in the Annual report on measures taken to implement the equal treatment programme. The company continuously monitors and evaluates all indicators of the quality and reliability of electricity distribution and related services.

IPRE



# LE GA CY



**RADOSLAV MLEJNEK**  
member of the Dubeč volunteer fire brigade  
Distribution System Operations

Volunteer firefighting has a long tradition in our family, and I joined during the Prague floods in 2002. That was when I truly realized how important real help is in times of crisis. Over time, I completed various training courses and expanded my knowledge, later becoming involved in activities with children, such as organizing a summer camp. This work has given me long-term fulfillment, because when a real problem arises, likes are not enough – actions are what matter.

## PRE GROUP



The PRE Group is a stable and prosperous energy group with a long-standing tradition on the Czech market. It consists of the company Pražská energetika, a.s., (PRE) and its subsidiaries. Its main activities include the sale and trading of electricity and gas, electricity distribution, generation of electricity from renewable sources, and the provision of energy services.

PRE's history of supplying electricity and developing the electricity system in Prague dates back to 1897, when the Electricity Works of the Royal Capital City of Prague (Elektrické podniky královského hlavního města Prahy), which at the time were responsible not only for electricity supply but also for street lighting and the operation of tram services. Since then, the company has undergone a number of transformations. With nearly 854 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 2025, it distributed almost 6 TWh of electricity on all voltage levels to end customers and generated 44.29 GWh of electricity from renewable sources.

As part of its activities, it supports state-of-the-art technological solutions and provides consultancy on the implementation of innovative technologies and energy saving solutions. 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, the PRE Group embraces the principles of sustainable development and actively contributes to the improvement of the standards of living in the region it operates in.

### 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)**, a 100% subsidiary of PRE, 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.
- > > **PREnetcom, a.s., (PREnetcom)**,<sup>1</sup> a 100% subsidiary of PREdi, focuses on the development of communications infrastructure within the distribution network, particularly in connection with the implementation of smart grid concepts.
- > **PREenergo, a.s., (PREenergo)**, a 100% subsidiary of PRE, provides energy services and service products to its customers and generates electricity from renewable energy sources.

- > > **FRONTIER TECHNOLOGIES, s.r.o.**, a 100% subsidiary of PREenergo, focuses on the development, manufacture and supply of smart indoor and outdoor lighting solutions.
- > > **PRE FVE Světlík, s.r.o.**,<sup>2</sup> a 100% subsidiary of PREenergo, owns and operates a photovoltaic power plant under the relevant licence.
- > > **PRE FVE Nové Sedlo, s.r.o.**, a 100% subsidiary of PREenergo, owns and operates a photovoltaic power plant under the relevant licence.
- > > **PRE VTE Částkov, s.r.o.**,<sup>3</sup> a 100% subsidiary of PREenergo, focuses primarily on electricity generation.
- > > **ELEKTRO – FA. PAVELEK, s.r.o.**,<sup>4</sup> a 100% subsidiary of PREenergo, primarily focuses on electrical installations, the manufacture of switchboards, installation works, and the sale and servicing of heat pumps.
- > > **PREsolidsun, s.r.o., (PREsolidsun)**,<sup>5</sup> a 100% subsidiary of PREenergo, provides comprehensive photovoltaic power plant solutions for the residential, commercial, and housing association segments.
- > > > **SOLIDSUN Energie a.s.**, a 100% subsidiary of PREsolidsun.
- > > > **SOLIDSUN s.r.o.** – entity established under Slovak law, a 100% subsidiary of PREsolidsun.
- > **PRE distribuční služby, a.s., (PREds)**, a 100% subsidiary of PRE, provides meter reading, repairs and installation services for electricity meters within the PREdi supply area.
- > **eYello CZ, k.s., (Yello)**, a 90% owned by PRE and 10% by PREenergo, focuses on the sale of electricity and gas to households and small business customers.
- > **PREzákaznická, a.s., (PREzak)**, a 100% subsidiary of PRE, provides all customer service activities for customers of PRE, PREdi, PREenergo, and Yello.
- > **PREservisní, s.r.o., (PREs)**, a 100% subsidiary of PRE, it handles central procurement for the PRE Group and provides services such as technical supervision for investors, diagnostics and measurements, facility management, and others.
- > > ***Green Energy Hostivař, s.r.o.**, a 100% subsidiary of PREs from 17 February 2026.*
- > **KORMAK Praha a.s., (KORMAK)**, a 100% subsidiary of PRE, provides comprehensive engineering, design, and construction services in the field of power engineering structures and distribution transformer stations.
- > **VOLTCOM, spol. s r.o., (VOLTCOM)**, a 100% subsidiary of PRE, focuses on design activities in construction, including the execution of construction works, as well as the installation, repair, inspection, and testing of electrical equipment.

### Companies with shares held by the PRE Group

**NETFIN Infrastructure, a.s., (NETFIN)**, with a 50% stake held by PREnetcom, focuses on real estate projects in the field of electromobility and connections to the optical fibre network.

**Rezident Park 9 s.r.o., (RP9)**, with a 50% stake held by PREs, focuses on development projects.

**Elektroenergetické datové centrum, a.s., (EDC)**, with a 25% stake held by PREdi, was established to support emerging trends in the energy market, particularly decentralisation, decarbonisation, and digitalisation.

**PRO EMV, s.r.o., (PRO EMV)**,<sup>6</sup> with a 50% stake held by PRE since 2 September 2025, is in charge of the preparation and implementation of the construction of a charging station network.

<sup>1</sup> As of 1 January 2026, the company PREdistribuce, a.s., was divided by way of a corporate demerger, whereby the separated part of its assets, i.e., a 90% shares in PREnetcom, a.s., was transferred to Pražská energetika, a.s., as the successor company.

<sup>2</sup> As of 1 January 2026, PRE FVE Světlík, s.r.o., was merged into PREenergo, a.s., with PREenergo, a.s., acting as the successor company.

<sup>3</sup> As of 1 January 2026, PRE VTE Částkov, s.r.o., was merged into PREenergo, a.s., with PREenergo, a.s., acting as the successor company.

<sup>4</sup> As of 7 October 2025, PREenergo, a.s., acquired a 100% ownership interest in ELEKTRO – FA. PAVELEK, s.r.o., from PREsolidsun, s.r.o., and transferred it onto PREenergo, a.s.

<sup>5</sup> As of 1 July 2025, a merger took place between Skupina SOLIDSUN a.s., SOLIDSUN ESCO s.r.o., SOLIDSUN s.r.o., Energocalc s.r.o. and Akusolar s.r.o., as the dissolving companies, and SOLARINVEST – GREEN ENERGY, s.r.o. (now PREsolidsun, s.r.o.), as the successor company.

<sup>6</sup> As of 2 September 2025, a 50% stake in PRO EMV, s.r.o. was transferred from PREservisní, s.r.o. to Pražská energetika, a.s., and a further 50% stake was transferred from PREservisní, s.r.o., to OMV Česká republika, s.r.o.

## SUBSIDIARY PRENETCOM, A.S.

PREnetcom, a.s., (PREnetcom) was founded on 27 November 2017 as a 100% subsidiary of PREdi and 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.

*As of 1 January 2026, PREdi was divided by way of a corporate demerger, whereby the separated part of its assets, a 90% shares in PREnetcom was transferred to PRE as the successor company.*

### **Communication infrastructure operation and management**

In 2025, PREnetcom sustained its successful strategy of operating, maintaining and managing its passive communication infrastructure within the PRE Group. Drawing on significant operational synergies and its rich expertise, PREnetcom participated in deploying smart distribution transformer stations and pilot AMM mechanisms, especially in the area of communication infrastructure. Throughout 2025, it managed to smarten more than 100 smart distribution transformer stations. At the end of the year, the company helped put into operation almost 700 smart transformer stations. As 2025 saw an increased demand for the connection of small generation units with more than 100 kW – a total of 92 such units were put into operation.

### **Development of optical communication infrastructure**

PREnetcom also continued implementing commercial pilot projects in various locations across the City of Prague. The individual projects differed mainly in scale, the number of supply points or residential units, and the type of development. During the year, construction of the passive optical network was completed in additional Prague locations, specifically in Žižkov, Hostivař, Záběhlice, Michle, Nebušice, Strašnice, Nové Město, Kyje, Břevnov, Háje, Kamýk, Komořany, and Kobylisy. As a result of these projects, the optical communications network was expanded by more than 150 km. At the same time, the company equipped more than 2,400 electrical cabinets and provided connectivity for over 8,600 apartments and family houses.

### **Internal wiring installations**

In 2025, PREnetcom once again focused on developing internal wiring in apartment buildings and family homes. In this area, the company managed the entire implementation process, including acquisition activities, design preparation and the actual construction works. 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.

### **Cooperation with developers**

The company also fostered its cooperation with property developers. First of all, it participated in all projects with FINEP through the joint venture NETFIN Infrastructure, a.s. Additionally, it also carried out other projects, including: Sekyra Group – Smíchov City, Trigema – Paprsek Stodůlky, Landia – Jordánská, ED Group – family houses Řepora, and others.

### **NETFIN Infrastructure, a.s.**

NETFIN Infrastructure, a.s., (NETFIN) was established in 2022 as a joint venture of FINEP HOLDING, SE, and PREnetcom, a.s. Its main mission is to foster joint cooperation in the development of real estate projects carried out by the FINEP Group, especially in the area of electromobility and optical network connections (with other areas of cooperation being possible, too).

In 2025, the company continued developing optical and charging infrastructure for residential development projects of the FINEP Group, particularly in the Barrandov, Drnovská, Harfa, Krocínka, and Malý Háj locations. The completion of individual infrastructure phases was reflected in the growth of the residual value of assets, which exceeded CZK 25 million in 2025.

The completion of individual infrastructure phases was reflected in the growth of the residual value of assets, which exceeded CZK 5 million in 2025. A significant share of revenues came from the leasing of charging infrastructure, which had not yet been owned by NETFIN in previous years. By the end of 2025, the company's infrastructure was serving 1,221 customers in the fiber-optics segment, along with others in electromobility and technology connections.

In 2026, the company will continue developing both optical and charging infrastructure through additional projects, expecting a further increase in the number of active users.

## COMPANY WITH EQUITY PARTICIPATION – ELEKTROENERGETICKÉ DATOVÉ CENTRUM, A.S.

---

Elektroenergetické datové centrum, a.s., (EDC) was established on 14 November 2023. The establishment of the company was formally completed with its registration in the Commercial Register on 13 December 2023. The primary purpose of establishing EDC is to support emerging trends in the energy market, particularly decentralisation, decarbonisation, and digitalisation.

In 2025, 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. Its main activity involved registering participants interested in energy sharing, performing the necessary calculations, and subsequently transmitting the results to the relevant market participants in accordance with the applicable legislation.

The company also continued 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. At the same time, intensive preparations were under way for solutions to ensure the basic processes related to flexibility aggregation and energy storage, with their launch planned during 2026 in line with the requirements of the National Recovery Plan.

The shareholders of EDC are ČEPS, a.s., ČEZ Distribuce, a.s., EG.D, a.s., and PREdistribuce, a.s., each holding a 25% ownership stake. In the second half of 2024, two representatives of the Czech Republic were appointed to the company's Supervisory Board in accordance with the applicable legislation.

# FOREWORD OF THE CHAIRPERSON OF THE BOARD OF DIRECTORS



Distinguished readers,

Allow me to begin by wishing you good health and a successful year 2026.

The year 2025 was exceptional for our company as we marked the twentieth anniversary of its establishment. Two decades of systematic work on building and developing the distribution network in the capital city represent an important milestone. At the same time, the past year brought intensive investment, legislative changes, technological progress and operational challenges. These confirmed our ability to operate under demanding conditions while continuing to strengthen the stability and modernisation of Prague's distribution network.

However, the year also brought the most demanding operational test in our history – the largest electricity outage ever recorded in Prague and in the Czech Republic.

This extraordinary event occurred at midday on 4 July 2025. It was caused by a fault in the transmission system operated by ČEPS, a.s., (ČEPS) in northern Bohemia which, combined with several other factors, led to a supply interruption on the right bank of Prague. The incident affected nearly 3,000 transformer stations and around 505,000 supply points.

Thanks to the robustness of Prague's distribution network, the high level of our control systems, and the professionalism of our dispatchers, the affected area was significantly reduced within two hours and electricity supplies were fully restored within five hours. The event confirmed how important it is to invest in the long term in automation, backup of key infrastructure elements, and crisis preparedness.

Based on this experience, we have adopted further technical and organisational measures. Together with ČEPS, we are working to strengthen Prague's connections to key nodes of the transmission system, particularly in view of growing demand, increasingly frequent extreme summer temperatures and rising investment activity in the city. At the same time, we view energy security in the broader geopolitical context, including the ongoing conflict in Ukraine, and continue to strengthen protection against both physical and cyber-threats.

In 2025, we met the quality standards for electricity supply and related services in almost all cases, in accordance with Decree No. 540/2005 Sb. of the Energy Regulatory Office. Our long-term vision remains to be a stable, technologically advanced, and indispensable part of life in the capital city and a strong pillar of the PRE Group.

In 2025, our distribution network comprised overhead and underground lines at voltage levels of 110 kV, 22 kV and 0.4 kV with a total length of nearly 13,000 km, 26 transformer stations 110/22 kV (TR) and more than 5,000 transformer stations 22/0.4 kV. Selected parts of the network represent the critical infrastructure of both Prague and the Czech Republic, placing particularly high demands on reliability, security, and resilience.

The scale and importance of this infrastructure are evident in the number of connected customers and the volume of electricity distributed. At the end of 2025, almost 854 thousand consumption points were connected to the distribution system, which represents a 0.8% increase year-on-year. Maximum load reached 1,128 MW and the volume of distributed electricity totalled 6,077 GWh, above the average recorded since 2020. Looking ahead, we expect further growth driven by the development of new urban districts, the expansion of electromobility, the installation of heat pumps, battery storage systems, and decentralised renewable energy sources.

In 2025, we exceeded the planned financial result. EBITDA reached CZK 3,527 million and made a significant contribution to the PRE Group's overall performance.

We invested CZK 2,795 million in the renewal and development of the distribution network, including capitalisation and taking into account the subsidy support, and spent a further CZK 399 million on repairs from operating funds. Key projects included the completion of the quadruple HV line between the Sever and Letňany TRs, continued renewal of HV lines towards the Východ TR, modernisation of 110/22 kV transformers, and construction of a cable tunnel along the Vltava River in Prague 8. Together with ČEPS, we also accelerated preparations for a new 400/110 kV transformer station in the Ládví area and its cable connection to the Sever TR.

We continued the digitalisation of the MV and LV network and the development of PREnetcom's optical infrastructure, which now exceeds 1,200 km and is expected to grow by around 15% annually. By the end of the year, 1,000 smart distribution transformer stations and switching stations were in operation, including 104 put into operation in 2025. These upgrades significantly improve network monitoring, operational control and data security.

The year 2026 marks the beginning of the sixth regulatory period, with parameters defined by the Energy Regulatory Office in 2025. The new framework will provide a stable investment environment for the continued development of the distribution network through to 2030, enabling long-term planning of strategic projects.

Our goal is not only to meet the expectations of our shareholder and deliver stable financial results, but also to operate as a modern and responsible company. We remain committed to environmental protection, energy efficiency, operational safety, and occupational health goals.

I would like to thank all our employees for their professionalism, dedication, and responsible approach. Their work made it possible to fulfil in 2025 the key responsibilities of a distribution system operator, manage extraordinary situations and ensure a safe and reliable electricity supply for the residents and institutions of the capital city.

I am confident that in the years ahead we will continue building a modern, secure and resilient energy infrastructure for Prague.

Signed by

**Milan Hampl**

chairperson of the Board of Directors

## CORPORATE BODIES OF THE COMPANY



### Board of Directors as of 31 December 2025

**Milan Hampl**  
chairperson

**Petr Dražil**  
vice-chairperson

**Tobias Mirbach**  
member (until 30 April 2025)

**Stanislav Votruba**  
member (since 1 May 2025)

**Jan Sixta**  
member

### Supervisory Board as of 31 December 2025

**Pavel Elis**  
chairperson

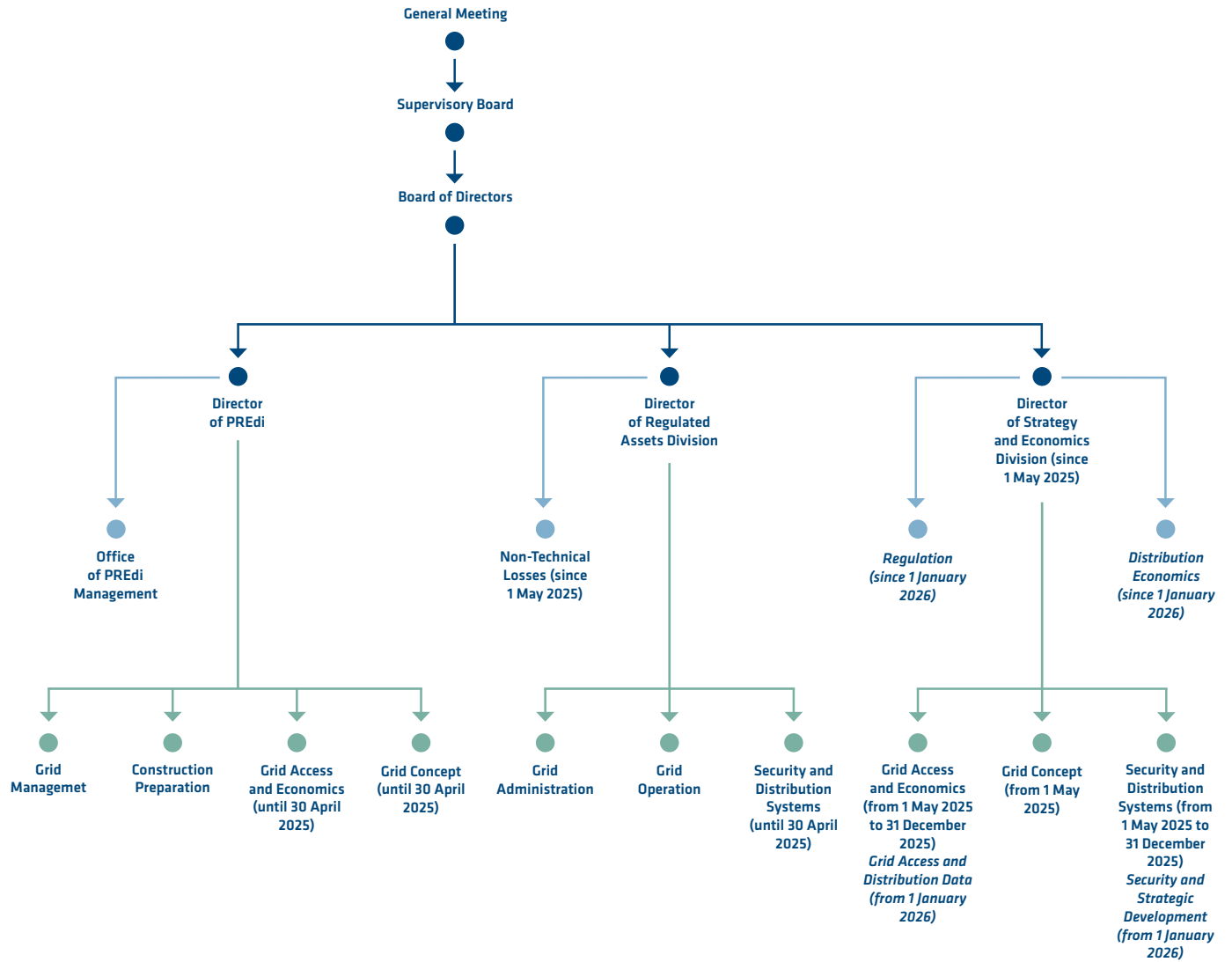
**Alexander Manfred Sloboda**  
member

**Karsten Krämer**  
member

**Marek Záruba**  
member

In 2025, no members of the company bodies were subject to a conflict of interest or infringed prohibition of competition.

Company organisation chart



● Department

● Section



Milan Hampl

Petr Dražil



Stanislav Votruba

Jan Sixta

# UNI QUE NESS

**RICHARD ŠULA**  
trail maker

Operations Preparation, Energy Dispatching

---

What I enjoy most about restoring hiking trail markings is that the results are immediately visible. At the same time, I am contributing to something truly unique on a global scale. The Czech hiking trail marking system ranks among the finest in the world. It is also supported by a huge family of trail markers numbering around two thousand members.



## COMPANY STRATEGY



In its strategic direction, PREdistribuce, a.s., (PREdi) is guided by its core mission: to ensure a reliable and safe supply of electricity through a high-quality and meticulously maintained distribution grid for all customers in Prague, the town of Roztoky, and the municipality of Žalov, even amidst a dynamically changing energy landscape.

### Strategic environment and key trends

European energy is undergoing a fundamental transformation. It is faced with an increasing degree of decentralised production, dynamic development of renewable energy sources, and energy storage, as well as broader electrification of the heating and transport sectors. A key factor for future development is the fulfillment of the European Union's energy and climate commitments, particularly the goal of climate neutrality by 2050. This goal is a pillar of the European Green Deal initiative and stems from commitments adopted under the Paris Agreement.

These trends are directly impacting PREdi's distribution network. The volume of new connection requests – particularly for photovoltaic power plants, storage systems, and heat pumps – is reaching levels equivalent to several decades' worth of load growth. Connection requests for storage systems, in particular, place enormous demands on the network, starting at a few megawatts and in some cases exceeding 100 megawatts. As a result, the requirements for the network's capacity and flexibility are increasing significantly.

### Main strategic goal

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.

The strategy is built on three key principles:

- > a systematic enhancement and renewal of the distribution network;
- > gradual digitalisation and the roll-out of smart features in network control and measurement systems; and,
- > an active approach to responding to regulatory and legislative changes.

### Modernisation and digitalisation of the distribution system

In response to growing demands, PREdi is making significant investments in modernising and expanding its 22 kV and 1 kV networks, refurbishing 22/0.4 kV transformer stations, and developing telecommunications infrastructure. The expansion of the optical network, which now exceeds 1,200 km and grows by approximately 15% annually, enables faster monitoring, more efficient distribution network management, and safer data transmission. This approach aligns with the updated National Action Plan for Smart Grids approved by the government of the Czech Republic.

In 2025, PREdi invested nearly CZK 2.8 billion in the development of the distribution network. These investments are directly reflected in a high level of reliability: the average annual outage duration per customer is 25 minutes.

The company is also preparing for the widespread implementation of the AMM system in accordance with applicable legislation. By the end of 2030, PREdi plans to cover more than one-third of all customer connection points, further improving network management efficiency and the quality of customer services.

### **Infrastructure safety and resilience**

Growing decentralisation of generation, higher network loads, and geopolitical risks all increase the demands on energy infrastructure security and resilience. PREdi is therefore systematically strengthening the physical protection of transformer stations, distribution stations, and cable lines, as well as the cyber-security of operational and information systems.

The risk of major operational incidents, including blackouts, continues to rise: not only due to cyber or terrorist threats but also because of generation instability and transmission system overload during significant cross-border electricity flows. Recent events, including the blackout on the Iberian Peninsula and the largest outage in the history of the Czech Republic on 4 July 2025, demonstrate how quickly conditions in the power system can change and lead to widespread disruptions.

This clearly highlights the need for continuous investment in infrastructure modernisation, resilience enhancement, and crisis preparedness to minimise the impact of such extraordinary events.

Special attention is given to the 110 kV backbone network and 110/22 kV transformer stations supplying the city's critical infrastructure. Close cooperation with the transmission system operator, ČEPS, ensures sufficient transmission capacity and long-term supply stability. The planned construction of a new 400/110 kV grid connection point at the Sever TR in 2027 represents a further step toward improving supply reliability.

### **Regulation, efficient network use, and collaboration with public authorities**

The development of the distribution network is closely linked to the regulatory environment. PREdi actively collaborates with the Energy Regulatory Office and the Ministry of Industry and Trade on legislative and tariff system adjustments to fully leverage the potential of new technologies.

Introducing non-refundable fees for connection requests and non-guaranteed capacity represents a major step toward more transparent and efficient network utilisation. Upcoming flexible connections and dynamic tariffs should enable faster and more cost-effective integration of new technologies and customer needs. Without these systemic measures, investments in modernisation would have only a limited effect.

PREdi also actively contributes to the Smart Prague initiative in cooperation with the City of Prague. Projects including smart public lighting, charging infrastructure, and other innovative technologies help improve residents' quality of life and allow for more efficient energy use.

### **Stability, partnerships, and long-term perspective**

PREdi's strategy is built on balancing investments in robust infrastructure, the development of smart technologies, active regulatory engagement, and rigorous management of security risks. The goal is a long-term stable, safe, and technologically advanced distribution network capable of responding to the rapidly changing conditions of modern energy systems.

The company aims not only to be a reliable electricity distributor but also a partner for customers, helping them meet their energy needs. At the same time, it seeks to be a stable partner for its shareholder and a responsible employer, providing long-term and secure employment.

Looking ahead, key priorities include further strengthening the reliability, quality, and safety of electricity supply, taking into account the dynamic growth and increasing adoption of modern technologies. This commitment extends beyond distribution itself to include the level of customer service and accessibility of information. To achieve these objectives, PREdi is deepening its cooperation with technical schools, engaging and supporting talented students who may become future innovators in the energy sector.

Close collaboration with PRE Group's subsidiaries also plays a vital role. PREs provides investor technical supervision of construction projects, diagnostics of cable routes, and procurement of selected network components. PREds handles customer data measurement and readings at the low-voltage level, PREnetcom contributes to the development of optical infrastructure, and PREzak ensures customer service. Investment preparation and project execution are further supported by KORMAK and VOLTCOM, which provide design and engineering services, carry out construction, and manage the subsequent renewal, modernisation, and maintenance of distribution network equipment.

### **Main strategic investments in 2026**

The main strategic investments will be made in construction and modernisation of 110/22 kV transformers and 110 kV overhead lines and cables lines in the PREdi supplied territory. Individual projects are carried out in line with the company's long-term strategy of distribution network development. All constructions in Prague have been duly coordinated with the planning departments of Prague City Hall and respect the applicable urban plan.

In view of admissibility and complexity of construction, main strategic constructions for 2026 and following years include:

- > upgrade of the 110/22 kV transformation – new T 103, new third section of the 22 kV distribution station at the Sever TR;
- > completed renewal of the 110/22 kV transformer, 63 MVA – T 101 at the Holešovice TR;
- > continued renewal of the 22 kV distribution station and control system of the Střed TR;
- > continued renewal of the 110/22 kV transformer at the Měcholupy TR;
- > continued renewal of the Východ TR;
- > continued upgrade of the 110/22 kV transformation – new T 102 at the Letňany TR;
- > continued upgrade of the 110/22 kV transformation – T 101, T 102 at the Červený Vrch TR;
- > continued upgrade of the 22 kV Radlice network;
- > continued upgrade of the 22 kV Letiště network;
- > construction of the Rustonka KT (continuation of the Karlín KT);
- > renewal of the 110/22 kV transformer, 63 MVA – T 101 at the Pražáčka TR;
- > completed renewal of the 110/22 kV transformer, 63 MVA – T 103 at the Holešovice TR; and,
- > launch of the 110/22 kV transformation upgrade – T 102 at the Černý Most TR.

# REPORT OF THE BOARD OF DIRECTORS ON BUSINESS ACTIVITIES AND ASSETS FOR 2025

## Company profile and strategic approach

PREdistribuce, a.s., (PREdi) is an integral part of the modern, and innovative energy group. It operates as an independent, stable, and trustworthy distribution company, providing reliable, high-quality electricity distribution within its licensed territory and offering customers services that meet the demands of modern energy systems.

The company consistently applies the principles of sustainable and responsible business in all its operations. In managing daily operations and developing the distribution network, it systematically considers social aspects, environmental protection, and the long-term economic stability of the region in which it operates.

## Operational results and supply reliability

Thanks to effective management of the distribution network, PREdi ensured safe and reliable electricity supply to its customers in 2025, despite several extraordinary events during the year. These included a major failure in the ČEPS transmission system on 4 July 2025, which affected electricity supply across roughly two-thirds of Prague, and two outages at the 110 kV distribution station in the Střed TR at the end of the year due to technical faults.

These incidents had no significant impact on the overall operational performance of the distribution network or on the monitored reliability indicators, SAIDI and SAIFI, which continue to reflect the long-term trend of decreasing outages. In 2025, PREdi maintained its position as a reliable electricity distributor in the Czech Republic.

Standards for electricity supply quality and related services were fully met for end customers connected to the distribution network, in accordance with the Energy Regulatory Office Decree No. 540/2005 Sb., with only a few isolated exceptions.

At the end of 2025, almost 854 thousand consumption points were connected to distribution system, which represents a less than a 1% increase year-on-year. The network's peak load occurred on 26 November 2025, reaching 1,128 MW, a slight increase compared to the previous year. The total volume of electricity distributed across all voltage levels amounted to 6,077 GWh, exceeding both the planned value and the 2024 figure by 92 GWh, marking the highest annual volume recorded since 2019.

## Investments

The company has long considered investment in the distribution network a key tool for ensuring reliable, high-quality electricity supply and maintaining a high level of operational safety. Investment activities are guided by long-term, medium-term, and annual investment plans, which are approved by company bodies and subject to oversight by the Energy Regulatory Office (ERÚ). ERÚ assesses the appropriateness of planned investments, particularly with regard to economic needs and legitimate customer requirements.

Maintaining the required quality of electricity supply and related services requires ongoing renewal, modernisation, and development of the energy infrastructure, including planned maintenance. This systematic approach enables the company to achieve high operational reliability and meet the quality standards set by applicable legislation.

Investment planning and allocation are based on customer requests as well as assessments of the technical condition of equipment, load development in individual supply areas, transmission capacity, and network reliability. The actual service life of network components and their efficient maintenance are also taken into account.

Investment activities in Prague are coordinated with the city's planning and construction departments and carried out in accordance with the valid zoning plan to minimise impact on residents and businesses.

In 2025, PREdi invested CZK a total of 2,795 million (including capitalisation and taking into account the subsidy support) in the renovation and development of its distribution network, which represents an increase of CZK 390 million year-on-year. Investments covered all voltage levels: from strengthening backbone infrastructure, constructing and modernising 110/22 kV transformer stations, and developing 110 kV overhead and cable lines all the way up to the renewal and modernisation of 22/0.4 kV distribution transformer stations, 22 kV switching stations, and MV and LV cable networks.

Significant strategic projects completed or initiated in 2025 included:

- > completed renewal of the 110/22 kV transformer T 102 at the Pražáčka TR;
- > completed construction of the Invalidovna I KT;
- > completed renovation of the 110 kV overhead lines connecting the Sever, Letňany, and Východ TRs;
- > continued renewal of the 22 kV distribution station and control system of the Střed TR;
- > continued upgrade of the 22 kV Radlice network;
- > upgrade of the 110/22 kV transformation – new T 101 and T 102 at the Běchovice TR;
- > upgrade of the 110/22 kV transformation – new T 103 a new third section of the 22 kV distribution station at the Sever TR;
- > construction of the Rohan KT (continuation of the Karlín KT);
- > reconfiguration of the Karlín TR for section S 28 000;
- > launch of upgrade of the 110/22 kV transformation – new T 102 at the Letňany TR;
- > launch of the 110/22 kV transformation upgrade – T 101 a T 102 at the Červený Vrch TR;
- > launch of the renewal of the Měcholupy TR;
- > launch of the reconstruction of the Východ TR;
- > launch of the renewal of the 110/22 kV transformer, 63 MVA – T 101 at the Holešovice TR; and,
- > continued upgrade of the 22 kV Letiště network.

Throughout 2025, the company successfully implemented more than a hundred smart 22/0.4 kV distribution transformer stations, bringing their total number to nearly 700. As a result, there are now more than 1,000 remotely controlled transformer stations in the network. Developing smart infrastructure remains a long-term priority, enabling more efficient management of the distribution system.

The company also continued preparations for the gradual rollout of AMM smart metering, targeting implementation at over one-third of supply points by the end of 2030. Smart meters will provide customers with more detailed information on electricity consumption and support more efficient energy use.

In parallel with network modernisation, PREdi has been developing its optical infrastructure, primarily through its subsidiary PREnetcom. A reliable, robust telecommunications network is essential for smart grid development and for implementing measures under national strategic energy documents. The optical network already exceeds 1,200 km and continues to expand systematically, enabling faster monitoring, more efficient network management, and secure data transmission.

The company's investments also support the growth of e-mobility, energy storage, and modern energy services, all crucial for the development of the urban distribution system and for meeting rising demand linked to decentralised energy sources.

The investments made have further strengthened PREdi's position as a stable, reliable, and innovative distribution system operator, capable of responding to the challenges and trends of the modern energy sector.

## Digitalisation, cybersecurity, and customer service development

Digitalising the distribution network increases monitoring efficiency, optimises network management and control, and allows better adaptation to technological developments and the growing demands for system flexibility and resilience. These efforts also include systematically strengthening the network's resilience against cyber threats, operational risks, and other security challenges to ensure safe, reliable electricity supply over the long term.

Cybersecurity and information security is built on a long-term information security management system (ISMS), which was successfully recertified in August 2025 according to ČSN EN ISO/IEC 270012:2023. At the end of 2025, the company also reported regulated services under the new Czech Cybersecurity Act No. 264/2025 Sb., which transposes the European NIS 2 Directive.

Customer-focused digitalisation is another key area of development. Implementing modern technologies and communication tools improves access to information, expands online services, and enhances communication quality. In 2025, the company began developing the PREdistribuce customer portal, with the basic version scheduled to launch next year. The planned outage notification service has been expanded to automatically share data with organisations managing large numbers of supply points and now includes information on unplanned outages. Looking ahead, the company plans further digitalisation and automation of processes to provide faster, more efficient, and more convenient services for customers.

## Financial report

From a financial standpoint, 2025 was a successful year. The company's profit increased by CZK 409 million year-on-year, amounting to CZK 1,249 million. Its EBITDA exceeded the planned value by CZK 21 million, reaching CZK 3,527 million.

A key factor in EBITDA and net income was the volume of electricity distributed, which reached 6,077 GWh, higher than the previous year.

The company achieved an operating profit of CZK 2,015 million, up CZK 509 million year-on-year. This increase was driven primarily by lower transmission and distribution costs due to falling network usage fees, combined with higher revenues from distribution services reflecting the greater electricity volume.

Total service costs reached CZK 1,939 million, up CZK 114 million compared with 2024. This was mainly due to maintenance and repairs of distribution equipment, as well as rental of cable ducts and non-residential premises.

The company's total personnel expenses increased by CZK 26 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.

Depreciation rose by CZK 93 million due to increased investments and a higher total asset value. The increase was mainly due to higher investment and the general increase in the overall asset value of the company.

Other operating income of the company decreased year-on-year, primarily due to a higher comparison base in 2024, when part of the company's assets was sold. The current level of CZK 293 million was mainly driven by connection fees and proceeds from the sale of non-current assets.

As a result of a decrease in interest paid on cash pooling, interest expenses declined year-on-year, thereby affecting the financial result.

In 2025, PREdi's total assets increased year-on-year by CZK 1,438 million, reaching CZK 34,416 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.

Prepaid expenses include rent for external premises and membership fees for the following year, paid in 2025.

On the liabilities side, both equity (from higher profits) and debt increased, with the most significant rise in short-term liabilities within the PRE Group.

Deferred liabilities include future connection fees and future obligations from long-term borrowings within the PRE Group.

In 2025, 55% of the company's funding came from equity, 37.5% from liabilities, and 7.5% from other liabilities.

### **Occupational health and safety, environment, and management standards**

PREdi applies a systematic approach to occupational safety, fire protection, and environmental management, based on internationally recognised standards. The company complies with ISO 14001 (Environmental Management) and ISO 50001 (Energy Management) and follows the principles of the Safe Company and Health-Promoting Company programmes.

### **Conclusion**

In 2025, PREdi demonstrated a high degree of stability, resilience, and the ability to respond effectively to developments in the energy sector. Responsible strategic management and diligent operational practices allowed the company to meet all major challenges and reinforce its position as a reliable and trusted partner.

In the coming period, the company will continue to focus on strengthening its role as a modern and stable distribution company that systematically develops its distribution network, enhances its security, and efficiently integrates innovative solutions. Key to this development is support from the parent company PRE and close cooperation with other PRE Group companies.

The company's continued success relies on the professionalism and dedication of its employees, who are its most valuable asset. Their expertise and responsibility are essential to maintaining reliable operation of the energy infrastructure and high-quality services. The company expresses its sincere thanks to all employees for their professionalism and significant contribution to its results.

In Prague, 26 March 2026

Signed by

**Milan Hampl**

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)

	2025	2024	2023	2022	2021
<b>Total assets</b>	<b>34,416</b>	<b>32,978</b>	<b>31,273</b>	<b>30,813</b>	<b>30,228</b>
Distribution equipment	27,345	26,316	25,677	25,011	24,591
Other fixed assets	3,902	3,674	3,374	3,367	3,177
Cash pooling receivables within the Group	0	0	0	0	0
Trade receivables	127	125	54	65	112
Other assets	3,042	2,862	2,168	2,369	2,348
<b>Total liabilities</b>	<b>34,416</b>	<b>32,978</b>	<b>31,273</b>	<b>30,813</b>	<b>30,228</b>
Equity	18,963	18,555	18,196	18,988	19,497
Deferred tax liability	3,625	3,566	3,520	3,147	3,107
Cash pooling payables within the Group	1,009	703	912	1,642	1,733
Trade payables	638	601	532	350	167
Deferred revenues	2,399	2,088	2,013	1,966	1,964
Provisions	317	197	191	175	200
Credit	6,200	6,200	5,200	3,700	2,700
Other liabilities	1,265	1,068	708	845	858
<b>Gross profit from the sale of distribution services</b>	<b>5,937</b>	<b>5,155</b>	<b>5,064</b>	<b>5,167</b>	<b>4,905</b>
<b>Profit from ordinary activity before tax</b>	<b>1,587</b>	<b>1,067</b>	<b>1,022</b>	<b>1,583</b>	<b>1,558</b>
<b>Profit from ordinary activity after tax</b>	<b>1,249</b>	<b>840</b>	<b>488</b>	<b>1,280</b>	<b>1,259</b>
<b>EBIT</b>	<b>2,015</b>	<b>1,506</b>	<b>1,379</b>	<b>1,859</b>	<b>1,683</b>
<b>EBITDA</b>	<b>3,527</b>	<b>2,930</b>	<b>2,751</b>	<b>3,203</b>	<b>3,046</b>
<b>Total number of employees as of 31 December</b>	<b>493</b>	<b>486</b>	<b>483</b>	<b>478</b>	<b>472</b>

### Allocation of investments (MCZK, including capitalisation)

	2025	2024	2023	2022	2021
<b>Total assets</b>	<b>2,795.0</b>	<b>2,405.0</b>	<b>2,149.8</b>	<b>1,956.0</b>	<b>1,844.9</b>
HV distribution equipment	241.7	228.9	217.3	188.2	235.4
MV distribution equipment	1,145.5	879.2	776.8	808.4	681.4
LV distribution equipment	1,155.5	1,138.9	995.9	831.8	750.8
Electricity metres	252.3	158.0	159.8	127.6	177.3

## Selected network indicators

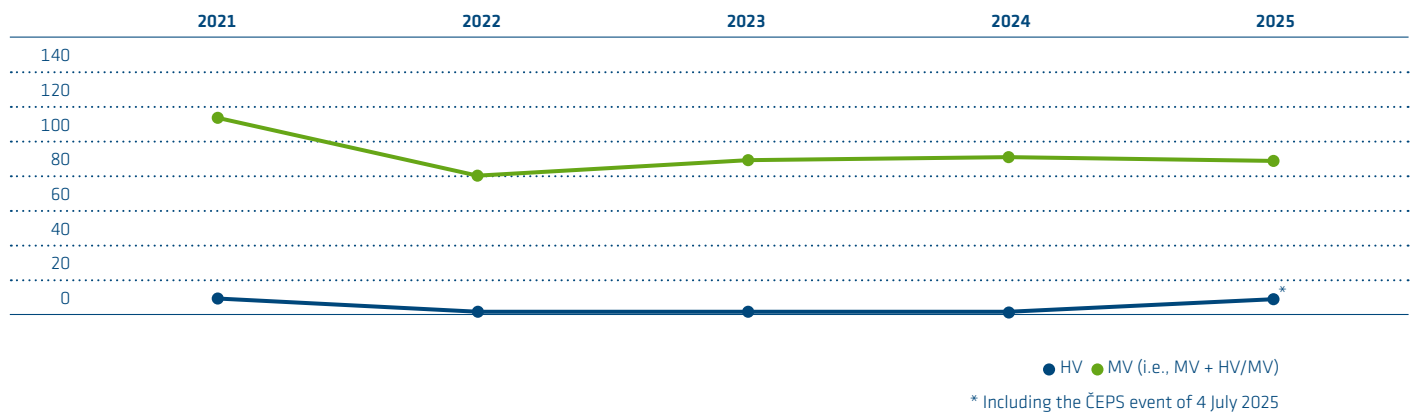
Unit		2025	2024	2023	2022	2021
Maximum network load	MW	<b>1,128</b>	1,116	1,110	1,137	1,117
Total length of electricity networks	km	<b>12,933</b>	12,676	12,640	12,541	12,468
of which: HV	km	<b>371*</b>	220	220	220	220
MV	km	<b>4,022*</b>	3,970	3,955	3,937	3,914
LV	km	<b>8,540</b>	8,486	8,465	8,384	8,334
Number of HV/MV transformer stations	pieces	<b>27</b>	27	27	26	26
of which: owned by PREdi	pieces	<b>26</b>	26	26	25	25
owned by other entities	pieces	<b>1</b>	1	1	1	1
Number of MV/LV distribution stations	pieces	<b>3,318</b>	3,301	3,281	3,272	3,253
Total number of MV/MV stations and MV/LV stations	pieces	<b>5,082</b>	5,063	5,024	5,001	4,968

\* As of 2025, the method of reporting the length of overhead lines has changed – instead of route length, the so-called developed length of overhead lines is now reported. As a result, there has been a step increase in the reported length of overhead lines and, consequently, in the total length of lines.

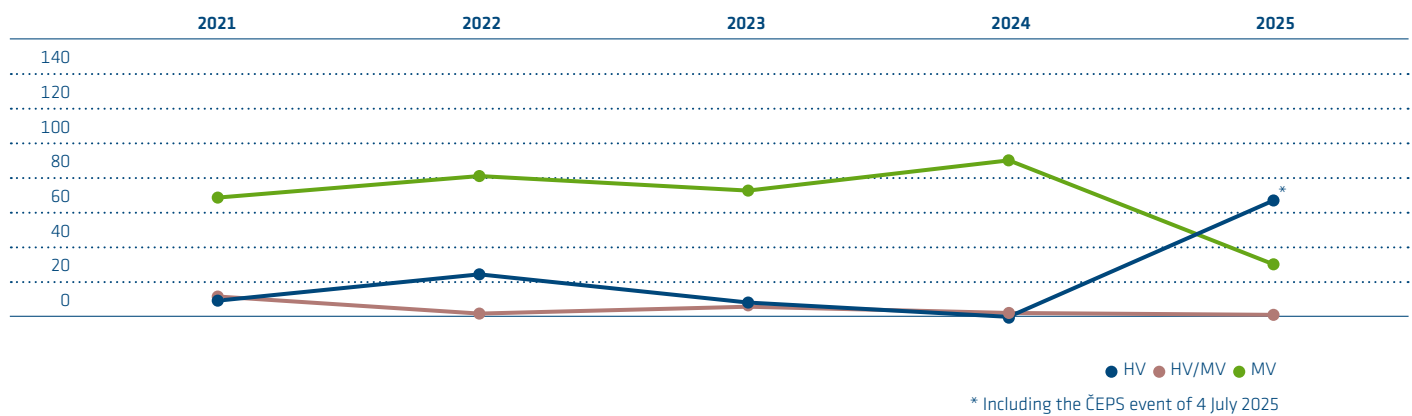
## Distributed electricity

Unit		2025	2024	2023	2022	2021
Supplied territory	km <sup>2</sup>	<b>504</b>	504	504	504	504
Total distribution (procured)	GWh	<b>6,076.7</b>	5,984.7	5,856.1	6,000.0	5,984.4
Total number of consumption points	pieces	<b>853,819</b>	847,311	838,358	830,656	823,612
of which: Wholesale – HV, MV networks	pieces	<b>2,161</b>	2,153	2,140	2,115	2,096
Retail – small businesses – LV network	pieces	<b>131,039</b>	131,259	128,993	126,640	126,151
Retail – households – LV network	pieces	<b>720,619</b>	713,899	701,225	701,901	695,365

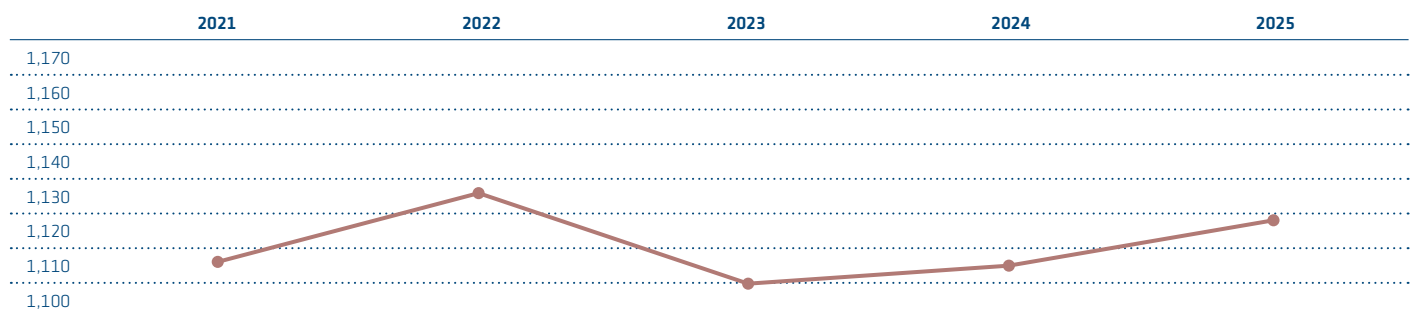
### Number of HV and MV failures



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



### Maximum achieved load (MW)



IPRE



# RES PECT



**JAN VAVREK**  
hunter

Operational Management, Energy Dispatching

---

Nature is an inexhaustible source of new experiences and insights. It helps people realize the smallness of their existence in comparison with the endless cycle of life. Hunting has taught me to approach nature with respect and humility, helping me maintain a sense of inner balance. I can also pass this experience on to younger generations.

# FINANCIAL ANALYSIS

## Level of productivity

	Unit	2025	2024	2023	Calculation formula
Total revenues	MCZK	<b>11,785</b>	11,728	7,712	Total revenue from the income statement
Sales margin from the sale of distribution	MCZK	<b>5,937</b>	5,155	5,064	Sales from the sale of distribution services – cost of transit and system services from the income statement
Profit after tax	MCZK	<b>1,249</b>	840	488	Profit after tax from the income statement

## Level of profit from revenue

	Unit	2025	2024	2023	Calculation formula
Sales margin from the sale of distribution per CZK 1 of revenue	%	<b>51.8</b>	45.3	68.4	Sales margin from the sale of distribution / revenue from distribution services x 100
Profit before tax per CZK 1 of revenue	%	<b>13.5</b>	9.1	13.3	Profit/loss from ordinary activity before tax / total income x 100

## Other indicators

	Unit	2025	2024	2023	Calculation formula
Current liquidity	%	<b>78.1</b>	135.9	110.2	Short-term assets / short-term liabilities x 100
Equity proportion to total invested capital	%	<b>55.1</b>	56.3	58.2	Equity / total invested capital x 100
Return on capital employed ROCE	%	<b>7.3</b>	5.3	5.1	ROCE = EBIT / (equity + long-term loans + deferred tax liability) x 100
Work productivity out of total revenue	TCZK/employee	<b>24,451</b>	24,691	16,235	Total revenue / average adjusted number of employees
EBIT – earnings before interest and taxes	MZCK	<b>2,015</b>	1,506	1,379	Earnings before tax + interest expense
EBITDA – earnings before interest, taxes, depreciation and amortisation	MZCK	<b>3,527</b>	2,930	2,751	EBITDA = EBIT + depreciation

## TRENDS IN THE ELECTRICITY AND ENERGY SECTOR

### 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 Promoted Energy Sources and Amendment to Other 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 the Costs of Deploying High-Speed Electronic Communications Networks and on the Amendment to Other Acts;
- > Decree No. 408/2015 Sb., on Rules on Electricity Market;
- > Decree No. 16/2016 Sb., on Rules of Connecting to Electrification System;
- > Decree No. 359/2020, Sb. on Electricity Metering;
- > Decree No. 207/2021 Sb., on Supply Billing and Related Energy Sector Services;
- > Decree No. 194/2015 Sb., on Price Regulation Methods and Price Regulation Procedures in the Electricity and Heating Sector;
- > Decree No. 540/2005 Sb., on Quality Standards of Electricity Supply and Related Energy Sector Services;
- > Decree No. 8/2016 Sb., on Details of Granting Licences for Business Activity in Energy Sector Services; and,
- > Decree No. 489/2021 Sb., on Procedures of Registering Supports within Market Operator and Implementation of some Other Provision of the Act on Promoted Energy Sources the Registering Decree.

### Acts published in 2025

On 26 February 2025, Act No. 83/2025 Sb. was adopted, amending Act No. 263/2016 Sb., the Atomic Act. The Act entered into force on 1 July 2025.

On 4 March 2025, Act No. 87/2025 Sb. was adopted, amending Act No. 458/2000 Sb., on the conditions for conducting business and the exercise of state administration in the energy sectors (the Energy Act). The Act entered into force on 1 August 2025.

On 2 July 2025, Act No. 249/2025 Sb., on accelerating the use of renewable energy sources, was adopted. The Act entered into force on 1 August 2025.

On 25 June 2025, Act No. 223/2025 Sb. was adopted, amending Act No. 458/2000 Sb., on the conditions for conducting business and the exercise of state administration in the energy sectors and amending certain other acts (the Energy Act), as amended, and other related legislation. The Act entered into force on 1 August 2025.

**Decrees published in 2025**

On 17 April 2025, Decree No. 117/2025 Sb. was issued, amending Decree No. 72/2022 Sb., on ensuring the adequacy of operational support provided to energy sources. The Decree entered into force on 10 May 2025.

On 9 June 2025, Decree No. 180/2025 Sb. was issued, amending Decree No. 359/2020 Sb., on electricity metering, as amended. The Decree entered into force on 1 August 2025.

On 12 June 2025, Decree No. 184/2025 Sb. was issued, amending Decree No. 8/2016 Sb., on the details of granting licences for business in the energy sectors, as amended by Decree No. 147/2022 Sb. and Decree No. 47/2024 Sb. The Decree entered into force on 1 August 2025.

On 24 June 2025, Decree No. 225/2025 Sb. was issued, amending Decree No. 408/2015 Sb., on the electricity market rules, as amended. The Decree entered into force on 1 October 2025.

On 15 July 2025, Decree No. 245/2025 Sb. was issued, amending Decree No. 489/2021 Sb., on procedures for the registration of support with the market operator and the implementation of certain other provisions of the Act on Supported Energy Sources (the Registration Decree), as amended by Decree No. 366/2024 Sb. The Decree entered into force on 1 January 2026.

On 13 August 2025, Decree No. 302/2025 Sb. was issued, amending Decree No. 16/2016 Sb., on conditions for connection to the electricity system, as amended. The Decree entered into force on 1 October 2025.

On 9 September 2025, Decree No. 340/2025 Sb. was issued, amending Decree No. 401/2010 Sb., on the content requirements of the Transmission System Operation Rules, Distribution System Operation Rules, Transmission System Operator Code, Distribution System Operator Code, Gas Storage Operator Code and the market operator's terms and conditions, as amended. The Decree entered into force on 1 October 2025. On 16 September 2025, Monitoring Decree No. 346/2025 Sb. was issued and entered into force on 20 September 2025.

On 25 September 2025, Decree No. 390/2025 Sb., on standardised forms for the levy on electricity from solar radiation, was issued. The Decree entered into force on 1 January 2026.

On 13 October 2025, Decree No. 416/2025 Sb. was issued, amending Decree No. 280/2023 Sb., on the conditions for the performance of activities of energy specialists. The Decree entered into force on 1 November 2025.

On 4 November 2025, Decree No. 465/2025 Sb., on methods for the efficient further use of consumed electricity, was issued. The Decree entered into force on 1 December 2025.

On 25 November 2025, Decree No. 508/2025 Sb., on regulatory reporting, was issued and entered into force on 1 January 2026.

On 3 December 2025, Decree No. 315/2025 Sb. was issued, amending Decree No. 79/2022 Sb., on technical and economic parameters for determining reference feed-in tariffs and green bonuses and for the implementation of certain other provisions of the Act on Supported Energy Sources (the Decree on Technical and Economic Parameters), as amended. The Decree entered into force on 1 January 2026.

On 12 December 2025, Decree No. 568/2025 Sb. was issued, amending Decree No. 166/2022 Sb., on reporting energy from supported sources. The Decree will enter into force on 1 July 2026.

### **Regulations of the Czech government published in 2025**

On 26 June 2025, Government Regulation No. 260/2025 Sb. was issued, 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 2024. It came into effect on 30 July 2025.

On 3 December 2025, Government Regulation No. 532/2025 Sb. was issued, amending Government Regulation No. 359/2024 Sb., on the designation of specific areas affecting the construction of renewable energy generation facilities with a total installed capacity of up to 50 kW. It came into effect on 30 December 2025.

On 27 November 2025, Government Regulation No. 547/2025 Sb., on the standardised form for filing a levy return for the fee on electricity generation in wind power plants, was issued. It came into effect on 1 January 2026.

On 18 June 2025, Government Regulation No. 248/2025 Sb. was issued, amending Government Regulation No. 392/2015 Sb., on setting the fee rate for the activities of the Energy Regulatory Office. It came into effect on 1 September 2025.

On 19 November 2025, Government Regulation No. 491/2025 Sb. was issued, amending Government Regulation No. 189/2022 Sb., on defining the development of supported energy sources, as amended by Government Regulation No. 459/2024 Sb. It came into effect on 28 November 2025.

### **Energy Regulatory Office – regulatory period**

2025 was the fifth and final year of the fifth regulatory period. The rules and procedures for the sixth regulatory period, running from 1 January 2026 to 31 December 2030, were published on 27 February 2025 in a document of the Energy Regulatory Office entitled Price Regulation Methodology for the 2026-2030 Regulatory Period for the Electricity and Gas Sectors, for Market Operator Activities in Electricity and Gas, for the Electricity Data Centre, the Mandatory Purchaser and the Supplier of Last Resort.

### **Price decisions of the Energy Regulatory Office published in 2025**

On 1 January 2025, Price Decision of the Energy Regulatory Office No. 7/2024 of 25 September 2024 entered into force, setting support for supported energy sources, as amended by Price Decision No. 13/2024 of 20 December 2024.

On 1 January 2025, Price Decision of the Energy Regulatory Office No. 11/2024 of 29 November 2024 entered into force, setting prices for ancillary services in the electricity sector and other regulated prices.

On 1 January 2025, Price Decision of the Energy Regulatory Office No. 12/2024 of 29 November 2024 entered into force, setting prices for ancillary services in the electricity sector for customers connected to low-voltage networks.

# HUMAN RESOURCES

## Human resources management

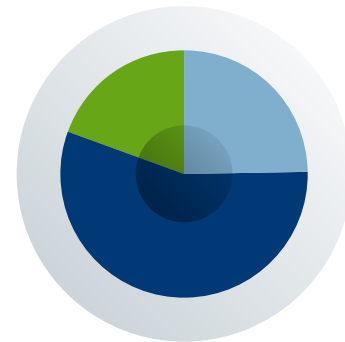
The personnel agenda for PREdi is managed by the HR section of the parent company, PRE. The individual departments within the HR section provide PREdi with comprehensive services, including recruitment, personnel administration, social policy, employee training and payroll management. Similar to the 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.

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

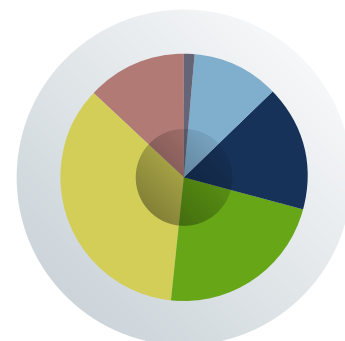
## Qualification structure

	%
■ University	24.95
■ Secondary concluded by an exam (maturita)	55.78
■ Secondary and secondary vocational	19.27
■ Elementary school	0.00



## Age structure

	%
■ Under 20 years	1.42
■ 20-30 years	11.36
■ 30-40 years	16.63
■ 40-50 years	22.31
■ 50-60 years	35.50
■ Over 60 years	12.78



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 and incidents are prevented.

## 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, sharing their practical expertise and bringing the students closer to current technological trends 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. 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. PREdi 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 long-term sustainability. 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. A significant part of the offer is also support for financial stability through contributions to pension schemes, supplementary savings or life insurance. 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.

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 PREenergo.

**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 prevention and early detection of oncological diseases, urological conditions, the monitoring of pigmented spots and moles, as well as 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 within the company, with results evaluated by the company's contracted health care professional in cooperation with the 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



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

The company has long recognized its responsibility for environmental protection as well as for ensuring the safety of individuals involved in achieving its objectives. In light of the potential impacts of its activities, it is aware of the interconnection between environmental protection, energy savings, and health protection.

In line with PRE's Policy on environmental protection, safety and energy efficiency, PREdi has been implementing measures to comply with its commitments and objectives. These activities meet 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 2025:

- > 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; and,
- > increasing the safety and energy efficiency of its network through the continuous renovation of its technical equipment and modernisation of its workplaces.

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 2025 also includes the renovation of selected workplaces to improve the overall working conditions.

## SUSTAINABILITY REPORT



In 2025, as part of the PRE Group, PREdi made further progress in developing its sustainability agenda and ESG activities, in close coordination with EnBW Group initiatives. The Group-wide ESGgo! Project remains a key platform for this collaboration. It aims to standardise approaches to ESG reporting, manage related risks, and ensure compliance with regulatory requirements, particularly those stemming from the CSRD directive and ESRS standards.

During the year, the PRE Group focused on further developing ESG reporting processes and tools, especially in the collection, verification and analysis of data. Activities were focused on validating reported figures from previous periods and systematically enhancing tools for reporting quantitative indicators. These data will again be presented as part of EnBW Group's consolidated ESG reporting for 2025.

Coordination of the ESG agenda within PRE is handled by the Integrated Control System (ICS) unit, which continued to hold regular coordination meetings with relevant departments and maintained active collaboration with EnBW's specialist teams. During the latter half of the year, the Group rolled out its initial ESG policies and refreshed the related content on the PRE Group's website.

These were followed by steps to systematically apply the integrated objectives tool to ESG areas, allowing the Group to assess objectives in terms of their contribution to each ESG dimension. Sustainability is also being gradually embedded into PRE's internal management and operational processes, including links to the existing risk management system, and the Integrated Management System, using requirements from various ISO standards.

These activities also included the launch and development of the Business Continuity Management (BCM) project, aimed at strengthening the operational and crisis resilience of the PRE Group, with PREdi playing a key role in the initiative. Conceptually, BCM is integrated into the risk management system, creating a framework for enhancing preparedness for emergencies and long-term disruptions to key processes.

Overall, the sustainability measures implemented in 2025 contributed to further strengthening transparency, management quality, and long-term resilience across the PRE Group, in line with EnBW Group's strategy and ESG standard requirements.

## 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. These include the company's ability to meet targets in environmental protection, occupational safety, health protection, human rights and sustainable development. Sustainability risks related to environmental and social aspects are identified through an IRO analysis (Impact, Risk and Opportunities) 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. All identified risks are recorded in the risk catalogue. All risks are recorded in a list of risks.

Special attention is paid to legislative-regulatory risks that could have the most profound on the company's expected economic results. For the upcoming regulatory period (2026–2030), the final regulatory parameters have already been set through the Pricing Regulation Methodology, issued by the Energy Regulatory Office at the end of February 2025. 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 state subsidies in accordance with the specific rules set out for individual subsidy schemes.

PREdi participated in the following projects supported by state subsidies:

> **Advanced algorithms and modules for managing flexible electricity demand from electromobility and integrating renewable energy sources, including their practical validation followed by simulation of system deployment in a more complex section of the low-voltage distribution network** – Project Number in the Central Register of Projects TS02020041.

The project was supported by the Technology Agency of the Czech Republic within its THÉTA Programme 2 aimed at supporting applied research and innovation. The objective is to develop advanced algorithms and modules for the optimal management of flexible electromobility demand and the integration of renewable energy sources, to create tools for simulating future network conditions, and to validate optimisation algorithms in diverse parts of the low-voltage network. The aim is to maximise the utilisation of the distribution network, achieve related savings in investment costs, and support 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. The project was launched on 1 May 2025 and will be completed on 30 November 2027.

> **Use of Vehicle-to-Grid (V2G) Technology for Providing Energy Flexibility** – Project Number in the Central Register of Projects TS01020030

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. The project was launched on 1 June 2024 and will be completed on 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 were implemented between April 2025 and January 2026. In the upcoming period, applications for payment will be submitted, with support expected to be paid in 2026.

At the same time, in the following years (2026–2030), PREdi will focus on the **ELEGRID** call under the Modernisation Fund, which was launched in September 2025. The Modernisation Fund is administered by the State Environmental Fund, operating under the auspices of the Ministry of the Environment. Within this sub-programme, support will be provided to projects aimed at increasing the capacity of the electricity system, with a view to modernising energy systems and increasing the share of renewable energy sources in final energy consumption.

## REPORT ON GENERAL MEETINGS



In 2025, four General Meetings were held (in the form of resolutions issued by the parent company PRE as the sole shareholder).

### General Meeting held on 9 January

**Agenda:**

- > approval of the management's objectives for 2025.

### General Meeting held on 13 March

**Agenda:**

- > evaluation of 2024 objectives and the payment of the annual performance bonus.

### General Meeting held on 29 April

**Agenda:**

- > the Report of the Board of Directors on Business Activities and Assets for 2024;
- > the Supervisory Board Report;
- > the separate financial statements for 2024, the proposal for the distribution of 2024 profit, including the determination of the amount of dividends and director's fees and the method of payment;
- > the company's business strategy for 2025;
- > election of a new member of the Board of Directors;
- > the approval of the new organisational structure of PREdi as of 1 May 2025;
- > the Report on Relations for 2024; and,
- > the 2024 Annual Report.

### General Meeting held on 7 July

**Agenda:**

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

## SUPERVISORY BOARD REPORT ON ACTIVITIES IN 2025



In accordance with the Articles of Association, the PREDi 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 2025, 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 they were debated by the Supervisory Board.

In 2025, the Supervisory Board, amongst others:

- > adopted the Supervisory Board Report on Activities in 2024;
- > debated and reviewed the Report on Relations for 2024 and did not identify any irregularities with regard to the requirements of the Act on Business Corporations, including the review of whether any damage was incurred and settled in accordance with Sections 71 and 72;
- > debated the Report of the Board of Directors on Business Activities and Assets for 2024;
- > debated and reviewed the separate financial statements for 2024 and acquainted itself with the auditor's report on the separate 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 2024 profit, including determination of the amount and of the method of payment of profit shares (dividends) and directors' fees; it recommended its adoption by the General Meeting;
- > debated the 2024 Annual Report;
- > adopted the supplement to the Supervisory Board's report on its 2025 activities ahead of the General Meeting;
- > debated and reviewed the company's business strategy for 2025;
- > debated the materials to be debated by the General Meeting of the company convened on 29 April 2025;
- > debated the new organisational structure of PREDi as of 1 May 2025;
- > approved the economic plan for 2026 and took account of the draft plan for 2027-2028;
- > debated and approved the investment plan for the project SCADA 2030 Dispatch Control System;
- > debated and approved the investment plan for the project Reinforcement of the Smíchov supply area – new parallel 110 kV cable from the 105 cable at the Jinonice TR to the Smíchov TR;
- > debated and approved the investment plan for the project 110/22 kV Jinonice KT;
- > reviewed and approved the investment plan for the project Reinforcement of 110/22 kV transformation and completion of the III. section of the 22 kV distribution station at the Pankrác TR;
- > took note of the new organisational structure in the S 90 000 Strategy and Economics division;
- > took note of the agreement to conclude a future contract for the preparation of the sharing and accumulation system;

- > reviewed and approved the agreement on the provision of technical flexibility services and operational balancing, including EDC operation; and,
- > took note of information regarding an extraordinary event – extensive power outage in the Czech Republic on 4 July 2025.

The Supervisory Board declares that the company's economic results in 2025 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, 3 March 2026

Signed by

**Pavel Elis**

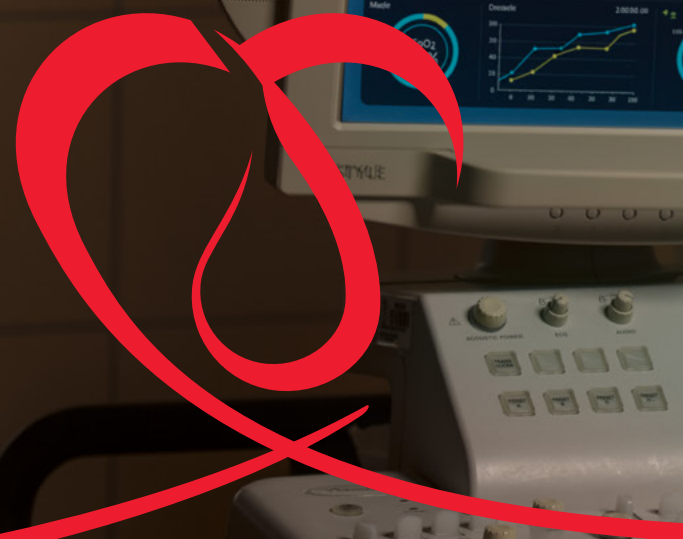
chairperson of the Supervisory Board

# CO MITT MENT

**VLADIMÍR PŘÁDA**  
blood donor

Technical Coordination, Network Operations

More than twenty years ago, I came across a call for blood donors at our company. I decided to take part, and I have been donating blood regularly ever since. I believe that every healthy person could take this step, because no one ever knows when they might need it themselves.





# REPORT ON RELATIONS OF PREDISTRIBUCE, A.S., FOR 2025

(“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 2025 to 31 December 2025. 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

### I. Structure of the relations

#### Controlling entity:

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

#### Controlled entity:

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

The companies PREDistribuce, a.s., PREzákaznická, a.s., (PREzak), PREenergo, a.s., (PREenergo), eYello CZ, k.s., (Yello), KORMAK Praha a.s., (KORMAK), 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 (together referred to as the PRE Group).

Also part of the PRE Group are the 100% subsidiaries PREenergo, a.s., namely PRE FVE Světlík, s.r.o., PRE FVE Nové Sedlo, s.r.o., FRONTIER TECHNOLOGIES, s.r.o., PRE VTE Částkov, s.r.o., ELEKTRO – FA.PAVELEK, s.r.o., and PREsolidsun, s.r.o., as well as the 100% subsidiaries of PREsolidsun, s.r.o., namely SOLIDSUN Energie a.s. and SOLIDSUN s.r.o.

As of 1 July 2025, SOLARINVEST- GREEN ENERGY, s.r.o., (now operating under the name PREsolidsun, s.r.o.) absorbed Skupina SOLIDSUN a.s., SOLIDSUN ESCO s.r.o., SOLIDSUN s.r.o., Energocalc s.r.o., and Akusolar s.r.o. through a merger.

As of 2 September 2025, 50% of the shares in PRO EMV, s.r.o. were transferred from PREservisní, s.r.o., to PRE, and 50% of the shares were transferred from PREservisní, s.r.o., to OMV Česká republika, s.r.o.

As of 7 October 2025, 100% of the shares in ELEKTRO – FA.PAVELEK, s.r.o., were transferred from PREsolidsun, s.r.o., to PREenergo, a.s.

Companies with shares held by the PRE Group: PRO EMV s.r.o., as a 50% subsidiary of PRE; NETFIN Infrastructure, a.s., as a 50% subsidiary of PREnetcom, a.s.; Elektroenergetické datové centrum, a.s., as a 25% subsidiary of PREdistribuce, a.s.; and Rezydent Park 9, s.r.o., as a 50% subsidiary of PREservisní, s.r.o.

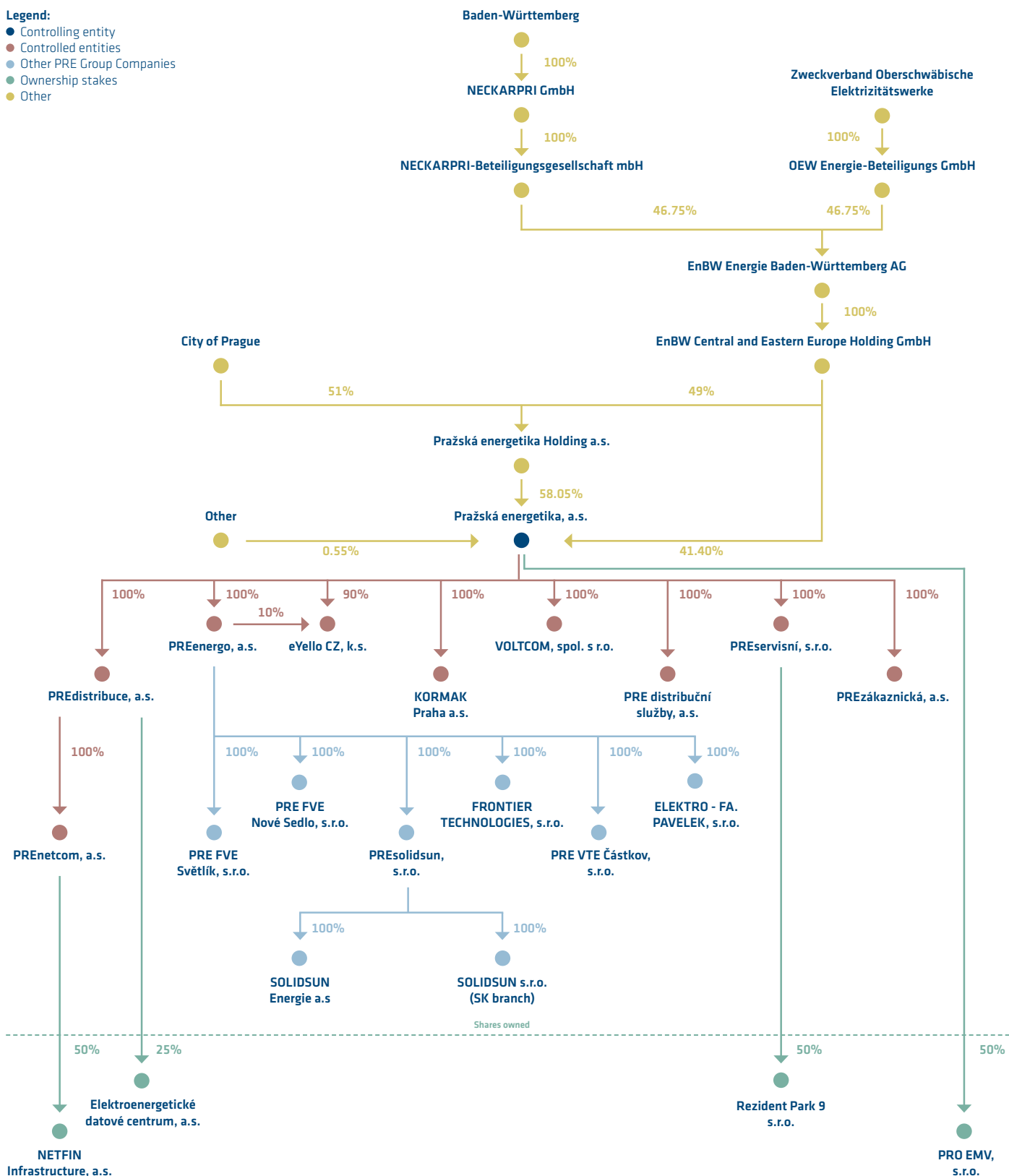
#### Companies managed by PRE as the controlling entity:

- > **PREdistribuce, a.s.**, ID No.: 27376516, registered office: Svornosti 3199/19a, Prague 5, 150 00, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. B 10158;
- > **PRE distribuční služby, a.s.**, ID No.: 19826982, registered office: Na Hroudě 1492/4, Prague 10, 100 00, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. B 28442;
- > **PREenergo, a.s.**, ID No.: 25677063, registered office: Na Hroudě 2149/19, Prague 10, 100 00, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. B 5433;
- > **eYello CZ, k.s.**, ID No.: 25054040, registered office: Kubánské náměstí 1391/11, Prague 10, 100 00, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. A 76596;
- > **KORMAK Praha a.s.**, ID No.: 48592307, registered office: náměstí Bratří Jandusů 34/34, Prague 10, 104 00, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. B 20181;
- > **PREservisní, s.r.o.**, ID No.: 02065801, registered office: Na Hroudě 1492/4, Prague 10, 100 00, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. C 215222;
- > **PREzákaznická, a.s.**, ID No.: 06532438, registered office: Na Hroudě 1492/4, Prague 10, 100 00, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. B 22870;
- > **PREnetcom, a.s.**, ID No.: 06714366, registered office: Na Hroudě 1492/4, Prague 10, 100 00, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. B 23057;
- > **VOLTCOM, spol. s r.o.**, ID No.: 44794274, registered office: Otevřená 1092/2, Prague 6, 169 00, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. C 7541;
- > **PRE FVE Světlík, s.r.o.**, ID No.: 28080378, registered office: Na Hroudě 2149/19, Prague 10, 100 00, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. C 287994;
- > **PRE FVE Nové Sedlo, s.r.o.**, ID No.: 11911913, registered office: Na Hroudě 2149/19, Prague 10, 100 00, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. C 356261;
- > **FRONTIER TECHNOLOGIES, s.r.o.**, ID No.: 27234835, registered office: Na Hroudě 2149/19, Prague 10, 100 00, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. C 106530;
- > **PRE VTE Částkov, s.r.o.**, ID No.: 27966216, registered office: Na Hroudě 2149/19, Prague 10, 100 00, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. C 327201;
- > **PREsolidsun, s.r.o.**, ID No.: 28923405, registered office: Na Hroudě 2149/19, Prague 10, 100 00, registered in the Commercial Register maintained by the Municipal Court in Prague under file No. C 153406;
- > **ELEKTRO – FA. PAVELEK, s.r.o.**, ID No.: 60322195, registered office: Ostravská 327/54, Opava, 747 70, registered in the Commercial Register maintained by the Regional Court in Ostrava under file No. C 11443;
- > **SOLIDSUN Energie a.s.**, ID No.: 09293507, registered office: Míru 3267, Frýdek-Místek, 738 01, registered in the Commercial Register maintained by the Regional Court in Ostrava under file No. B 11229; and,
- > **SOLIDSUN s.r.o.** – entity established under Slovak law, ID No.: 36300543, registered office: Dolnočermánska 704/25, Nitra, 949 01, registered in the Commercial Register maintained by the District Court in Nitra under file No. Sro 63249/N.

Controlling structure as of 31 December 2025

Legend:

- Controlling entity
- Controlled entities
- Other PRE Group Companies
- Ownership stakes
- Other



## II. Role of PRE; method and means of control

PREdi holds a license for electricity distribution granted by the ERÚ for the territory defined by the license, primarily covering the area of the City of Prague and Rostoky u Prahy. It 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 Rostoky. 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 its Supervisory Board, approves its business strategy and establishes the strategic vision and principles to its Board of Directors.

### 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 2025, 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

#### I. 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/D4457/08 – 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. PS20000014/021 – in effect from 18 June 2014 to 18 June 2026

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

Contract on long-term loan No. 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

Agreement on the operational transfer of cash 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/PS20000019/04 – 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

Purchase agreement for real estate (land) No. KV/G33/17809/2573463 – in effect from 12 May 2025

16 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

6 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

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

## II. Contracts between PREdi and entities controlled by PRE

### a) Contracts between PREdi and PREds

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, as amended

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

### b) Contracts between PREdi and PREenergo

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. 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

8 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/N/2024/010 – 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

4 contracts on the lease of a part of a land in effect from 29 May 2025 to 31 May 2040

4 orders on the installation of separator machines

**c) Contracts between PREdi and PREds and PREenergo**

Agreement on the Assignment of a Contract pursuant to Section 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 for an indefinite period of time

**d) 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

**e) Contracts between PREdi and Yello**

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

**f) Contracts between PREdi and KORMAK**

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. PS27200021/008 – 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. PS23330225/011 – in effect from 1 January 2025 to 31 December 2025

General purchase agreement for the supply of SG5 switchgear No. R/S24/2466947, 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 for work on the implementation of the construction of the distribution system equipment relocation No. 99/S24/SR/2572093 – in effect from 21 January 2025 to 30 November 2025

Contract for work on the implementation of the construction of the distribution system equipment relocation No. 99/S24/SR/2572096 – in effect from 2 January 2025 to 30 November 2025

Contract for work on the dismantling of distribution system equipment No. PS21001025/109 – effective from 9 December 2025 to 31 May 2026

Contract for work on the repair of door contacts No. PO/S21/2574109 – in effect from 22 May 2025 to 31 August 2025

Contract for work on the repair of door contacts No. PO/S21/2575839 – in effect from 16 September 2025 to 31 December 2025

2 contracts on work to perform a job on the repair of door contacts – in effect from 18 September 2025 to 31 December 2025

1 contract for work on the provision of design and engineering services for the repairs of distribution system equipment

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

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

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

**g) 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

Contract on the establishment of easement No. VV/G33/16240/2362666 – in effect from 25 April 2023 to 31 December 2030 or until the first day of the month following the commissioning of the new TR (whichever occurs earlier)

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

Contract for network installation No. JV/G33/17173/2468688 – in effect from 8 July 2024 for an indefinite period of time

Contract for network installation No. JV/G33/17176/2468691 – in effect from 8 July 2024 for an indefinite period of time

Contract on the establishment of easement No. VV/G33/17667/2572370 – in effect from 5 May 2025 for 40 years

2 orders for the design of OHS planning

#### **h) 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. PS27200025/002 – in effect from 14 January 2025 to 7 November 2029

Contract on personal data processing No. PS27200025/001 – in effect from 14 January 2015 for an indefinite period of time

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

Contract for work No. PO/S21/2261180 – repairs of the earthing structure of a distribution station – in effect from 1 January 2023 to 31 December 2025

Contract on the provision of dispatcher control services and handling No. PS23330225/001 – in effect from 1 January 2025 to 31 December 2025

Contract for work on the repair of road No. PO/S21/2572782 – in effect from 17 March 2025 to 30 June 2025

Contract for work No. PO/S21/2576999 – in effect from 2 December 2025 to 31 December 2025

Contract for work No. PO/S21/2577039 – in effect from 3 December 2025 to 29 December 2025

Contract for work No. PS23000125/017 – in effect from 24 January 2025 to 21 December 2025

3 contracts on work to perform a job on the repair of door contacts – in effect from 30 September 2025 to 31 December 2025

2 contracts on work to perform a job – in effect from 16 January 2025 for an indefinite period of time

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

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

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

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

3 purchase agreements for the sale of transformers

### **III. Contracts between PREdi and the controlled entity 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

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

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

### **IV. Contracts between PREdi and 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 for the given contract type at the place and time; no preferential treatment is 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 beyond the degree usual in business relations between independent entities resulting from the relation with the managing entity or the entities controlled by the managing entity, or from the above mentioned contractual relationships.

The collaboration between PREdi and PRE, along with the other companies in the PRE Group, provides PREdi with significant advantages through acquired know-how and numerous synergistic effects that PREdi can leverage.

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, 26 February 2026

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.**

Pobřežní 1a  
186 00 Prague 8  
Czech Republic  
+420 222 123 111  
www.kpmg.cz

*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 2025, 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 2025, 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 that are relevant to audits of the financial statements in 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 verified the factual accuracy of the information presented in the Report on Relations of PREdistribuce, a.s. (hereinafter also referred to as the "Company") for the year ended 31 December 2025. The Company's statutory body is responsible for the preparation of this Report on Relations. Our responsibility is to express an opinion on this Report on Relations based on the review we have conducted.

We conducted the review in accordance with Auditing Standard No. 56 of the Chamber of Auditors of the Czech Republic. This standard requires us to plan and perform the review with the aim of obtaining limited assurance that the Report on Relations is free from material misstatements. The review is limited primarily to interviews with the Company's staff, analytical procedures and a sample-based verification of the accuracy of the data. Consequently this review provides a lower level of assurance than an audit. We have not audited Report on Relations and therefore do not issue an auditor's opinion.

Based on our review, we have not identified any facts that would lead us to believe that the Report on Relations between controlling the entity and the controlled entity, and between the controlled entity and entities controlled by the same controlling entity, of PREdistribuce, a.s. for the year ended 31 December 2025 contains material 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 2025, based on which this independent auditor's report has been prepared.

Prague  
28 April 2026

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

Signed by

Petr Kuna  
Partner  
Registration number 2476

## SEPARATE FINANCIAL STATEMENTS OF THE COMPANY PREDISTRIBUCE, A.S.

In full format as at 31 December 2025

Separate financial statements prepared in accordance with Act No. 563/1991 Coll., the Accounting Act, as amended; Regulation No. 500/2002 Coll., 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	2025	2024
<b>I.</b>	<b>Revenue from distribution services and other revenues</b>	<b>(1)</b>	<b>11,492,003</b>	<b>11,413,486</b>
I. 1.	Revenue from distribution services		11,459,912	11,379,906
I. 2.	Other revenues		32,091	33,580
<b>A.</b>	<b>Cost of sales</b>	<b>(3)</b>	<b>(7,512,192)</b>	<b>(8,075,474)</b>
A. 2. 1.	Cost of transit and system services and losses		(5,522,730)	(6,224,618)
A. 2. 2.	Consumed material and energy		(50,014)	(25,519)
A. 3.	Purchased services		(1,939,448)	(1,825,337)
<b>D.</b>	<b>Personnel expenses</b>	<b>(2)</b>	<b>(674,928)</b>	<b>(649,137)</b>
D. 1.	Wages and salaries		(469,694)	(446,779)
D. 2.	Social security and health insurance expenses and other expenses		(205,234)	(202,358)
D. 2. 1.	Social security and health insurance expenses		(163,553)	(156,225)
D. 2. 2.	Other expenses		(41,681)	(46,133)
<b>E.</b>	<b>Adjustments relating to operating activities</b>		<b>(1,509,834)</b>	<b>(1,417,022)</b>
E. 1.	Adjustments to intangible and tangible fixed assets		(1,512,464)	(1,424,100)
E. 1. 1.	Depreciation and amortisation of intangible and tangible fixed assets	(6, 7)	(1,512,464)	(1,424,100)
E. 3.	Adjustments to receivables	(9)	2,630	7,078

**Income statement (TCZK)**

Ident.	Text	Note	2025	2024
<b>III.</b>	<b>Other operating revenues</b>		<b>293,270</b>	<b>314,536</b>
III. 1.	Proceeds from disposals of fixed assets		31,277	73,793
III. 2.	Proceeds from disposals of raw materials		5,045	3,544
III. 3.	Other operating revenues	(1)	256,948	237,199
<b>F.</b>	<b>Other operating expenses</b>		<b>(73,641)</b>	<b>(80,452)</b>
F. 1.	Net book value of fixed assets sold		(22,554)	(32,857)
F. 3.	Taxes and charges		(2,075)	(2,555)
F. 4.	Provisions relating to operating activity and complex prepaid expenses		(8,459)	2,803
F. 5.	Other operating expenses		(40,553)	(47,843)
<b>*</b>	<b>Operating profit/loss</b>		<b>2,014,678</b>	<b>1,505,937</b>
VI.	Interest revenue and similar revenue		-	-
J.	Interest expense and similar expense	(4)	(427,300)	(438,362)
J. 1.	Interest expense and similar expense – group undertakings		(424,063)	(435,670)
J. 2.	Other interest expense and similar expense		(3,237)	(2,692)
VII.	Other financial revenue		28	1
K.	Other financial expense		(206)	(183)
<b>*</b>	<b>Profit/loss from financial operations</b>		<b>(427,478)</b>	<b>(438,544)</b>
<b>**</b>	<b>Profit/loss before tax</b>	<b>(5)</b>	<b>1,587,200</b>	<b>1,067,393</b>
L.	Income tax	(5)	(338,194)	(227,510)
L. 1.	Current income tax		(279,667)	(181,210)
L. 2.	Deferred income tax		(58,527)	(46,300)
<b>**</b>	<b>Profit/loss after tax</b>		<b>1,249,006</b>	<b>839,883</b>
<b>** *</b>	<b>Profit/loss for the period</b>		<b>1,249,006</b>	<b>839,883</b>
<b>*</b>	<b>Net turnover for the period</b>		<b>11,706,779</b>	<b>11,620,646</b>

**Balance sheet (TCZK)**

Ident.	ASSETS	Note	2025			2024
			Gross	Adjust.	Net	Net
	<b>TOTAL ASSETS</b>		<b>67,892,388</b>	<b>(33,476,344)</b>	<b>34,416,044</b>	<b>32,978,048</b>
<b>B.</b>	<b>Fixed assets</b>		<b>64,689,832</b>	<b>(33,443,127)</b>	<b>31,246,705</b>	<b>29,990,190</b>
B. I.	Intangible fixed assets	(7)	27,833	(23,099)	4,734	3,496
B. I. 1.	Research and development		10,808	(9,443)	1,365	1,437
B. I. 2. 1.	Software		14,626	(13,656)	970	620
B. I. 5. 2.	Intangible fixed assets under construction		2,399	-	2,399	1,439
B. II.	Tangible fixed assets	(6)	64,642,837	(33,420,028)	31,222,809	29,967,532
B. II. 1.	Land and buildings		46,997,036	(22,800,980)	24,196,056	23,276,895
B. II. 1. 1.	Land		696,507	-	696,507	683,553
B. II. 1. 2a.	Cables and overhead power lines		29,968,708	(13,301,335)	16,667,373	15,708,867
B. II. 1. 2b.	Power structures		16,331,821	(9,499,645)	6,832,176	6,884,475
B. II. 2.	Plant and equipment		14,314,696	(9,177,612)	5,137,084	4,879,577
B. II. 2. 2a.	Transformer station and distribution plant technology		11,017,290	(7,171,836)	3,845,454	3,723,012
B. II. 2. 2b.	Dispatching and control system equipment		2,942,134	(1,745,290)	1,196,844	1,073,780
B. II. 2. 2c.	Other equipment		355,272	(260,486)	94,786	82,785
B. II. 4.	Other tangible fixed assets		2,587,596	(1,441,436)	1,146,160	1,038,160
B. II. 4.3.	Other tangible fixed assets – electricity meters in the network		2,587,596	(1,441,436)	1,146,160	1,038,160
B. II. 5.	Advance payments for tangible fixed assets and tangible fixed assets under construction		743,509	-	743,509	772,900
B. II. 5. 1.	Advance payments for tangible fixed assets		31,665	-	31,665	21,803
B. II. 5. 2.	Tangible fixed assets under construction		711,844	-	711,844	751,097
B. III.	Long-term investments	(8)	19,162	-	19,162	19,162
<b>C.</b>	<b>Current assets</b>		<b>3,191,937</b>	<b>(33,217)</b>	<b>3,158,722</b>	<b>2,979,446</b>
<b>C. I.</b>	<b>Inventories</b>		-	-	-	-
C. I. 5.	Advance payments for inventories		-	-	-	-
C. II.	Receivables		3,189,965	(33,217)	3,156,748	2,977,091
<b>C. II. 1.</b>	<b>Long-term receivables</b>		<b>77</b>	<b>-</b>	<b>77</b>	<b>85</b>
C. II. 1. 1.	Trade receivables		72	-	72	80
C. II. 1. 5.	Receivables – other		5	-	5	5
<b>C. II. 2.</b>	<b>Short-term receivables</b>		<b>3,189,888</b>	<b>(33,217)</b>	<b>3,156,671</b>	<b>2,977,006</b>
C. II. 2. 1.	Trade receivables	(9)	154,568	(33,217)	121,351	123,231
C. II. 2. 2.	Receivables – group undertakings	(19)	5,105	-	5,105	2,161
C. II. 2. 4.	Receivables – other		3,030,215	-	3,030,215	2,851,614
C. II. 2. 4. 3.	Tax receivables		116,286	-	116,286	31,327
C. II. 2. 4. 4.	Short-term advances paid		12,542	-	12,542	717
C. II. 2. 4. 5.	Estimated receivables	(19)	2,900,397	-	2,900,397	2,819,155
C. II. 2. 4. 6.	Other receivables		990	-	990	415
<b>C. IV.</b>	<b>Cash</b>		<b>1,972</b>	<b>-</b>	<b>1,972</b>	<b>2,355</b>
C. IV. 1.	Cash on hand		1,972	-	1,972	2,355
C. IV. 2.	Bank accounts		-	-	-	-
<b>D.</b>	<b>Deferrals</b>		<b>10,619</b>	<b>-</b>	<b>10,619</b>	<b>8,412</b>

**Balance sheet (TCZK)**

Ident.	LIABILITIES AND EQUITY	Note	2025	2024
	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>34,416,044</b>	<b>32,978,048</b>
<b>A.</b>	<b>Equity</b>	<b>(10)</b>	<b>18,962,773</b>	<b>18,554,867</b>
A. I.	Share capital		17,707,934	17,707,934
A. IV.	Retained profits		5,833	7,050
A. V.	Profit/loss for the period		1,249,006	839,883
<b>B. + C.</b>	<b>Liabilities</b>		<b>12,887,499</b>	<b>12,156,489</b>
<b>B.</b>	<b>Provisions</b>		<b>316,532</b>	<b>197,462</b>
B.2.	Income tax provision		107,561	-
B.4.	Other provisions	(11)	208,971	197,462
<b>C.</b>	<b>Payables</b>		<b>12,570,967</b>	<b>11,959,027</b>
C. I.	Long-term liabilities		8,524,706	9,766,179
C. I. 6.	Liabilities – group undertakings	(19)	4,900,000	6,200,000
C. I. 8.	Deferred tax liability	(12)	3,624,706	3,566,179
C. II.	Short-term payables		4,046,261	2,192,848
C. II. 3.	Short-term advances received	(17)	891,870	679,022
C. II. 4.	Trade payables	(13)	374,932	402,403
C. II. 6.	Liabilities – group undertakings	(19)	2,572,094	900,969
C. II. 8.	Liabilities – other		207,365	210,454
C. II. 8. 3.	Payables to employees		29,643	25,799
C. II. 8. 4.	Social security and health insurance liabilities	(5)	16,198	15,207
C. II. 8. 5.	Tax liabilities and subsidies	(5)	118,392	126,951
C. II. 8. 6.	Estimated payables		42,461	41,824
C. II. 8. 7.	Other payables		671	673
<b>D.</b>	<b>Accruals</b>		<b>2,565,772</b>	<b>2,266,692</b>
D. 1.	Accrued expenses		167,037	178,781
D. 2.	Deferred revenues	(14)	2,398,735	2,087,911

**Statement of changes of equity (TCZK)**

	Share capital	Profit/loss	Retained earnings	Total equity
<b>Balance as at 31 December 2023</b>	<b>17,707,934</b>	<b>487,976</b>	<b>174</b>	<b>18,196,084</b>
Dividend payments	-	(470,000)	-	(470,000)
Directors' fees paid	-	(11,100)	-	(11,100)
Rounding	-	-	-	-
Increase in share capital	-	(6,876)	6,876	-
Contribution outside the share capital	-	-	-	-
Net profit for 2024	-	839,883	-	839,883
<b>Balance as at 31 December 2024</b>	<b>17,707,934</b>	<b>839,883</b>	<b>7,050</b>	<b>18,554,867</b>
Dividend payments	-	(828,783)	(1,217)	(830,000)
Directors' fees paid	-	(11,100)	-	(11,100)
Retained profits	-	-	-	-
Rounding	-	-	-	-
Net profit for 2025	-	1,249,006	-	1,249,006
<b>Balance as at 31 December 2025</b>	<b>17,707,934</b>	<b>1,249,006</b>	<b>5,833</b>	<b>18,962,773</b>

**Cash flow statement (TCZK)**

	Note	2025	2024
Cash and cash equivalents at the beginning of the period	(20)	(700,314)	(910,167)
<b>Operating activity</b>			
<b>Accounting profit from ordinary activities before taxation</b>		<b>1,587,200</b>	<b>1,067,393</b>
Depreciation and amortisation	(6, 7)	1,512,464	1,424,100
Write-off of doubtful receivables and other assets		1,264	8,772
Change in adjustments and provisions	(9, 11)	8,879	(1,028)
Investment contributions accounted for in revenues	(14)	(214,776)	(207,160)
Gains/losses from sale and disposal of fixed assets		(5,111)	(30,301)
Interest	(4)	424,063	435,670
<b>Net cash flow from operating activity before changes in working capital</b>		<b>3,313,983</b>	<b>2,697,446</b>
Change in receivables from operating activity and deferrals		(209,744)	(841,979)
Change in short-term payables from operating activity and accruals		491,382	378,078
Change in inventories		-	2
<b>Net cash flow from operating activity before taxation and interest</b>		<b>3,595,621</b>	<b>2,233,547</b>
Interest paid	(4)	(435,806)	(403,449)
Interest received	(4)	-	-
Income tax paid		(140,778)	(104,770)
<b>Net cash flow from operating activity</b>		<b>3,019,037</b>	<b>1,725,328</b>
<b>Investment activity</b>			
Cash paid for acquisition of fixed assets		(2,804,349)	(2,388,224)
Cash paid for acquisition of financial assets		-	(2,062)
Proceeds from investment contributions	(14)	288,512	282,118
Proceeds from sale of fixed assets		31,277	73,793
<b>Net cash flow from investment activity</b>		<b>(2,484,560)</b>	<b>(2,034,375)</b>
<b>Financial activity</b>			
Change in intercompany receivables and payables from financing		-	1,000,000
Dividends paid and directors' fees paid		(841,100)	(481,100)
<b>Net cash flow from financial activity</b>		<b>(841,100)</b>	<b>518,900</b>
Change in cash and cash equivalents		(306,623)	209,853
<b>Cash and cash equivalents at the end of the period</b>	<b>(20)</b>	<b>(1,006,937)</b>	<b>(700,314)</b>

## 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 Rostoky and in Žalov, covering an area of 504 km<sup>2</sup>, 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 Coll., the Energy Act, as amended, and the related implementation guidance.

### Statutory and supervisory bodies as at 31 December 2025

#### Board of Directors

Milan Hampl	Chairperson of the Board of Directors
Petr Dražil	Vice-chairperson of the Board of Directors
Jan Sixta	Member of the Board of Directors
Stanislav Votruba	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 as at 31 December 2025

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

### The PRE Group

In 2025, the PRE Group consisted of the parent company, Pražská energetika, a.s. (the holder of licences for trading in electricity and gas in the Czech Republic), and its subsidiaries:

PREdistribuce, a.s., PRE distribuční služby, a.s., PREenergo, 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., PRE FVE Nové Sedlo, s.r.o., FRONTIER TECHNOLOGIES, s.r.o. PRE VTE Částkov, s.r.o., ELEKTRO – FA. PAVELEK, s.r.o. and PREsolidsun, s.r.o., as well as PREnetcom, a.s., which is a 100% subsidiary of PREdistribuce, a.s., and SOLIDSUN Energie a.s. and SOLIDSUN s.r.o., which are 100% subsidiaries of PREsolidsun, s.r.o.

With effect from 1 July 2025, a merger was carried out between Skupina SOLIDSUN a.s., SOLIDSUN ESCO s.r.o., SOLIDSUN s.r.o., Energocalc s.r.o. and Akusolar s.r.o., as the dissolving companies, and SOLARINVEST – GREEN ENERGY, s.r.o. (now PREsolidsun, s.r.o.), as the successor company.

With effect from 2 September 2025, a 50% share in PRO EMV s.r.o. was transferred from PREservisní, s.r.o. to PRE, and a 50% share was transferred from PREservisní, s.r.o. to OMV Česká republika, s.r.o.

With effect from 7 October 2025, a 100% share in ELEKTRO – FA. PAVELEK, s.r.o. was transferred from PREsolidsun, s.r.o. to PREenergo, a.s.

Companies with equity investments in PRE Group companies are as follows: PRO EMV s.r.o., as a 50% subsidiary of PRE; NETFIN Infrastructure, a.s. as a 50% subsidiary of PREnetcom, a.s.; Elektroenergetické datové centrum, a.s. as a 25% subsidiary of PREdistribuce, a.s.; Rezydent Park 9 s.r.o. as a 50% subsidiary of PREservisní, s.r.o.

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

The consolidated financial statements of the narrowest group of entities are prepared by Pražská energetika, a. s., Na Hroudě 1492/4, Prague 10. The document is available at the company's registered office.

## **ACCOUNTING PRINCIPLES**

### **Statement of compliance**

The financial statements were prepared in accordance with Act No. 563/1991 Coll., the Accounting Act, as amended; Regulation No. 500/2002 Coll., 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.

Effective in 2024, due to a change in the definition of net turnover under the amendment to Act No. 563/1991 Coll., on Accounting, net turnover for the accounting period is calculated as revenue from distribution services and other revenue plus connection fees (a component of other operating revenue).

### **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 Coll., 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 Coll., and Regulation No. 16/2016 Coll., 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.

**Government Grants**

The Company participates in government development projects, primarily in the areas of construction, reconstruction, and modernization of distribution networks, with the aim of creating sufficient capacity to connect renewable energy sources, and receives government grants in accordance with the terms and conditions of individual projects. Government grants are recognized in the Company's financial statements when it is reasonably certain that the grants will be received and the Company is able to meet the prescribed project conditions. The recognition of received grants occurs in the period in which the Company recognizes the related costs. A government grant that becomes repayable is recognized as a change in an accounting estimate.

**Grants Related to Assets**

Grants related to the acquisition of non-current assets are recognized and accounted for as grants related to assets. Grants received reduce the acquisition cost of the non-current asset. The grant received is recognized in profit or loss over the useful life of the depreciable asset as a reduction in depreciation expense. If a grant is returned, the carrying amount of the asset is immediately increased by the amount of the refund. At the same time, an assessment is made of any impairment of the new carrying amount of the asset. Depreciation that would have been recognized in profit or loss in prior periods in the absence of the grant is recognized in profit or loss immediately.

**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 top-up tax is not taken into account in the calculation of deferred taxes.

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
3. Purchase of material, services and utilities
4. Interest expense
5. Income tax
6. Tangible fixed assets
7. Intangible fixed assets
8. Long-term investments
9. Trade receivables
10. Equity
11. Other provisions
12. Deferred tax liability
13. Trade payables
14. Temporary liabilities
15. Leased assets
16. Fees payable to auditors
17. Advances received
18. Related parties
19. Intra-company relations
20. Cash flow statement
21. Material subsequent events

**(1) Revenues (TCZK)**

<b>Revenues relating to the supply of distribution services and other revenues</b>	<b>2025</b>	<b>2024</b>
Sale of distribution and system services to B2B customers	4,188,958	4,179,461
Sale of distribution and system services to B2C (including low voltage B2B)	7,242,467	7,177,522
Other revenues	28,488	22,923
<b>Revenues relating to the supply of distribution services</b>	<b>11,459,912</b>	<b>11,379,906</b>
<b>Other services</b>	<b>32,091</b>	<b>33,580</b>
<b>Total</b>	<b>11,492,003</b>	<b>11,413,486</b>

<b>Other operating revenues</b>	<b>2025</b>	<b>2024</b>
Release of connection fees accruals	214,776	207,160
Compensation for unauthorised consumption	6,484	6,964
Other	35,688	23,075
<b>Total</b>	<b>256,948</b>	<b>237,199</b>

**(2) Personnel expenses (TCZK)**

	<b>2025</b>	<b>2024</b>
	<b>Employees and executives</b>	<b>Employees and executives</b>
Average headcount	482	475
Salaries*	417,681	400,213
Salaries paid depending on the Company's goal performance	34,648	31,333
Remuneration paid to members of the Company's bodies	17,365	15,233
Insurance	163,553	156,225
Other social costs (according to the collective agreement)	41,681	46,133
<b>Total</b>	<b>674,928</b>	<b>649,137</b>

\* 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)**

	2025	2024
Purchase of distribution and system services	5,149,463	5,640,726
Electricity consumption for grid losses*	373,267	583,892
Lease of cable tunnels	160,283	153,696
Lease of non-residential premises	119,888	119,631
Lease of cars	27,401	25,915
Services of the parent company	475,630	496,295
Installation work and reading of meters	261,175	283,780
Customer service	265,917	257,996
IT support	29,669	32,364
Repairs of fixed assets	450,393	323,434
Consumed material and energy	50,014	22,313
Other	149,092	135,432
<b>Total</b>	<b>7,512,192</b>	<b>8,075,474</b>

\* 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)**

	2025	2024
Interest expense: from cash pooling	(54,391)	(86,764)
from loans in the Group*	(369,672)	(348,906)
from employee benefits	(3,237)	(2,692)
<b>Total</b>	<b>(427,300)</b>	<b>(438,362)</b>

\* In addition to interest expense, part of the borrowing costs also included capitalised interest of TCZK 32,045 (2024: TCZK 23,012), which is included in the acquisition cost of assets.

**(5) Income tax (TCZK)**

Effective tax rate	2025		2024	
Profit/loss for the period	1,249,006		839,883	
Income tax	338,194		227,510	
<b>Profit before tax</b>	<b>1,587,200</b>		<b>1,067,393</b>	
Income tax using the applicable income tax rate	333,312	21.00%	224,153	21.00%
Impact of items that are never tax-deductible	4,882	0.31%	3,357	0.31%
<b>Total income tax / effective tax rate</b>	<b>338,194</b>	<b>21.31%</b>	<b>227,510</b>	<b>21.31%</b>

The current income tax estimate for 2025 of TCZK 278,700 (2024: TCZK 181,100) was reduced by income tax prepayments of TCZK 171,139 (2024: TCZK 212,427) and the resulting net liability is recorded in Provision for income tax (whereas in 2024, the amount was reported as tax receivables).

In accordance with Act No. 416/2026 Coll., on top-up taxes for large multinational groups and large domestic groups, the Company has become subject to the top-up tax. The Company has determined that the impact of the top-up tax on the tax payable for 2025 is zero or insignificant.

Payables to the state	2025	2024
Social security and health insurance liabilities	16,198	15,207
Tax liabilities	118,392	126,951
<b>Total</b>	<b>134,590</b>	<b>142,158</b>

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
<b>Acquisition cost</b>								
<b>Balance as at</b>								
<b>31 December 2023</b>	<b>711.3</b>	<b>26,451.8</b>	<b>27,297.8</b>	<b>2,685.1</b>	<b>2,401.4</b>	<b>315.2</b>	<b>512.6</b>	<b>60,375.2</b>
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
<b>Balance as at</b>								
<b>31 December 2024</b>	<b>683.6</b>	<b>26,878.0</b>	<b>28,470.5</b>	<b>2,733.2</b>	<b>2,412.3</b>	<b>339.0</b>	<b>772.9</b>	<b>62,289.5</b>
<b>Accumulated depreciation</b>								
<b>Balance as at</b>								
<b>31 December 2023</b>	<b>-</b>	<b>(15,823.1)</b>	<b>(12,249.3)</b>	<b>(1,692.3)</b>	<b>(1,346.8)</b>	<b>(246.5)</b>	<b>-</b>	<b>(31,358.0)</b>
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	3.2	-	456.7
Transfers	-	-	-	-	-	-	-	-
<b>Balance as at</b>								
<b>31 December 2024</b>	<b>0.0</b>	<b>(16,270.6)</b>	<b>(12,761.6)</b>	<b>(1,659.4)</b>	<b>(1,374.1)</b>	<b>(256.2)</b>	<b>0.0</b>	<b>(32,321.9)</b>
<b>Net book value as at</b>								
<b>31 December 2023</b>	<b>711.3</b>	<b>10,628.7</b>	<b>15,048.5</b>	<b>992.8</b>	<b>1,054.6</b>	<b>68.7</b>	<b>512.6</b>	<b>29,017.2</b>
<b>Net book value as at</b>								
<b>31 December 2024</b>	<b>683.6</b>	<b>10,607.4</b>	<b>15,708.9</b>	<b>1,073.8</b>	<b>1,038.2</b>	<b>82.8</b>	<b>772.9</b>	<b>29,967.6</b>

	Land	Power structures	Cables and overhead power lines	Telecommunication technology and information technologies	Electricity meters	Sundry	Assets under construction	Total
<b>Acquisition cost</b>								
<b>Balance as at</b>								
<b>31 December 2024</b>	<b>683.6</b>	<b>26,878.0</b>	<b>28,470.5</b>	<b>2,733.2</b>	<b>2,412.3</b>	<b>339.0</b>	<b>772.9</b>	<b>62,289.5</b>
Additions	31.5	509.6	1,409.6	149.3	177.7	23.6	490.8	2,792.1
Disposals	(22.1)	(119.0)	(205.8)	(11.1)	(67.2)	(10.2)	(3.4)	(438.8)
Transfers	3.6	80.5	294.4	70.7	64.7	2.9	(516.8)	-
<b>Balance as at</b>								
<b>31 December 2025</b>	<b>696.5</b>	<b>27,349.1</b>	<b>29,968.7</b>	<b>2,942.1</b>	<b>2,587.6</b>	<b>355.3</b>	<b>743.5</b>	<b>64,642.8</b>
<b>Accumulated depreciation</b>								
<b>Balance as at</b>								
<b>31 December 2024</b>	<b>-</b>	<b>(16,270.6)</b>	<b>(12,761.6)</b>	<b>(1,659.4)</b>	<b>(1,374.1)</b>	<b>(256.2)</b>	<b>-</b>	<b>(32,321.9)</b>
Depreciation expense	-	(520.4)	(745.1)	(97.0)	(134.4)	(14.5)	-	(1,511.4)
Adjustments	-	-	-	-	-	-	-	-
Disposals	-	119.4	205.4	11.1	67.1	10.2	-	413.2
Transfers	-	-	-	-	-	-	-	-
<b>Balance as at</b>								
<b>31 December 2025</b>	<b>-</b>	<b>(16,671.6)</b>	<b>(13,301.3)</b>	<b>(1,745.3)</b>	<b>(1,441.4)</b>	<b>(260.5)</b>	<b>-</b>	<b>(33,420.0)</b>
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
<b>Net book value as at</b>								
<b>31 December 2025</b>	<b>696.5</b>	<b>10,677.6</b>	<b>16,667.4</b>	<b>1,196.8</b>	<b>1,146.2</b>	<b>94.8</b>	<b>743.5</b>	<b>31,222.8</b>

None of the Company's assets are pledged or used as a guarantee. Additions to fixed assets as at 31 December 2025 and as at 31 December 2024, primarily related to the restoration and development of distribution networks. The increase in investments in 2025 was reduced by a subsidy from projects to modernize distribution networks totalling TCZK 116,286.

**(7) Intangible fixed assets (MCZK)**

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

	Software	Sundry	Assets under construction	Total
<b>Acquisition cost</b>				
<b>Balance as at 31 December 2024</b>	<b>13.5</b>	<b>41.3</b>	<b>1.4</b>	<b>56.2</b>
Additions	1.1	0.7	1.0	2.8
Disposals	-	(31.2)	0.0	(31.2)
Transfers	-	-	-	-
<b>Balance as at 31 December 2025</b>	<b>14.6</b>	<b>10.8</b>	<b>2.4</b>	<b>27.8</b>
<b>Accumulated amortisation</b>				
<b>Balance as at 31 December 2024</b>	<b>(12.9)</b>	<b>(39.8)</b>	<b>-</b>	<b>(52.7)</b>
Amortisation expense	(0.8)	(0.8)	-	(1.6)
Disposals	-	31.2	-	31.2
Transfers	-	-	-	-
<b>Balance as at 31 December 2025</b>	<b>(13.7)</b>	<b>(9.4)</b>	<b>0.0</b>	<b>(23.1)</b>
Net book value as at 31 December 2024	0.6	1.5	1.4	3.5
<b>Net book value as at 31 December 2025</b>	<b>1.0</b>	<b>1.4</b>	<b>2.4</b>	<b>4.7</b>

**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 88,363 (2024: TCZK 86,332). The Company holds no low-value intangible fixed assets.

**(8) Long-term investments (TCZK)**

	Note	Share	2025	2024
PREnetcom, a.s.	Non-marketable	100%	2,000	2,000
Elektrotechnické datové centrum, a.s.	Non-marketable	25%	17,062	17,062
Other*			100	100
<b>Total</b>			<b>19,162</b>	<b>19,162</b>

\* Other investments include a 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.

	2025	2024
Registered office: Prague 10, Na Hroudě 1492/4		
ID No.: 06714366		
Average headcount	40	34
<b>Financial data (TCZK)</b>		
Share capital	2,000	2,000
Equity	121,403	95,701
Profit/loss after tax	26,502	19,976
Revenue from sale of products and services	136,895	111,463

**(9) Trade receivables (TCZK)**

Trade receivables	2025	2024
Up to 6 months past due	10,479	4,593
6 to 12 months past due	797	769
More than 12 months past due	29,689	32,359
<b>Gross past-due trade receivables</b>	<b>40,965</b>	<b>37,721</b>
Before due	113,603	121,357
<b>Total gross trade receivables</b>	<b>154,568</b>	<b>159,078</b>

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

<b>Balance as at 31 December 2023</b>	<b>42,925</b>
Additions and utilisation during the current period	(7,078)
<b>Balance as at 31 December 2024</b>	<b>35,847</b>
Additions and utilisation during the current period	(2,630)
<b>Balance as at 31 December 2025</b>	<b>33,217</b>

**(10) Equity (TCZK)****Registered share capital and types of shares as at 31 December 2025**

The Company's share capital comprises 21,549 registered shares in the certificate form (2024: 21,549 shares) with the nominal value of CZK 821,752 (2024: CZK 821,752).

**Distribution of profit**

The General Meeting will decide on the distribution of profit of TCZK 1,249,006 (2024: TCZK 839,883).

**(11) Other provisions (TCZK)**

	Business		Employee	Total
	risks	Salaries	benefits	
<b>Balance as at 31 December 2023</b>	<b>36,235</b>	<b>56,936</b>	<b>98,240</b>	<b>191,411</b>
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)	(61,917)
<b>Balance as at 31 December 2024</b>	<b>33,432</b>	<b>64,131</b>	<b>99,898</b>	<b>197,462</b>
Additions to provisions in the current period	8,459	64,962	11,642	85,062
Utilisation/release of provisions in the current period	-	(61,087)	(12,466)	(73,553)
<b>Balance as at 31 December 2025</b>	<b>41,891</b>	<b>68,006</b>	<b>99,074</b>	<b>208,971</b>
Long-term provisions	41,891	-	94,497	136,388
Short-term provisions	-	68,006	4,577	72,582
<b>Total</b>	<b>41,891</b>	<b>68,006</b>	<b>99,074</b>	<b>208,971</b>

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.
- > 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:

	2025	2024
Fixed assets	3,669,531	3,608,923
Receivables	(1,080)	(1,276)
Provisions	(23,079)	(20,489)
Liabilities arising from the collective agreement	(20,666)	(20,979)
<b>Total</b>	<b>3,624,706</b>	<b>3,566,179</b>

**(13) Trade payables (TCZK)**

As at 31 December 2025, the Company recognised past-due trade payables amounting to TCZK 604. (No past-due trade payables were recorded for the year 2024). All of these payables were settled in January 2026.

**(14) Temporary liabilities (TCZK)**

<b>Deferred revenues</b>	
<b>Balance as at 31 December 2023</b>	<b>2,012,953</b>
Investment contributions received	282,118
Investment contributions accounted for in revenues*	(207,160)
<b>Balance as at 31 December 2024</b>	<b>2,087,911</b>
Investment contributions received	288,512
Investment contributions accounted for in revenues*	(214,776)
Correction factor of permitted revenues**	237,088
<b>Balance as at 31 December 2025</b>	<b>2,398,735</b>

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

\*\* This involves accrued/deferred correction factor for the distribution activity (including accrued/deferred land lease expenses).

**(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**

	<b>2025</b>	<b>2024</b>
Cable conduits	160,283	153,696
Non-residential premises	51,381	50,261
Administrative buildings	68,507	69,370
Lease of cars	27,401	25,915
Other	2,462	1,204
<b>Total</b>	<b>310,034</b>	<b>300,446</b>

**(16) Fees payable to auditors (TCZK)**

	2025	2024
Fees payable to auditors for a statutory audit of the financial statements	1,788	1,595
<b>Fees payable to auditors for a statutory audit of the financial statements</b>	<b>1,788</b>	<b>1,595</b>

**(17) Advances received (TCZK)**

	2025	2024
Advances received for distribution and system services B2B	4 010	13 905
Advances received for distribution and system services B2C and B2B LV	856 599	664 868
Advances received for contracts	31 261	249
<b>Total</b>	<b>891 870</b>	<b>679 022</b>

**(18) 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**

	2025	2024
Number of persons	8	8
Bonuses in TCZK	29,218	26,888

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

As at 31 December 2025, the Company recorded receivables from the members of the Board of Directors and the Supervisory Board in the aggregate amount of TCZK 18 (31 December 2024: TCZK 9). These receivables were settled during January 2026.

As at 31 December 2025 the Company had incurred no pension liabilities to former members of management, supervisory and administrative bodies.

**(19) Intra-company relations (TCZK)**

	Receivables of PREdi		Payables of PREdi	
	as at 31 December		as at 31 December	
	2025	2024	2025	2024
<b>Pražská energetika, a.s.</b>	<b>2,204,690</b>	<b>2,169,433</b>	<b>7,511,262</b>	<b>7,161,517</b>
of which: trade receivables/payables	510	18	135,315	58,266
trade receivables/payables from cash pooling	-	-	1,008,909	702,669
estimated receivables/payables	-	-	-	21,802
long-term loan*	-	-	4,900,000	6,200,000
short-term loan*	-	-	1,300,000	3,066
accrued revenues/expenses	-	-	167,038	175,714
estimated amounts – unbilled distribution services**	2,204,180	2,169,415	-	-
<b>PREenergo, a.s.</b>	<b>-</b>	<b>59</b>	<b>1,244</b>	<b>2,189</b>
of which: trade receivables/payables	-	59	1,244	2,189
estimated amounts – unbilled services	-	-	-	-
<b>eYello CZ, k.s.</b>	<b>19,071</b>	<b>10,376</b>	<b>24,685</b>	<b>10,818</b>
of which: trade receivables/payables	-	72	886	-
advances received for distribution services	-	-	23,799	10,818
estimated amounts – unbilled distribution services	19,071	10,304	-	-
<b>PREzákaznická, a.s.</b>	<b>-</b>	<b>-</b>	<b>23,762</b>	<b>31,558</b>
of which: trade receivables/payables	-	-	23,762	31,558
estimated amounts – unbilled services	-	-	-	-
<b>PREnetcom, a.s.</b>	<b>4,450</b>	<b>256</b>	<b>-</b>	<b>50</b>
<b>PREservisní, s.r.o.</b>	<b>5,766</b>	<b>9,182</b>	<b>11,075</b>	<b>13,335</b>
of which: trade receivables/payables	638	1,856	11,075	13,335
deferrals/accruals	5,128	7,326	-	-
<b>KORMAK Praha a.s.</b>	<b>6</b>	<b>19</b>	<b>2,197</b>	<b>319</b>
<b>VOLTCOM, spol. s r.o.</b>	<b>11</b>	<b>29</b>	<b>2,179</b>	<b>1,001</b>
<b>PRE distribuční služby, a.s.</b>	<b>-</b>	<b>-</b>	<b>87,412</b>	<b>91,582</b>
<b>Total</b>	<b>2,233,994</b>	<b>2,189,354</b>	<b>7,663,816</b>	<b>7,312,369</b>

\* The long-term loan consists of four parts: 1. 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.; 2. 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.; 3. 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.; 4. 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. The short-term loan consists of two 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.

\*\* Estimated receivables reported in the balance sheet amount to TCZK 2,900,397 (31 December 2024: TCZK 2,819,155), of which TCZK 2,204,180 (31 December 2024: TCZK 2,169,415) represents unbilled distribution services provided to Pražská energetika, a.s., TCZK 19,071 (31 December 2024: TCZK 10,304) represents unbilled distribution services provided to eYello CZ, k.s., and TCZK 677,146 (31 December 2024: TCZK 639,436) represents unbilled distribution services and unbilled credit notes, if any, related to these services provided outside the PRE Group.

	PREdi revenues/proceeds		PREdi expenses	
	2025	2024	2025	2024
<b>Pražská energetika, a.s.</b>	<b>6,598,283</b>	<b>6,503,941</b>	<b>2,242,846</b>	<b>2,114,727</b>
of which: distribution services	6,583,006	6,503,941	-	-
services, consumed material	12,179	13,036	583,327	602,152
electricity for grid losses and own consumption	-	-	373,267	583,892
other proceeds	-	-	-	-
assets sold	3,098	248	144	-
dividends	-	-	830,000	470,000
interest on cash pooling	-	-	54,391	86,765
interest on loans (including capitalised)	-	-	401,717	371,918
<b>eYello CZ, k.s.</b>	<b>44,042</b>	<b>24,461</b>	<b>-</b>	<b>-</b>
of which: distribution services	44,024	24,446	-	-
other revenues	18	15	-	-
<b>PREenergo, a.s.</b>	<b>2,230</b>	<b>2,184</b>	<b>9,566</b>	<b>9,900</b>
of which: other services and consumed energy	2,198	2,184	9,566	9,664
fixed assets	32	0	-	236
<b>KORMAK Praha a.s.</b>	<b>1,109</b>	<b>161</b>	<b>280,166</b>	<b>235,645</b>
of which: fixed assets	-	-	230,061	211,362
repairs of fixed assets	-	-	29,432	21,591
services	97	139	20,673	2,692
other revenues	1,012	22	-	-
<b>PREzákaznická, a.s.</b>	<b>-</b>	<b>-</b>	<b>265,917</b>	<b>257,996</b>
of which: customer and other services	-	-	265,917	257,996
<b>PREservisní, s.r.o.</b>	<b>-</b>	<b>64,051</b>	<b>593,351</b>	<b>491,090</b>
of which: fixed assets	-	64,051	536,260	436,368
repairs of fixed assets	-	-	18,136	15,190
services	-	-	38,955	39,532
material	-	-	-	-
<b>PRE distribuční služby, a.s.</b>	<b>5</b>	<b>7</b>	<b>503,905</b>	<b>432,102</b>
of which: replacement and servicing of meters	-	-	164,583	189,493
monthly reading of meters	-	-	87,026	84,623
fixed assets	5	7	252,296	157,986
<b>PREnetcom, a.s.</b>	<b>4,277</b>	<b>2,877</b>	<b>94,720</b>	<b>73,388</b>
of which: services – IT support	4,277	2,877	29,669	32,364
fixed assets	-	-	65,051	41,024
<b>VOLTCOM, spol. s r.o.</b>	<b>1,509</b>	<b>991</b>	<b>209,794</b>	<b>213,576</b>
of which: fixed assets	-	-	180,739	170,293
repairs of fixed assets	-	-	28,746	43,283
services	745	664	309	-
other revenues	764	327	-	-
<b>Total</b>	<b>6,651,455</b>	<b>6,598,673</b>	<b>4,200,265</b>	<b>3,828,424</b>

All transactions with the 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	
	2025	2024	2025	2024
<b>Relations with subsidiaries and associates</b>	<b>122,544</b>	<b>132,755</b>	<b>59,306</b>	<b>32,869</b>
Capital City of Prague	122,544	132,755	59,306	32,869
<b>Relations with other entities</b>	<b>476,133</b>	<b>456,687</b>	<b>227,619</b>	<b>192,764</b>
Výstaviště Praha, a.s.	8,379	9,275	-	-
Technická správa komunikací hl. m. Prahy, a.s.	1,482	408	18	-
Pražská plynárenská Servis distribuce, a.s., člen koncernu Pražská plynárenská, a.s.	0	302	-	-
Prometheus, energetické služby, a.s., člen koncernu Pražská plynárenská, a.s.	5,219	3,374	-	-
Pražské služby, a.s.	9,007	486	287	283
Technologie Hlavního města Prahy, a.s.	2,127	313	1	1
Teplo pro Prahu a.s.	2,430	1,833	-	-
Dopravní podnik hl.m. Prahy, akciová společnost	332,490	330,801	2,681	3,768
Kolektory Praha, a.s.	1	1	160,056	153,457
Pražské vodovody a kanalizace, a.s.	101,857	101,976	10,364	9,569
TRADE CENTRE PRAHA a.s.	-	-	137	-
Pražská plynárenská, a.s.	6,423	6,085	4	7
Elektroenergetické datové centrum, a.s.	0	1,224	53,730	25,679
Pražská strojírna a.s.	1,792	609	-	-
VN 42, s.r.o.	4,926	-	341	-
<b>Total</b>	<b>598,677</b>	<b>589,442</b>	<b>286,925</b>	<b>225,633</b>

	Receivables		Payables	
	2025	2024	2025	2024
<b>Relations with subsidiaries and associates</b>	<b>-</b>	<b>-</b>	<b>403</b>	<b>40</b>
Capital City of Prague	-	-	403	40
<b>Relations with other entities</b>	<b>27,195</b>	<b>13,695</b>	<b>7,347</b>	<b>15,606</b>
Výstaviště Praha, a.s.	132	785	470	-
Technická správa komunikací hl. m. Prahy, a.s.	206	92	-	-
Dopravní podnik hl.m. Prahy, akciová společnost	17,053	12,435	1	9,452
Pražské vodovody a kanalizace, a.s.	6,613	212	1,037	950
Pražské služby, a.s.	2,986	9	293	10
Pražská plynárenská, a.s.	-	-	-	2
Pražská strojírna a.s.	-	-	-	4
Pražská plynárenská Servis distribuce, a.s., člen koncernu Pražská plynárenská, a.s.	-	162	-	-
Elektroenergetické datové centrum, a.s.	-	-	5,546	5,188
Prometheus, energetické služby, a.s., člen koncernu Pražská plynárenská, a.s.	205	-	-	-
<b>Total</b>	<b>27,195</b>	<b>13,695</b>	<b>7,750</b>	<b>15,646</b>

**(20) 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:

	2025	2024
Cash	1,972	2,355
Cash pooling	(1,008,909)	(702,669)
<b>Total</b>	<b>(1,006,937)</b>	<b>(700,314)</b>

**(21) Material subsequent events**

Based on the project of division by spin-off and a merger dated 31 October 2025, with the decisive date of 1 January 2026, a part of the assets of PREdistribuce, a.s., with its registered office at Svornosti 3199/19a, Smíchov, 150 00 Prague 5, ID No. 273 76 516, was spun off and the spun-off part of the assets was transferred to the successor company Pražská energetika, a.s., with its registered office at Na Hroudě 1492/4, Vršovice, 100 00 Prague 10, ID No. 601 93 913. As a result of this change, the shareholder structure of PREnetcom, a.s., with its registered office at Na Hroudě 1492/4, Vršovice, 100 00 Prague 10, ID No. 067 14 366, changed.

No further changes have occurred since the balance sheet date.

In Prague, 28 April 2026

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 2025, 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. No facts have been deliberately omitted from or distorted in the Annual Report which could have altered its meaning.

In Prague, 28 April 2026

Signed by

**Milan Hampl**

chairperson of the Board of Directors

Signed by

**Petr Dražil**

vice-chairperson of the Board of Directors

## LIST OF ABBREVIATIONS



<b>AMM</b>	Automatic metering management
<b>B2B</b>	Big customers
<b>B2C</b>	Small customers
<b>CSRD</b>	EU directive introducing more detailed requirements for sustainability reporting (Corporate Sustainability Reporting Directive)
<b>ČEPS</b>	Czech Transmission System Operator (Česká elektroenergetická přenosová soustava)
<b>EDC</b>	Elektroenergetické datové centrum, a.s.
<b>EnBW</b>	EnBW Energie Baden-Württemberg AG
<b>ERÚ</b>	Energy Regulatory Office (Energetický regulační úřad)
<b>ESG</b>	Non-financial reporting in the areas of corporate social responsibility and environmental sustainability (Environmental, Social, and Governance)
<b>ESRS</b>	EU-wide standards for sustainability reporting (European Sustainability Reporting Standards)
<b>EU</b>	European Union
<b>FVE</b>	Photovoltaic power plant
<b>GWh</b>	Gigawatt hour
<b>HV</b>	High voltage
<b>IRO</b>	Impacts, Risks, and Opportunities
<b>K</b>	Cable
<b>KT</b>	Cable tunnel
<b>kV</b>	Kilovolt
<b>LV</b>	Low voltage
<b>MHMP</b>	Prague City Hall
<b>MV</b>	Medium voltage
<b>MW</b>	Megawatt
<b>OHS</b>	Occupational health and safety
<b>OSEP</b>	Occupational safety and environmental protection
<b>R</b>	Distribution station
<b>SAIDI/SAIFI</b>	Electricity supply reliability indicators
<b>T</b>	Transformer
<b>TFA</b>	Tangible fixed assets
<b>TR</b>	110/22 kV transformer station
<b>TWh</b>	Terawatt hour
<b>VTE</b>	Wind farm

## CONTACT INFORMATION

	Address	Postal code	Telephone
<b>PREdistribuce, a.s.</b> 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
Emergency line:	Prague 2, Kateřinská 1528/9 e-mail: poruchy@predistribuce.cz	120 00	800 823 823
<b>Pražská energetika, a.s.</b> 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
<b>PREenergo, a.s.</b> 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	Prague 1, Jungmannova 747/28 e-mail: centrum.sluzeb@pre.cz	110 00	733 143 143
<b>PRE distribuční služby, a.s.</b> 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 prodejnanovovysocanska@pre.cz	190 00	267 052 389
<b>eYello CZ, k.s.</b> ID No.: 25054040	Prague 10, Kubánské náměstí 1391/11 www.yello.cz e-mail: yello@yello.cz	100 00	267 056 704
<b>PREzákaznická, a.s.</b> 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
<b>PREservisní, s.r.o.</b> 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

	<b>Address</b>	<b>Postal code</b>	<b>Telephone</b>
<b>KORMAK Praha a.s.</b> ID No.: 48592307	Prague 10 – Uhřetěves, náměstí Bratří Jandusů 34/34 www.kormak.cz e-mail: kormak@kormak.cz	104 00	267 051 301
<b>VOLTCOM, spol. s r.o.</b> ID No.: 44794274	Prague 6, Otevřená 1092/2 www.voltcom.cz e-mail: voltcom@voltcom.cz	169 00	267 051 635
<b>PREnetcom, a.s.</b> 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
<b>PREsolidsun, s.r.o.</b> ID No.: 28923405	Prague 10, Na Hroudě 2149/19 www.solidsun.cz e-mail: info@solidsun.cz	100 00	724 981 004 for calls from abroad: +420 267 055 555
<b>FRONTIER TECHNOLOGIES, s.r.o.</b> ID No.: 27234835	Prague 10, Na Hroudě 2149/19 www.frontier-technologies.eu e-mail: info.frontier@pre.cz	100 00	277 002 346
<b>ELEKTRO – FA.PAVELEK, s.r.o.</b> ID No.: 60322195	Opava, Ostravská 327/54 www.epavelek.cz e-mail: info@pavelek.cz	747 70	553 794 316
<b>PRE FVE Nové Sedlo, s.r.o.</b> ID No.: 11911913	Prague 10, Na Hroudě 2149/19 www.preenergo.cz e-mail: prefve@pre.cz	100 00	800 550 055 for calls from abroad: +420 267 055 555
<b>PRO EMV, s.r.o.</b> ID No.: 21330000	Prague 4, Štětškova 1638/18 www.pre.cz e-mail: info@proemv.cz	140 00	800 550 055 for calls from abroad: +420 267 055 555
<b>NETFIN Infrastructure, a.s.</b> ID No.: 17093881	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
<b>Rezident Park 9 s.r.o.</b> ID No.: 09771298	Prague 8, Koželužská 2450/4 www.preservisni.cz e-mail: pre@pre.cz	180 00	800 550 055 for calls from abroad: +420 267 055 555
<b>Elektroenergetické datové centrum, a.s.</b> ID No.: 21020264	Prague 10, Na Hroudě 1492/4 www.edc-cr.cz e-mail: info@edc-cr.cz	100 00	800 720 204 for calls from abroad: +420 519 799 300

PREdistribuce, a.s.  
Svornosti 3199/19a  
150 00 Prague 5  
**[www.predistribuce.cz](http://www.predistribuce.cz)**

© 2026 Design and production KUKLIK.CZ