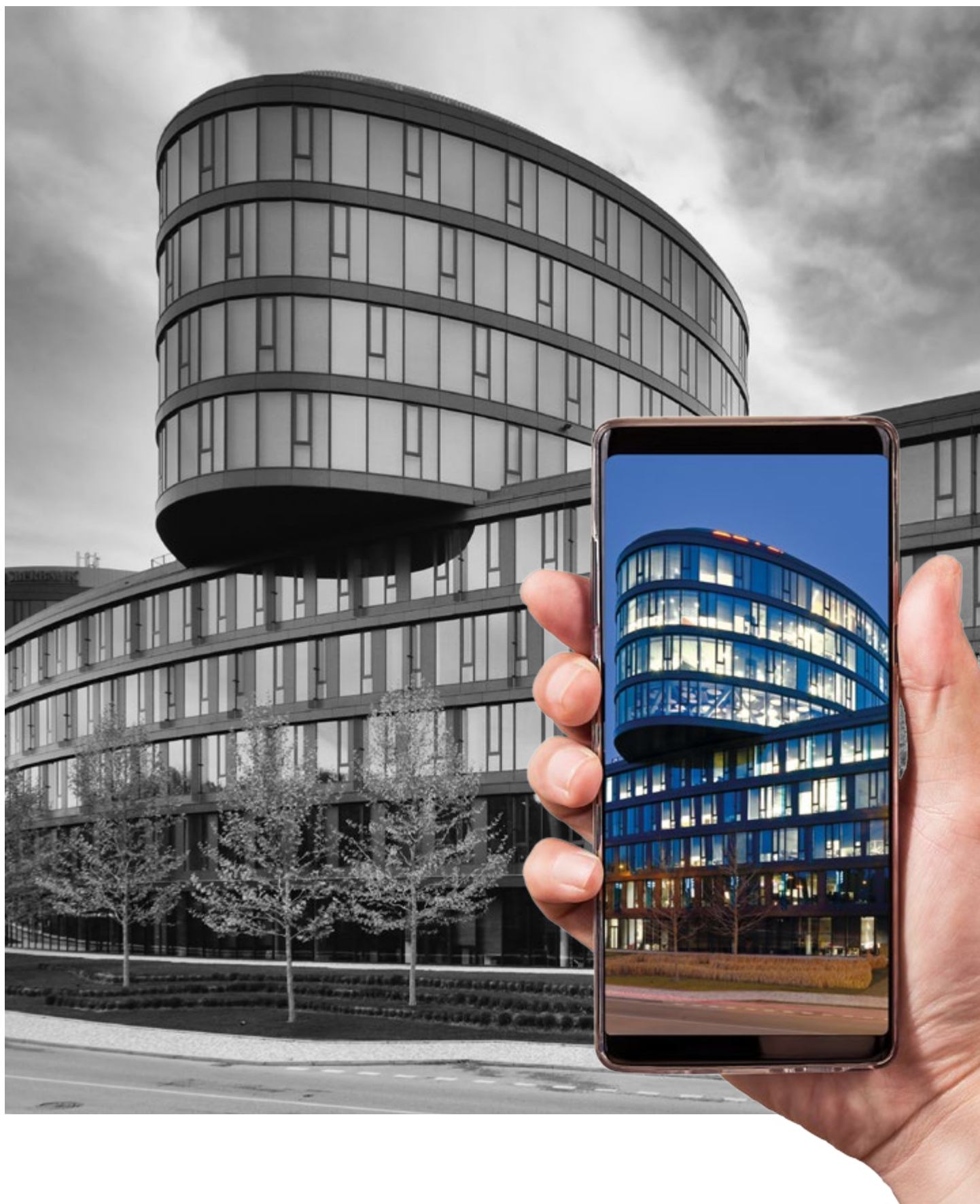




PREdistribuce, a.s.
Annual Report

2019



Cover photo:

The Aviatika administrative building is a new landmark in the skyline of Prague's Radlice. It was constructed at the revitalized site of the former Walter Motors aircraft engine factory.

Since the project meets strict environmental and energy efficiency requirements, it received the LEED Gold international environmental certification.

Table of contents

002	Basic information about the company
006	PRE Group
008	Foreword of the chairperson of the Board of Directors
010	Company strategy
016	Corporate bodies of the company
019	Trends in the electricity sector
022	Report of the Board of Directors on Business Activities and Assets for 2019
027	Financial analysis
028	Human resources
031	Environmental protection and OHS
032	Risk management system
033	Report on General Meetings
035	Information required by law
038	Report on Relations of PREdistribuce, a.s., for 2019
045	Supervisory Board Report on Activities in 2019
046	Independent Auditor's Report to the Shareholder of PREdistribuce, a.s.
050	Separate financial statements of PREdistribuce, a.s.
076	Affidavit
077	List of abbreviations
078	Contact information



Basic information about the company

PREdistribuce, a.s.

Commercial name: PREdistribuce, a.s.

Registered office: Svornosti 3199/19a, 150 00 Prague 5

ID No.: 27376516, tax ID No.: CZ27376516

Legal form: joint stock company

Registered in the Commercial Register maintained at the Municipal Court in Prague, file ref. B 10158

Bank information: ČSOB Prague 5, account number: 17494043/0300

Holder of electricity distribution licence: No. 120504769 (valid from 1 January 2006 for an indefinite period of time)

PREdistribuce, a.s., (PREdi) operates and owns the distribution system in the capital Prague, in Roztoky and in Žalov covering an area of 505 km² in accordance with the electricity distribution licence in effect from 1 January 2006 for an indefinite period of time.

The key processes and activities ensuring reliable energy supply, operation and maintenance of the distribution network include the development and renovation of network assets in the licenced territory, the connection of new customers, buildings and structural units, optimum operation controls and the resolution of failures, the maintenance and repair of the network, measurements and other services related to electricity distribution.

002

PREdi was established as a separate company following the changes in the energy legislation aimed at harmonising the legislation of the EU member states. In 2004, Directive 2003/54/ES of the European Parliament and the Council of the EU concerning common rules for the internal market in electricity was transposed to the Czech legislation through an amendment to the Energy Act. It started the process of unbundling aimed at separating the distribution of electricity from trading in electricity and ensuring that an electricity distribution licence is held by a separate company.

That is why Pražská energetika, a.s., (PRE) established on 7 September 2005 a 100% subsidiary of PREdi, and, as of 28 December 2005, transferred a part of its business there (the Distribution division – i.e., the distribution network).

On 1 January 2006, PREdi started operating, assuming 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.

The PREdi's distribution system consists of 110 kV, 22 kV and 0.4 kV overhead lines and cable lines, distribution stations with 110/22 kV transformation and 22/0.4 kV network transformer stations. Distribution of electricity is subject to price and quality regulation by the Energy Regulatory Office (ERÚ), which aims to optimise costs and prices for the use of networks, while ensuring adequate quality of electricity distribution and related user and customer services.

At the end of 2019, more than 809 thousand consumption points were connected to the distribution system. The highest load of the distribution network amounting to 1,162 MW was recorded on 24 January 2019. In 2019, the networks distributed 6,296 GWh on all voltage levels. Throughout the year, the quality standards of electricity supply and related services were met with regard to the customers connected to the distribution system in accordance with ERÚ Decree No. 540/2005 Coll., as amended. All output and energy demands of both the existing and new customers and investors of development projects in the licensed territory were met.

The company's scope of business

- electricity distribution;
- installation, repair, inspection and testing of electrical equipment;
- production, installation and repair of electrical machinery and devices and electronic and telecommunication equipment;
- execution of constructions, their alterations and demolitions; and,
- production, trading and services not listed in Appendices No. 1–3 of the Trade Licensing Act in the following fields:
 - repair and maintenance of domestic appliances, cultural objects, precise mechanical products and optical devices and meters;
 - advisory and consultancy services, the provision of expert studies and opinions;
 - lease and rental of movable assets;
 - preparation and creation of technical designs, graphic and drawing works;
 - real estate activities and the administration and maintenance of real estate; and,
 - testing, measurements, analyses and inspections.

003

A 100% subsidiary 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.

The company also explores the possibilities of using the spare capacity of the created communication network for other purposes, such as Smart City and Smart Home concepts. In 2018 and 2019, it implemented its first pilot commercial project in Prague's Skalka area and launched other pilot projects in Prague's neighbourhoods of Chodov, Vinohrady and Skalka II area. 2020 will see the continuation of the implementation of other pilot projects aimed at selecting suitable technologies, determining the overall concept and architecture of the communication network, including the standardisation of follow-up processes and technical solutions within the PRE Group's infrastructure.



PRE

The modern 110/22 kV Karlín transformer station ensures electricity distribution in Karlín and the New Town and is planned to expand further to a part of the Old Town and Holešovice.

The transformer station uses technology which is remotely controlled and operated through the controlling centre of PREdi.



005



PRE Group

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

PRE has a more than one hundred and twenty year long history of supplying electricity and developing the electricity system in Prague, Roztoky and Žalov. The history of the PRE Group companies dates back to 1897, when the Electricity Works of the Royal Capital City of Prague (Elektrické podniky královského hlavního města Prahy) was founded. Aside from electricity distribution, the company also operated trams and provided street lighting. Today, with its more than 809 thousand consumption points, the PRE Group is the third largest electricity supplier in the Czech Republic, operating a high quality and reliable distribution network. As part of its activities, it supports state-of-the-art technological solutions and provides consultancy on the implementation of innovative technologies and energy savings. Last year, it distributed almost 6.3 TWh of electricity on all voltage levels to end customers and generated 29 GWh of electricity from renewable sources.

In 2019, the PRE Group consisted of the parent company Pražská energetika, a.s., and its subsidiaries: PREdistribuce, a.s., PREměření, a.s., PREzákaznická, a.s., PREservisní, s.r.o., eYello CZ, k.s., KORMAK Praha a.s., VOLTCOM, spol. s r.o. (since 30.4.2019).

006

The PRE Group also includes the 100% subsidiaries of PREměření, a.s.: PRE FVE Světlík, s.r.o., SOLARINVEST – GREEN ENERGY, s.r.o., FRONTIER TECHNOLOGIES, s.r.o., WINDING WE NORTH a.s., and its 100% subsidiary of PRE VTE Částkov, s.r.o. (since 19.12.2019). The PRE Group also includes PREnetcom, a.s., a 100% subsidiary of PREdistribuce, a.s.

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) ensures electricity distribution in Prague, Roztoky and Žalov as well as the planning of the distribution system renovation and development and the construction, operation, administration and maintenance of the distribution system equipment.

PREměření, a.s., (PREm) carries out repairs, installation and readings of electricity metres in the PREdi supply territory and provides energy services to its clients, servicing and generation of electricity from renewable sources of energy.

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

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

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

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

VOLTCOM, spol. s r.o., (VOLTCOM) focuses on the design of constructions, including the realizations of constructions, installations, repairs, inspections and testing of electrical equipment. It became subsidiary of PRE on 30 April 2019.

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

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

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

WINDING WE NORTH a.s., and its subsidiary PRE VTE Částkov, s.r.o., focus on electricity production. It became subsidiary of PREm on 19 December 2019.

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



Foreword of the chairperson of the Board of Directors

Distinguished readers

Looking back at 2019, I am pleased to say that PREdi managed to achieve its planned economic and operational results and it contributed to excellent economic results for the whole PRE Group. Its EBITDA reached CZK 3,201 million, surpassing last year's result. In 2020, the energy sector is bound to face many changes since the Czech government is expected to approve the amendment to the Energy Act, complete the National Smart Grid Action Plan, adopted by the government in 2015, and it is also supposed to lay down new regulatory principles and parameters for its fifth regulatory period from 2021.

PREdi, a 100% subsidiary of its parent company PRE, operates the distribution network in Prague, Roztoky and Žalov. In accordance with the Energy Act, it holds an electricity distribution licence from the Energy Regulatory Office (ERÚ). It is responsible for one of the key areas of the PRE Group's activities since its main mission is to provide high quality and uninterrupted electricity supply to all of its customers. As the operator of the distribution network in the capital, PREdi has a specific position in the Czech energy industry, and has to face extraordinary challenges and demands for high quality and reliability of supply. In terms of security, selected parts of the networks and operating equipment of PREdi are a part of the critical infrastructure of Prague and the Czech Republic.

008

PREdi's distribution system consists of a system of 110 kV, 22 kV and 0.4 kV overhead lines and cable lines measuring 12,372 km, 25 distribution stations with 110/22 kV transformation, and 4,906 22/0.4 kV network transformer stations. At the end of 2019, more than 809 thousand consumption points were connected to the PREdi distribution system, which represents nearly a 1% increase year-on-year. The highest load of the distribution network amounting to 1,162 MW was recorded on 24 January 2019, which is comparable to previous years. In 2019, PREdi distributed a total of 6,296 GWh, which surpasses its long-term average. The amount of distributed electricity is expected to increase further thanks to rising demand from investors to connect new developments and multi-commercial projects in previously undeveloped and suburban parts of Prague. We can expect the network load in Prague to increase by hundreds of MW, especially due to the expansion of electromobility, which is being prepared by PREdi in cooperation with Prague's municipal company Technologie hlavního města Prahy, a.s.

The company's main tasks include planning the renovation and development of the distribution equipment; connecting new customers; metering supplied electricity on the high and medium voltage levels; and transferring data to the system of Market operator for the purpose of settling distribution services and supplies. PREdi's task is also to manage the network assets, control the operation of the network, solve failures, and carry out planned network renovation and maintenance. All of the distribution equipment was taken care of by 455 employees in 2019. PREdi continues to supervise the activities of its sister company, PREm, where all the activities related to electricity metering on the 0.4 kV level were transferred thirteen years ago. As of 1 January 2019, PREdi transferred its 40 employees involved in servicing to its new company PREs. These employees carry out the tasks of technical and administrative work on constructions as well as diagnostics services. PREs can offer those services in the external market, where the demand is expected to rise.

2019 saw no large-scale technical breakdowns of lines, 110/22 kV distribution stations or 22/0.4 kV nodal transformer stations, which would have impacted the electricity supply to customers in Prague in a major way or would even cause a disruption in Prague's transportation system. The performance of the entire distribution system proves the trend of decreasing internal distribution failure rate in Prague. Throughout the year, the quality standards of electricity supply

and related services were met with regard to the absolute majority of the end customers connected to the company's distribution network in accordance with ERÚ Decree No. 540/2005 Coll. PREdi's level of reliability of energy supplies on all voltage levels is extremely satisfying, especially in comparison to other electricity distributors in the Czech Republic and major European cities. These positive results were achieved thanks to our engagement to a centralised and long-term strategy of planning and renovation, to the implementation of modern technologies and network parts used in the EU with high levels of reliability and security, as well as to the implementation of network restoration according to previously adopted corporate norms (the Code of Preventive Maintenance, in particular). To continue in and achieve ever better results, PREdi plans to implement additional technical measures in the years to come.

In 2019, the company invested CZK 1,643 million (including capitalisation) in the renovation development of the distribution equipment. It invested a further CZK 226 million in the repairs of equipment. The high reliability and quality of electricity supply in Prague reflects the amount of investments made in the distribution network. The restoration of equipment in an antiquated 110/22 kV Pražská transformer station ranks among the most notable constructions of 2019. This transformer station, in service since 1985, is one of the most used in Prague. Its modernisation will be completed in 2020. Besides several other notable constructions in the 110 kV network and the construction of a cable tunnel from the 110/22 kV Karlín transformer station towards the Hlávka bridge and Invalidovna, we also carried out a high number of simple renovation projects to the 22 kV and 1 kV cable network and renovated distribution transformer stations which reached the end of their physical and accounting lifetime. PREdi also continues to fulfil its strategy of development of intelligent networks. The aim of it is to install new 22 kV, 1 kV cable networks and distribution transformer stations as smart grid ready. Digitalisation and smart infrastructure is carried out in line with the National Smart Grid Action Plan adopted by the Czech government. Given the expected expansion of decentralised energy generation and electromobility, smart grids will constitute a necessary condition for reliable operations of distribution systems.

009

I would also like to mention subsidiary PREnetcom, which started to operate on 1 January 2018. Its task is 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. Communication using optical equipment, which is part of distribution cables of medium and low voltage, will be used to ensure client data rollouts (AMM system). In 2019, PREdi successfully implemented its first pilot commercial projects in Prague's neighbourhoods of Chodov, Vinohrady and Skalka area. Other projects will follow, aimed at selecting suitable technologies and determining the overall concept and architecture of the communication network.

In conclusion, I would like to thank all of the company's employees for their dutiful work. It is thanks to them that PREdi met the task of energy distributor in the Czech capital, contributed to planned developments and with its reliably electricity energy supply it also contributed to the smooth and safe operation of the city. Thanks to their compliance with procedures and regulations, no serious injuries were caused, and our aim is to continue in this trend.

PREdi wishes to remain a stable and prosperous company, an irreplaceable part of Prague's life and a mainstay of the PRE Group. PREdi's objective is to fulfil the expectations of the shareholder in terms of planned profits for 2020. At the same time, it is willing to remain a modern company that fully acknowledges its responsibility towards the environment, energy savings and occupation health and safety.

Signed by

Milan Hampl

Chairperson of the Board of Directors



Company strategy

The primary mission of PREdi is to ensure the reliable distribution of electricity from transfer points with the transmission system to end customers' consumption and transfer points in the licensed territory covering 505 km² by using a well-maintained distribution system. This mission will gradually evolve into the transfer of electricity between individual points within the distribution system, but the underlying goal of ensuring reliable transfers will remain the same.

The main strategic goal is to continue optimising 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 otherwise conservative energy sector now faces changes to EU legislation in the form of the so-called Winter Package "Clean Energy for all Europeans", approved by the European Parliament and the Council of the EU in 2019. The sector will also have to deal with challenges related to the implementation of new technologies, which will undoubtedly require modification of the sector's structure and operation management in the near future. These changes and new challenges are common across Europe, with only speed and intensity differing in individual states.

Since the government approved the National Plan of the Czech Republic in the Energy Sector and Climate, the objective of the part of renewable sources in the production of electricity was increased to 22% by 2030. As a result, there will arguably be an increase in the deployment of decentralised electricity sources, where generation is difficult to predict. New technologies, such as electromobility, AMM and electro-accumulation, will also gradually expand. In connection to the strengthening of requirements for car emissions reduction, stipulated in the newly adopted regulation of the European Parliament and Council of the EU, electromobility in particular will gain in importance. The City of Prague has also increased its environmental objectives. It established the Committee for sustainable energy and climate of the Prague City Council, whose mission it is to draft specific measures aimed at fulfilling the identified objectives. As a distribution system operator, PREdi will continue to support these efforts while fulfilling its own obligations. Despite the changing conditions, distribution system operators will still be required to maintain a high level of reliability and security of electricity supply and its required quality, and to guarantee the supply even in crisis situations. There is a growing danger of abnormal operating conditions and blackouts, not only due to possible terrorist and newly also cyber attacks, but also due to the instability of sources and the overload of some transmission network components by huge transfers of electricity.

Distribution system operators have to find and implement measures enabling them to connect more new customers, while avoiding any form of discrimination or harm caused to other customers. It is also incumbent to all distribution network providers to guarantee sufficient network robustness, demanded by the significance of the distribution network as a part of the critical infrastructure and the critical information infrastructure. All this while keeping the costs at a reasonable level, justifiable to shareholders and acceptable for customers.

PREdi's long-term strategy is to increase distribution efficiency by taking operational-technical and investment measures in the network as well as by optimising processes within the company and with external entities and state authorities including the ERÚ.

Given the fact that PREdi operates in the capital, which is the economic centre of the Czech Republic and the seat of many state institutions and its distribution network is a part of the critical infrastructure, the quality and security standards of supply set by the ERÚ are likely to be further tightened in the future. As a distribution network

operator, the company needs to guarantee, to the maximum extent possible, non-discrimination in the processes for which it bears responsibility towards all market participants, electricity traders and end-users of the network. The conditions for doing so are defined in the Equal Treatment Programme, which is available on the company website. According to the assessment of the ERÚ quality standards, PREdi has been the most reliable distribution company in the Czech Republic in recent years.

In 2019, the Czech government adopted an updated version of the National Smart Grid Action Plan. PREdi's strategy, adopted in 2015 by its shareholder PRE, contains several measures, that are linked to the government strategy and gradually implemented by the company. These include smartening of MV/LV distribution stations or the development of optical infrastructure. The strategy aims to ensure that PREdi's distribution system is prepared for the introduction and greater penetration of new trends seen abroad, such as decentralised electricity sources, electromobility, accumulation, AMM, the development of energy services, etc. PREdi devotes great attention to new trends and developments in the introduction of modern solutions. In the development of smart grids, PREdi is assisted by its 100% subsidiary PREnetcom, which focuses primarily on the development and operation of metallic cables and especially on the development of optical cables that are installed together with the distribution network to achieve monitoring, management and operation control of smart grids. PREdi also cooperates with the Prague City Council on the Smart Prague strategy aimed at implementing the world-known Smart Cities concept.

In the following years, a major portion of investment will be made in the development of the 22 kV and 1 kV networks, which are expected to see an increase in the number of connected decentralised sources and the introduction of new network management and operation technologies. The only way to maintain the high reliability and security of the networks is a right combination of strengthening the system with modern technologies, interconnecting the modernised networks and introducing communication with dispatcher control centres. Good communication with the lower levels of the distribution network will enable better monitoring, measuring and managing of the network, which will have a positive effect on asset utilisation and reliability indicators. The transfer of the investments to lower voltage levels will be offset by slowing down the renovation of some parts of the backbone HV networks and by postponing the construction of some new strategic distribution stations until it is really necessary to provide or strengthen supply to the particular area.

Close cooperation with the transmission system operator, ČEPS, a.s., remains an important part of PREdi's strategy, ensuring both adequate input for the development of the supply territory as well as the high reliability of the electricity supply to end-customers. The network's reliability will be further enhanced when the new nodal point of the 400/110 kV system is built at the existing 110/22 kV Sever transformer station. It is expected to start operating in 2025. Closer cooperation between distribution and transmission systems is also required by new EU network codes. We can therefore expect greater information flows between the respective operators regarding the condition of the electricity system.

PREdi will have to tackle all these issues and continue to offer reliable and high-quality electricity distribution in accordance with the parameters set by ERÚ legislation, as non-compliance is penalised.

PREdi wants to remain a stable and prosperous energy company, a reliable electricity distributor for its customers and a partner in solving their problems with electricity distribution to their consumption points. It also wants to continue to play a key role in achieving the objectives of its shareholder, company PRE, and remain a source of security and a trusted social partner to its loyal employees.





The façade of the Main Point Pankrác office building cleans the surrounding air using a special technology.

The air-cleaning technology is as powerful as approximately 100 fully grown trees.

Main strategic constructions in 2020

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

In view of admissibility and complexity of construction, the main strategic constructions for 2020 and following years include:

- the continued construction of the cable tunnel between the new Karlín transformer station and the Hlávka bridge;
- the continued construction of a new cable tunnel Invalidovna I;
- the continued reconstruction of the Pražáčka transformer station;
- the launch of the installation of the 110 kV overhead lines between the Malešice, Zahradní Město and Jih transformer stations;
- the repairs and dismantling of 110 kV overhead lines between the Sever and Východ transformer stations, especially in the parts of Prague 9, the Prosek housing estate;
- the launch of the construction of the Slivenec transformer station; and,
- the launch of preparation works for the renovation of the Jih transformer station.

014

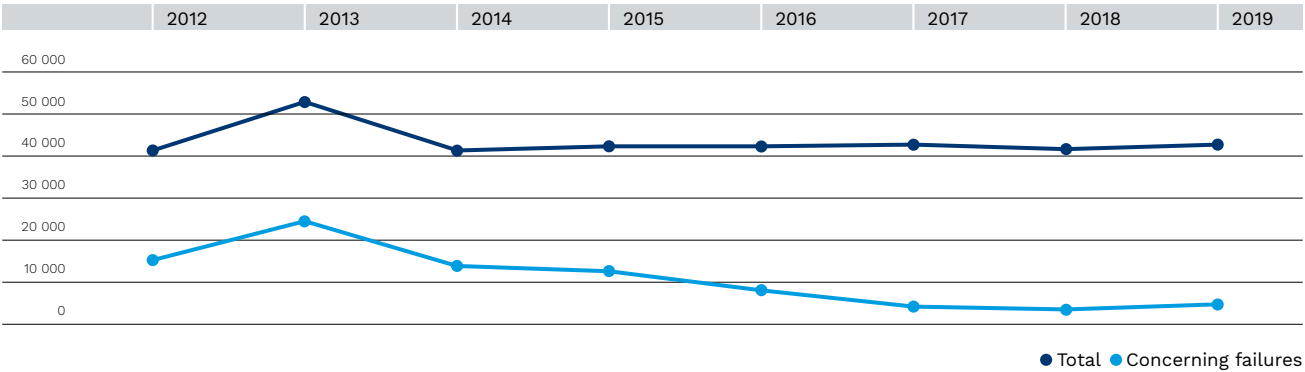
Subsidy schemes

The PRE Group participates in nationwide development projects and in line with the legal requirements it draws subsidies from relevant projects, especially in the fields of e-mobility and electricity network management. This includes, namely, the state-funded project "Improvement of the region's resistance to risk of blackout using new technologies and crisis management procedures" No. VI20192022124 of the Central register of projects (Centrální evidence projektů). The project is provided by the Ministry of Interior of the Czech Republic under the Security Research Programme of the Czech Republic realised in the years 2015–2022 (BV III/1 – VS). It was inaugurated on 1 July 2019 and it is due to expire on 30 June 2022.

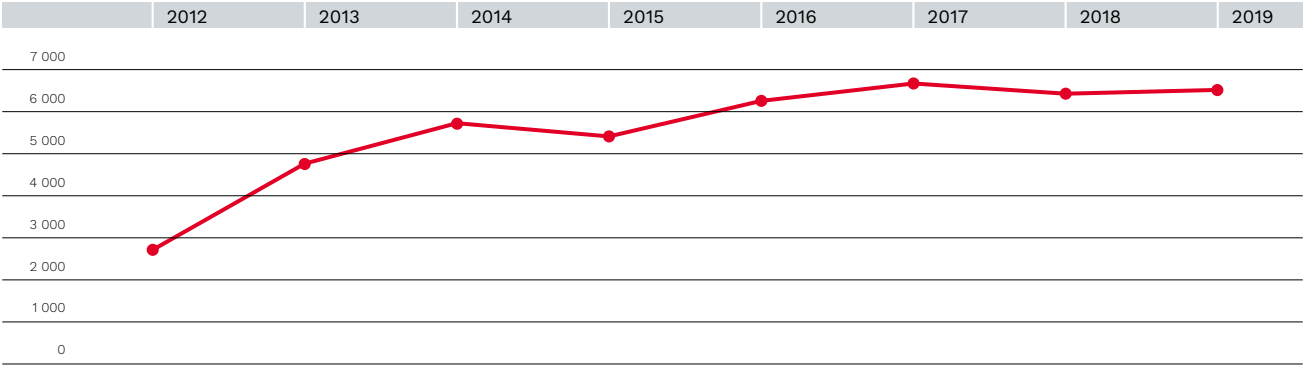
Allocation of investments in 2015-2019 (MCZK including capitalisation)

	Total investments	Distribution HV equipment	Distribution MV equipment	Distribution LV equipment	Electricity meters
2015	1,494.1	227.1	845.2	311.9	109.9
2016	1,583.8	329.8	815.8	328.2	110.0
2017	1,594.2	319.9	686.3	459.5	128.5
2018	1,700.5	217.0	862.3	459.2	162.0
2019	1,643.0	136.0	689.2	633.4	184.4

Number of enquiries processed by the Distribution Emergency Line



Number of e-mails processed by the Distribution Emergency Line





Corporate bodies of the company

Board of Directors as of 31.12.2019

Milan Hampl

Chairperson

Petr Dražil

Vice-chairperson

Jindřich Broukal

Member (until 25.7.2019)

Jan Sixta

Member (since 26.7.2019)

Tobias Mirbach

Member

016

Supervisory Board as of 31.12.2019

Pavel Elis

Chairperson

Alexander Manfred Sloboda

Member

Karsten Krämer

Member

Zdeněk Smetana

Member

In 2019, no members of the company bodies were subject to a conflict of interest or infringed prohibition of competition.



Milan Hampl



Petr Dražil



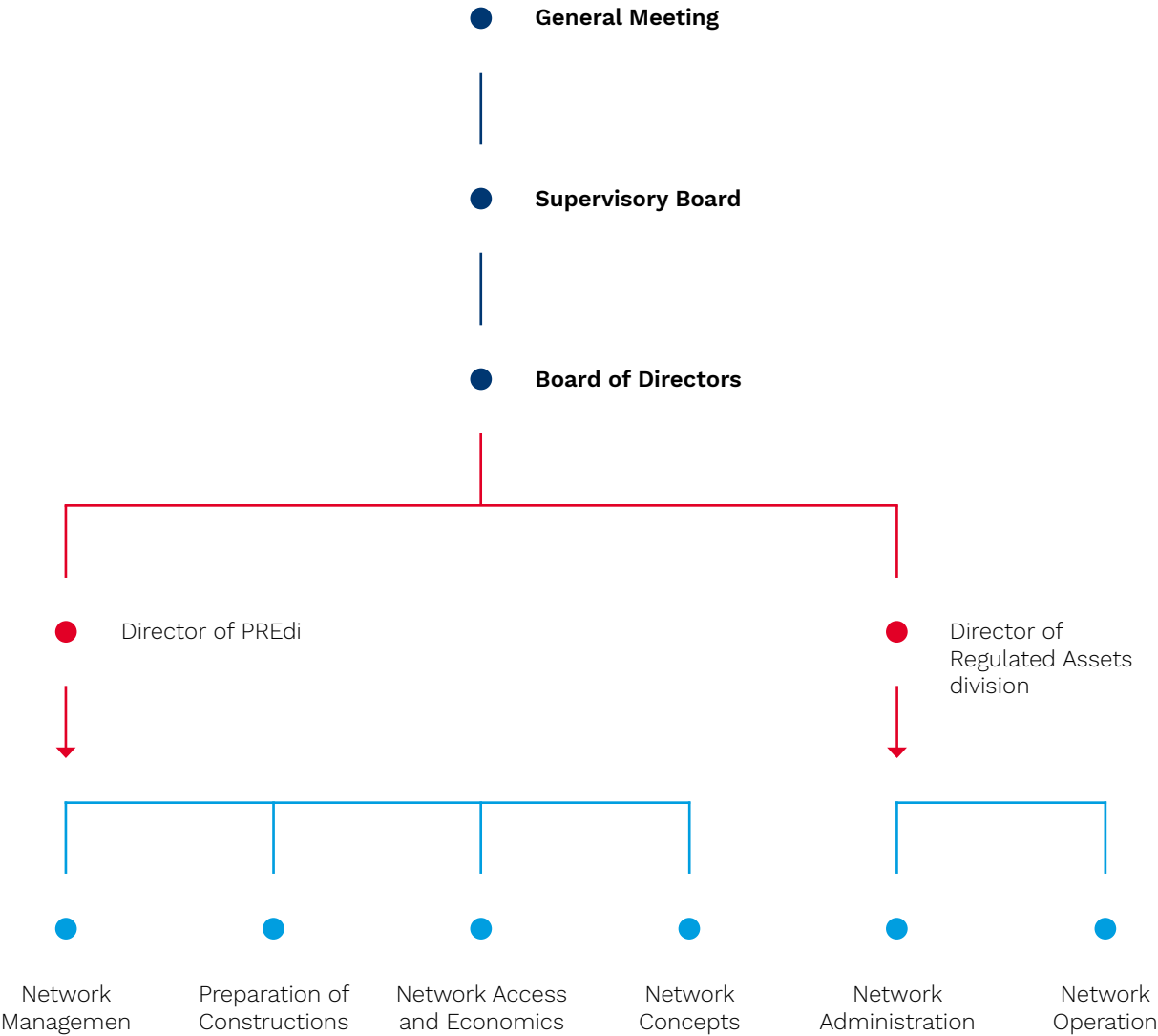
Jan Sixta



Tobias Mirbach

Company organisation chart

018





Trends in the electricity sector

2019 was the fourth year of the fourth regulatory period.

The three-year long fourth regulatory period (1.1.2016–31.12.2018) has been extended until 31 December 2020. It continues to follow the main principles established in the previous period and reflects the latest changes in the energy legislation of the Czech Republic and the European Union. Its main aim is to prepare objective inputs for the fifth regulatory period. According to the Energy Regulatory Office's plans, the fifth regulatory period will last five years starting in 2021.

Overview of relevant legislation

Act published in 2019

Act No. 277/2019 Coll., from 15 October 2019, which introduces amendments to several laws due to the adoption of the Act on the Journal of Laws and International Treaties (Section 33 provides for the changes in the Energy Act) was published on 6 November 2019 and it will become effective on 1 January 2022.

Decree published in 2019

Decree No. 360/2019 Coll., from 24 December 2019, which amended Decree No. 403/2015 Coll., on guarantees of origin of energy from renewable sources and electricity from highly effective combined heat and power plants, was published on 31 December 2019 and came into effect on 1 January 2020.

ERÚ price decisions published in 2019

ERÚ Price Decision No. 7/2018 from 20 November 2018, which set prices for related energy services and other regulated prices, came into effect on 1 January 2019. To regulate prices in this field during 2020, ERÚ Price Decision No. 5/2019 from 26 November 2019 was published on 28 November 2019.

ERÚ Price Decision No. 3/2018 from 25 September 2018, which set prices for related energy services and other regulated prices, and Price Decision No. 9/2018 from 18 December 2018, which amended Price Decision No. 3/2018, came into effect on 1 January 2019. To regulate prices in this field during 2020, ERÚ Price Decision No. 3/2019 from 26 September 2019 was published on 30 September 2019. ERÚ Price Decision No. 7/2019 from 20 December 2019, which amended Price Decision No. 3/2018, as amended by Price Decision No. 9/2018, was published on 20 December 2019. ERÚ Price Decision No. 8/2019 from 20 December 2019, which amended Price Decision No. 3/2019, was published also on 20 December 2019.

ERÚ Price Decision No. 8/2018 from 20 November 2018, which sets prices for related energy services for consumers from low voltage networks, came into effect on 1 January 2019. To regulate prices in this field during 2020, ERÚ Price Decision No. 6/2019 from 26 November 2019 was published on 28 November 2019.

Regulations of the Czech government published in 2019

Government Regulation No. 245/2019 Coll., from 16 September 2019 on the allocation of state budget funds in 2020 pursuant to Section 28 (3) of the Act on Promoted Energy Sources was published on 24 September 2019 and came into effect on 1 January 2020.

Main financial indicators (MCZK)

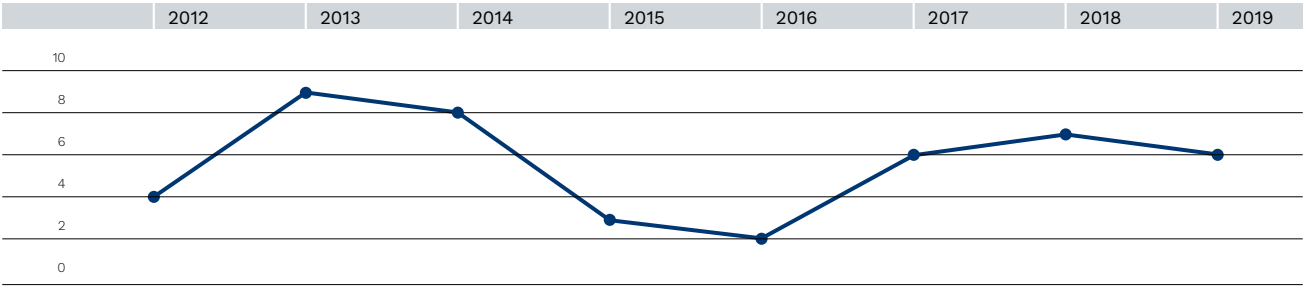
	2019	2018	2017
Total assets	29,345	28,978	28,649
Distribution equipment	24,146	23,941	23,700
Other fixed assets	2,796	2,685	2,542
Cash pooling receivables within the Group	0	0	0
Trade receivables	119	106	152
Other assets	2,284	2,246	2,255
Total liabilities and equity	29,345	28,978	28,649
Equity	19,700	19,668	19,579
Deferred tax liability	3,059	3,038	3,009
Cash pooling payables within the Group	461	49	13
Trade payables	411	555	607
Deferred revenues	1,952	1,920	1,790
Provisions	272	326	298
Liabilities	2,700	2,700	2,700
Other liabilities	790	722	652
Gross profit from the sale of distribution services	4,904	4,917	4,717
Profit from ordinary activity before tax	1,777	1,767	1,659
Profit from ordinary activity after tax	1,443	1,429	1,341
EBIT	1,892	1,871	1,745
EBITDA	3,201	3,184	3,043

020

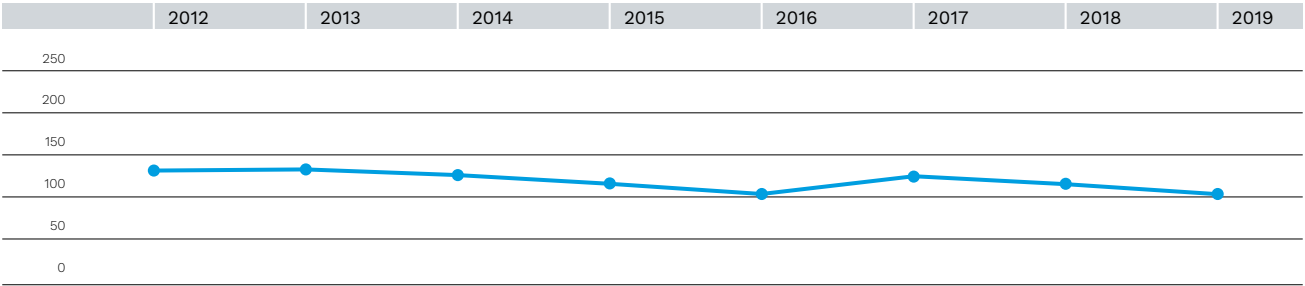
Development of selected network indicators

Indicator	Unit	2019	2018	2017	2016	2015
Maximum network load	MW	1,162	1,187	1,196	1,172	1,093
Total length of electricity networks	km	12,372	12,276	12,104	12,054	12,014
of which: HV	km	221	221	214	207	207
MV	km	3,899	3,881	3,864	3,872	3,867
LV	km	8,252	8,174	8,026	7,975	7,940
Number of HV/MV stations (PREdi/total)	pieces	24/25	24/25	23/24	22/23	22/23
Total number of MV/MV stations and MV/LV stations	pieces	4,906	4,876	4,863	4,858	4,843
Number of MV/LV distribution stations	pieces	3,221	3,214	3,218	3,229	3,229

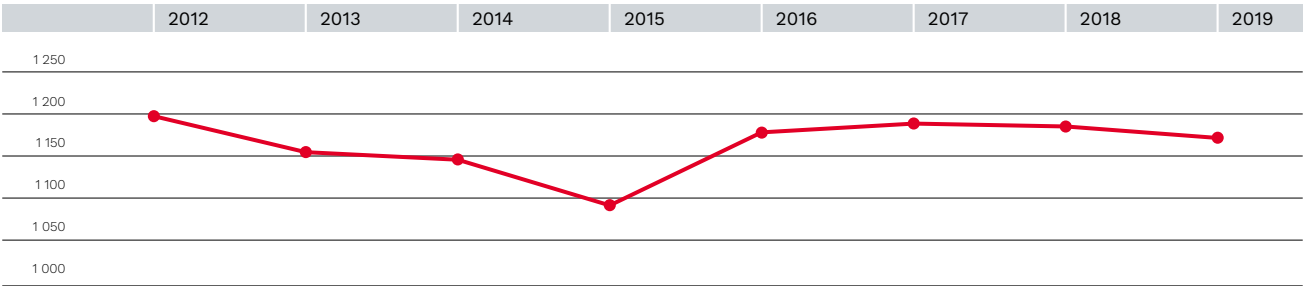
Number of HV failures



Number of MV failures



Maximum achieved load of the year (MW)





Report of the Board of Directors on Business Activities and Assets for 2019

In 2019, PREdistribuce, a.s., was the most reliable electricity distributor in the Czech Republic according to the ERÚ indicators. The SAIDI indicator, the leading index of electricity supply reliability, reached in 2019 its historical best; the standards of the SAIFI indicator were met in the values set and required by the ERÚ and they reached the average of the previous 5 years. The company manages to keep such a high level of reliability of electricity supply while maintaining the security of networks at all voltage levels and complying with its environmental responsibilities. At the same time, it ensures a high level of occupational safety and promotes the development and further training of its employees.

Financial report

Financially, 2019 can be considered a successful year for PREdistribuce, a.s. The company's profit increased by CZK 14 million year-on-year, amounting to CZK 1,443 million. Despite the impact of climatic conditions, which resulted in a decrease in the volume of distributed electricity by 31 GWh and lower sales of distribution services, this result is a success. Accordingly, EBITDA increased by CZK 17 million year-on-year.

In 2019, PREdi distributed in total 6,296 GWh, which is above its long-term average.

The company's operating profit increased by CZK 21 million year-on-year. The most important operating revenue item is the revenue from distribution services; the most important operating expense item is the cost of transit and distribution services.

In 2019, PREdi purchased services for the total of CZK 1,468 million, which was CZK 20 million fewer than in 2018. This decrease is due to a decline in the financial value of repair of distribution assets.

The company's total personnel expenses decreased by CZK 10 million year-on-year due to a decrease in the number of employees.

This appropriation (the adjustment of operating assets value) consists of depreciated assets of the company and allowances for impairment of receivables. Its value decreased year-on-year owing to the lower number of allowances combined with the lower value of depreciated fixed assets. The latter is due to additional depreciation of assets with high purchase value and a short period of depreciation.

Other operating revenues increased by CZK 15 million year-on-year owing to higher revenues from sales of PREdi's assets to other PRE Group companies. This strategy was chosen in order to optimise activities and implement the relocation project of 22 kV cables and communication cables in Prague's Bořislavka area. This project led to higher operating costs.

The total amount of other operating costs decreased due to the reversal of provisions that are not expected to be used.

The company's financial expenses (especially interest) increased by CZK 13 million year-on-year, which affected the financial results.

PREdi's total assets increased year-on-year by CZK 367 million, reaching CZK 29,345 million. The increase in total assets was particularly driven by the growth in tangible fixed assets following company's investments. In 2019, PREdi invested CZK 1,643 million (including capitalisation) in the development and renovation of the distribution equipment. The amount of investments corresponds to the company's long-term plan of development and renovation of assets.

The increase in the value of both equity and liabilities increased (CZK 19,700 million) reflects the year-on-year increase in the company's profit and the increase in the appropriation of undistributed profits from previous years. The liabilities increased year-on-year by CZK 303 million mainly due to the increase in short-term liabilities towards other PRE Group companies. In 2019, 67.1% of the company's funding came from equity, 26.1% from liabilities and 6.8% from other liabilities.

The company achieved the operating cash flow of CZK 2,416 million, which was used, together with the proceeds from investment contributions, to finance the investment programme and to pay out dividends and directors' fees (amounting to CZK 1,411 million).

Investments

Every year, in order to maintain reliable and safe networks PREdistribuce, a.s., develops and implements long-term, medium-term and one-year investment plans. The plans are submitted to the bodies of the company for approval and are also subject to control by the regulator, ERÚ, which monitors if distributors duly plan and carry out network renovation in view of write-offs and if their networks are developed based on end customers' legitimate demands for new connections and increasing input. To ensure the required operational reliability and high quality of distribution and related services expected by customers in the licensed territory, the company needs to be able to carry out adequate modernisation and development of equipment as well as planned repairs. Non-compliance with the guaranteed legally mandated standards is financially penalised in accordance with ERÚ Decree No. 540/2005 Coll., as amended. According to the assessment of the ERÚ quality standards, PREdi has been the most reliable distribution company in the Czech Republic in recent years.

The individual investment plans draw on the analyses of the network's technical condition, the load development in the supply areas, transmission ability and actual operation reliability, the real physical lifetime of individual network components and the possibilities of their effective maintenance.

One of the key elements of PREdi's investment programme is strategic investments, primarily in the construction and modernisation of 110/22 kV transformer points and their systemic connection by 110 kV overhead and cable lines.

Strategic investments

Following the one-year investment plan approved by PREdi's only shareholder PRE, PREdi continued in 2019 with the necessary and carefully planned renovation and modernisation of the existing 110 kV and 22 kV networks and equipment which is part of the city's critical infrastructure. Since its failure could cause supply disruptions across a large territory and the collapse of transport and the city's operation, especially in transport, it is incumbent to





IPRE

The Marina Island residential complex was newly constructed in the Holešovice port. It is surrounded by the Vltava river on both sides.

Floodwalls provide for the flood protection of the buildings.

PREdi to maintain the backbone 110 kV networks in safe and operable state. All construction in Prague has been duly coordinated with the planning and construction departments of Prague City Council and respects the urban plan. This cooperation ensures the most favourable living and business conditions in the capital.

The most significant strategic constructions in 2019 included:

- the preparation of the installation of the 110 kV overhead lines between the Malešice, Zahradní Město and Jih transformer stations;
- the continued construction of the cable tunnel between the new Karlín transformer station and the Hlávka bridge;
- the launch of the construction of a new cable tunnel Invalidovna I; and,
- the continued reconstruction of the Pražáčka transformer station.

Aside from the main listed strategic constructions in the backbone 110 kV networks and the 110/22 kV transformer stations, the company also continues with the renovation of 22/0.4 kV switching and distribution stations and MV and LV cable lines. As in previous years, the systematic renovation of the 1 kV low voltage networks continued, including the renovation of construction and technological parts of distribution transformer stations.

In line with new trends in the energy sector, the implementation of smart grids and its new 2015 investment strategy adopted by its only shareholder PRE, PREdi also works intensively on responding to new energy sector trends and on preparing its networks and equipment for the gradual implementation of smart grids including intelligent AMM metering. The company also focuses on the development of electromobility, accumulation and related services, which are relevant for distribution networks in an urban agglomeration.

In 2019, several dozens 22/0.4 kV distribution stations were smartened. In the development of optical infrastructure, PREdi is assisted by its 100% subsidiary PREnetcom, which focuses primarily on the use and operation of metallic cables and especially on the development of optical cables that are installed together with the distribution network. The implementation of smart technologies will enable PREdi to control, monitor and measure the network and transfer data remotely, ensuring the high reliability of the network. Foreign studies show that the right combination of strengthening the distribution system and implementing new technologies can satisfy a significant portion of demands on the distribution network ensuing from the integration of decentralised generation, charging stations for electric vehicles, the connection of accumulation capacities, the implementation AMM and other elements.

In the forthcoming period, PREdi's main objective is to continue fulfilling the tasks of a distributor in terms of network renovation and adequate development in order to timely modernise the distribution system equipment in Prague which is nearing the end of its physical and accounting lifetime, thus ensuring a high level of reliability and security of the networks. While pursuing its objectives, the company acts with the greatest possible consideration for the environment.

In Prague, 2 April 2020

Signed by

Milan Hampl

Chairperson of the Board of Directors

Signed by

Petr Dražil

Vice-chairperson of the Board of Directors



Financial analysis

Level of productivity

	Unit	2019	2018	2017	Calculation formula
Total revenue	MCZK	9,901	9,887	9,681	Total revenue from the income statement
Sales margin from the sale of distribution	MCZK	4,904	4,917	4,717	Revenue from distribution service – cost of transit and system services from the income statement
Profit after tax	MCZK	1,443	1,429	1,341	Profit after tax from the income statement

Level of profit from revenue

	Unit	2019	2018	2017	Calculation formula
Sales margin from the sale of distribution per CZK 1 of revenue	%	50.9	51.4	50.6	Sales margin from the sale of distribution / revenue from distribution services x 100
Profit before tax per CZK 1 of revenue	%	17.9	17.9	17.1	Profit/loss from ordinary activity before tax / total income x 100

Other indicators

	Unit	2019	2018	2017	Calculation formula
Current liquidity	%	149.4	184.4	195.5	Short-term assets / short-term liabilities x 100
Equity proportion to total invested capital	%	67.1	67.9	68.3	Equity / total invested capital x 100
Return on capital employed ROCE	%	7.4	7.4	6.9	ROCE = EBIT / (equity + long-term loans + deferred tax liability) x 100
Equity proportion to total invested capital	TCZK/employee	21,760	19,735	18,908	Total revenue / average adjusted number of employees
EBIT – Operating profit/loss before interest and tax	MCZK	1,892	1,871	1,745	Operating profit/loss before interest and tax
EBITDA – profit before tax, interest and depreciation	MCZK	3,201	3,184	3,043	EBITDA = EBIT + depreciation



Human resources

Human resources management

All personnel administration and services for PREdi are carried out by the parent company PRE. It includes mainly all personnel administration and wage calculations using the SAP HR module. Both tariff and negotiated wages are used in PREdi and their specific applications are governed by the respective company standards. Services related to occupational safety, fire safety and environmental protection are also provided centrally by the parent company in close cooperation with PREdi.

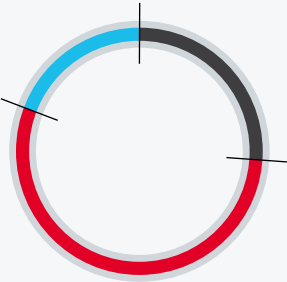
Training

PREdi considers the systematic and targeted training and development of its employees to be a key tool of its strategic HR management. All services are provided to the PREdi employees by the HR department of the parent company, PRE, which coordinates and carries out all courses, training and development initiatives for both the employees and managements. All activities of development and training are realised in line with a yearly development plan. The document accounts for the needs of PREdi to provide its employees with required expert knowledge, qualifications and competences, as well as managerial skills.

028

Qualification structure

	%
■ University	26.32
■ Secondary concluded by an exam (maturita)	54.60
■ Secondary and secondary vocational	19.08
■ Elementary school	0.00

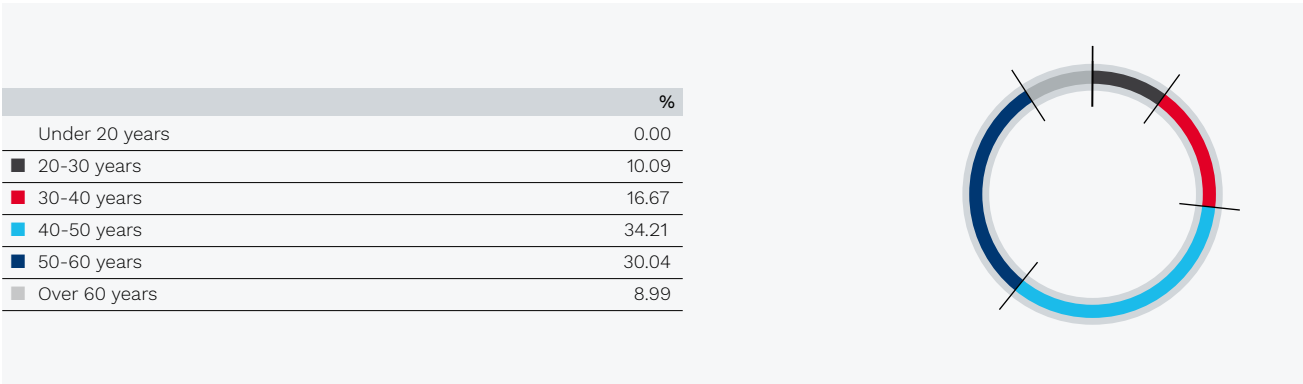


PREdi is a significant player in the distribution market and as such it strives to maintain a high level of employee expertise. Additional professional training is key for the majority of working positions. This mainly entails gaining and maintaining the qualification mandated by Decree No. 50/1978 Coll., informing on the updates in the Energy and Construction Acts, as well as further basic training and checking of knowledge necessary for all related activities in the company.

PREdi supports selected employees in acquiring further qualification by studying at secondary vocational schools and universities, particularly in the field of electrical engineering. As a result, it succeeds in acquiring a high level of expertise of all employees and created balance across all positions. By increasing the qualification of its employees, PREdi becomes more competitive in relation to other distribution companies and more attractive in relation to new job candidates in this field.

PREdi has also enjoyed a long-term cooperation with secondary schools and universities, offering unpaid professional internships at its workplaces to electrical engineering students in their final year. The current lack of skilled workers in the relevant technical fields attests to the importance and usefulness of these activities. In cooperation with PRE's HR department, PREdi tries to recruit new people for the positions of independent development and operation management technicians, mostly among graduates of the Faculty of Electrical Engineering of the Czech Technical University in Prague (FEL ČVUT) and of electrical engineering secondary vocational schools, such as the František Křížík Secondary Vocational School and College of Electrical Engineering (VOŠ a SPŠE Františka Křížíka). In 2019, PREdi continued to provide electrical engineering graduates with specific

Age structure



work placements as part of the recruitment programme. It aims to enable graduates to complement their theoretical knowledge with practical experience and to facilitate the smooth transfer of knowledge and experience related to distribution networks from employees who are about to retire to new employees who will succeed them.

Social policy

In PREdi, social policy is traditionally considered an important motivational and stabilisation tool and it is a cornerstone of its values. Key principles of the social policy are enshrined in the collective agreement and attest to a long-standing commitment to provide a robust social care programme including both blanket and elective fringe benefits. The programme primarily aims at the improvement of the employees' social conditions, working environment and catering, the provision of interest-free social loans and housing loans, legally mandated occupational healthcare and additional preventive healthcare programmes, the organisation of cultural and sporting events for employees as well as the promotion of free-time activities for employees and their families. The scope and quality of the social policy meet a high standard of employee care, which the company aims to improve every year.

Healthcare

Occupational healthcare is provided at the company's premises by a medical professional from POLIKLINIKA AGEL Praha Italská, a healthcare facility operated by the contractual partner. This legally mandated healthcare mostly includes routine, pre-employment, special and in some cases post-employment check-ups. In addition to the legal requirements, all employees have access to free preventive healthcare programmes: most notably, breast cancer screening and treatment, urological and thyroid screening, regular vaccinations against seasonal diseases, type 1 diabetes as well as extra dental care. Newly in 2019 employees can also enjoy the services of massages in two places at the premises of the PRE Group. Managers of the company are also provided with a preventive healthcare programme at the Na Homolce Hospital and Pavel Kolář's Centre for Musculoskeletal Medicine.



Environmental protection and OHS

In line with the PRE Group policy on environmental protection, safety and energy efficiency, PREdi promotes a responsible attitude to the protection of the environment and public health. PREdi actively seeks to meet the legal requirements and put them into practice.

In order to reduce the environmental impact of their activities, the companies take measures to limit the consumption of non-renewable sources of energy as well as to protect soil and water. In order to protect water and soil, 110/22 kV transformers are renovated and older 22/0.4 kV oil transformers are replaced by new transformers in order to minimise the risk of release of pollutants. PREdi saw its environmental management systems re-certified according to CSN (Czech standardisation norm) EN ISO 14001:2016.

PREdi considers occupational health and safety of its employees and take preventive measure in order to minimise adverse health effects of their work activity. Employees are trained for work at height to prevent any accidents and they are also regularly provided with necessary protective tools for work with electrical devices. PREdi keep its employees and stakeholders informed about security issues and are open to their employees' suggestions. The company traditionally supports health promotion programmes, which is one of the reasons why work-related accidents are kept at low levels.



Risk management system

Risk management in PREdi draws on a common methodical framework shared by all the companies of the PRE Group.

The main objective of the risk management system is to increase the value of the company while undertaking only acceptable risks. It also ensures timely warnings and serves to assess the effectiveness of risk management tools and measures. The main focus are the risks that could present the biggest threat given the assessment of their potential impact. New risks are constantly identified. All risks are recorded in a list of risks.

The monitored risks are assessed in terms of their potential impact and likelihood using three scenarios of possible development. 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. Risks are systematically monitored in the following categories specified in a map of risks: strategic risks, financial risks, operational risks and compliance risks.

Legislative-regulatory risks have the most profound impact on the company's activities. These risks are closely linked to key regulatory parameters and other regulations applicable in the upcoming fifth regulatory period (2021-2025). 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.

032

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 continuously evaluates the total possible impact of risks on the company's economic results.

The risk management system and its 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.



Report on General Meetings

In 2019, five General Meetings were held (in the form of resolutions issued by the parent company as the sole shareholder).

General Meeting held on 28 March

Agenda:

- the assessment of the objectives set by the Board of Directors' executive members for 2018; and,
- the payment of the variable yearly bonus to the Board of Directors' executive members.

General Meeting held on 25 April

Agenda:

- the Report of the Board of Directors on Business Activities and Assets for 2018;
- the Supervisory Board Report;
- the separate financial statements for 2018, the proposal for the distribution of 2018 profit, including the determination of the amount of dividends and director's fees and the method of payment;
- the company's business concept for 2019;
- the Report on Relations for 2018; and,
- the 2018 Annual Report.

033

General Meeting held on 25 July

Agenda:

- the removal of Jindřich Broukal as member of the Board of Directors as of 25.7.2019;
- the election of Jan Sixta as member of the Board of Directors as of 26.7.2019; and,
- the approval of an advance payment of the variable yearly bonus to the Board of Directors' executive members.

General Meeting held on 29 October

Agenda:

- the election of Alexander Manfred Sloboda as member of the Supervisory Board for another term as of 3.1.2020.

General Meeting held on 19 December

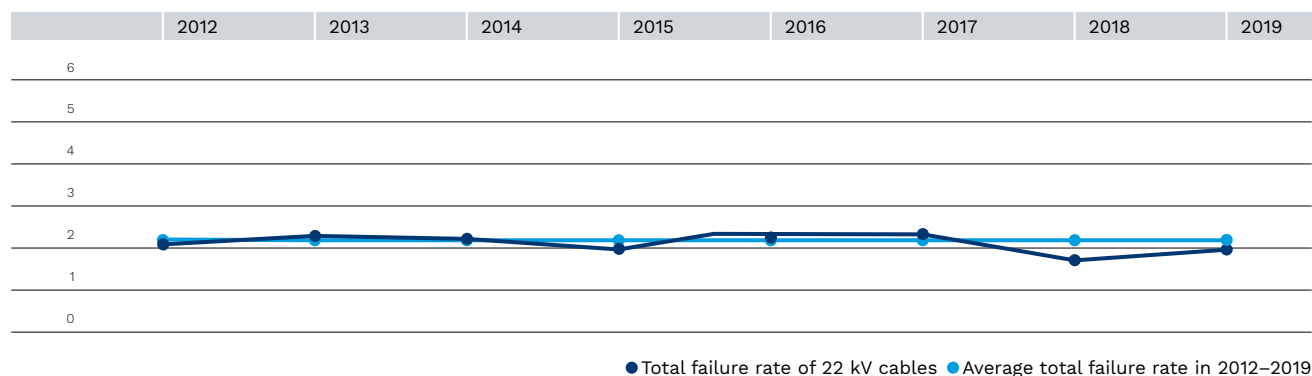
Agenda:

- the approval of the management's objectives for 2020.

Distributed electricity

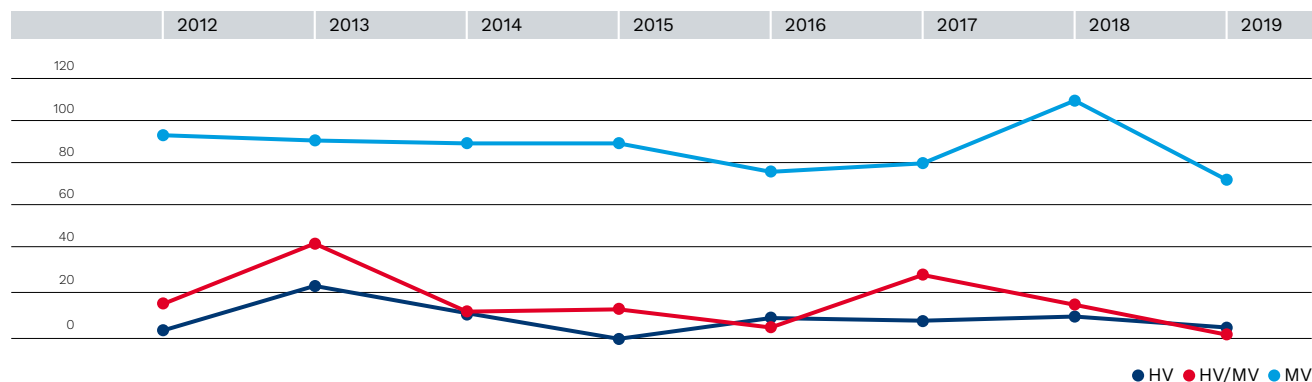
		2019	2018	2017	2016	2015
Total distribution (procured)	GWh	6,296.4	6,326.5	6,287.6	6,241.0	6,139.5
Total number of consumption points	pieces	809,807	802,164	795,025	786,267	778,138
of which: VO	pieces	2,060	2,044	2,025	2,019	2,007
MOP	pieces	126,734	126,223	127,279	127,367	128,436
MOO	pieces	681,013	673,897	665,721	656,881	647,695

Trend in 22 kV cables failure rate (frequency of failures f / 100 km / year)



034

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





Information required by law

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

No such facts have occurred, except for the events mentioned in note 20 in the financial statements.

Information about the projected developments in 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 2019".

Information about activities in research and development

The company does not systematically conduct activities in these fields.

Information about acquisition of own shares

In 2019 the company did not acquire its own shares. Since 1 January 2018, the company has been a 100% shareholder in PREnetcom, a.s.

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".

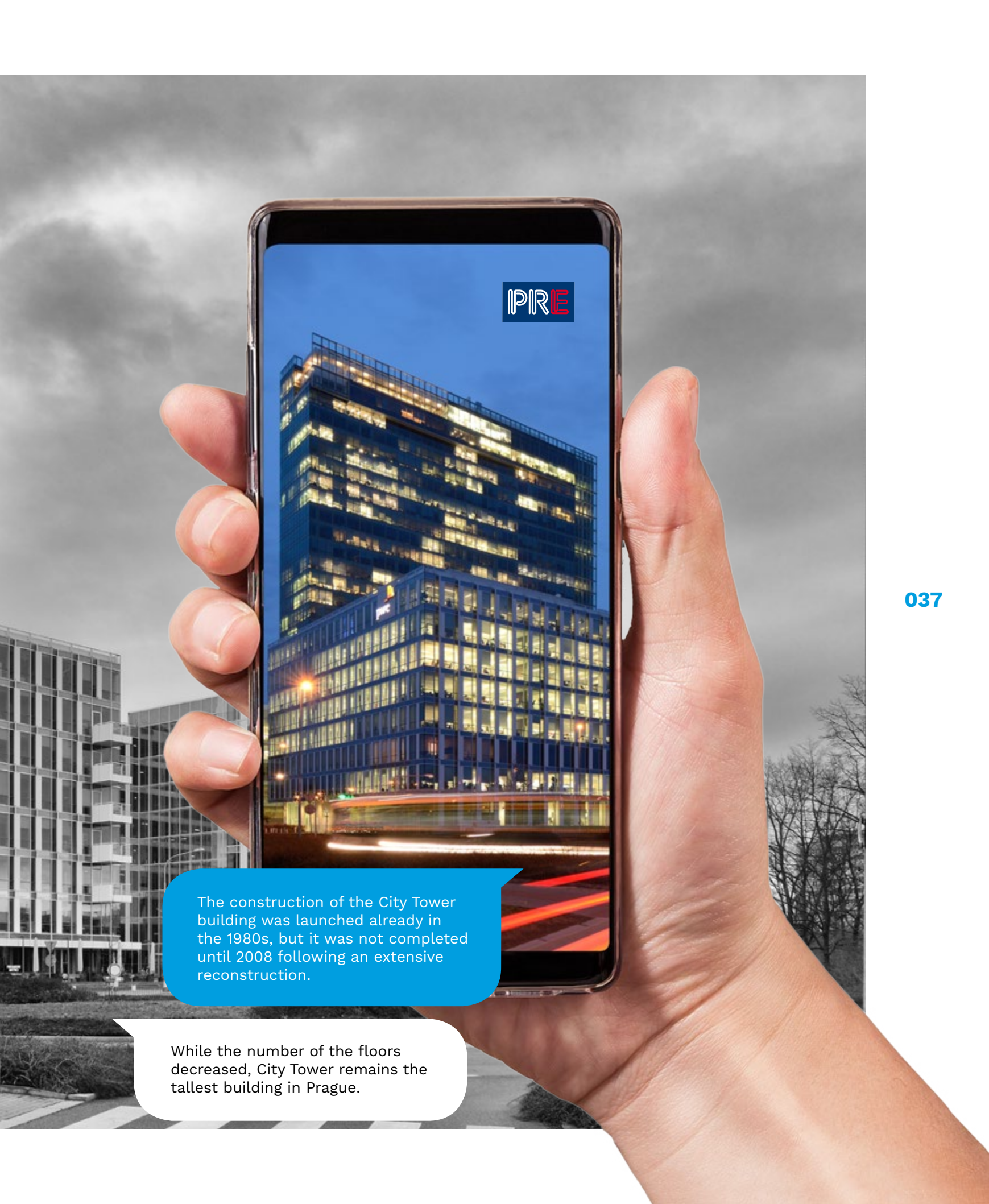
Information about price, credit, liquidity and cash flow risks the accounting unit is exposed to

The information is presented in the financial statements.

Information about interruption of business

The company did not interrupt its business during the year.





IPRE

The construction of the City Tower building was launched already in the 1980s, but it was not completed until 2008 following an extensive reconstruction.

While the number of the floors decreased, City Tower remains the tallest building in Prague.



Report on Relations of PREdistribuce, a.s., for 2019

(Hereinafter the Report on Relations) drawn up in accordance with Section 82 of Act No. 90/2012 Coll., on Business Corporations and Cooperatives (hereinafter the Business Corporations Act) for the accounting period of 1.1.2019 to 31.12.2019. The relations are described in a manner respecting the provisions of Section 504 of Act No. 89/2012 Coll., 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. Structure of the relations between the controlled entity and the controlling entity, the role of the controlled entity and the manner and means of control

Controlling entity (managing entity): **Pražská energetika, a.s.**, registered office Na Hroudě 1492/4, Prague 10, 100 05, ID No.: 60193913, registered with the Municipal Court in Prague, file ref. B 2405 (**PRE**).

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

038

The companies PREdistribuce, a.s., PREměření, a.s., eYello CZ, k.s., KORMAK Praha a.s., PREservisní, s.r.o., PREzákaznická, a.s., and VOLTCOM spol. s r.o. (since 30.4.2019), as managed entities, and Pražská energetika, a.s., as the managing entity, jointly constitute a corporate group, also referred to as the PRE Group. The PRE Group also includes the 100% subsidiary of PREdi, PREnetcom, a.s., and the 100% subsidiaries of PREměření, a.s.: PRE FVE Světlík, s.r.o., SOLARINVEST – GREEN ENERGY, s.r.o., FRONTIER TECHNOLOGIES, s.r.o., a WINDING WE NORTH a.s. (since 19.12.2019), which is also the managing entity of the subsidiary PRE VTE Částkov, s.r.o. (since 19.12.2019).

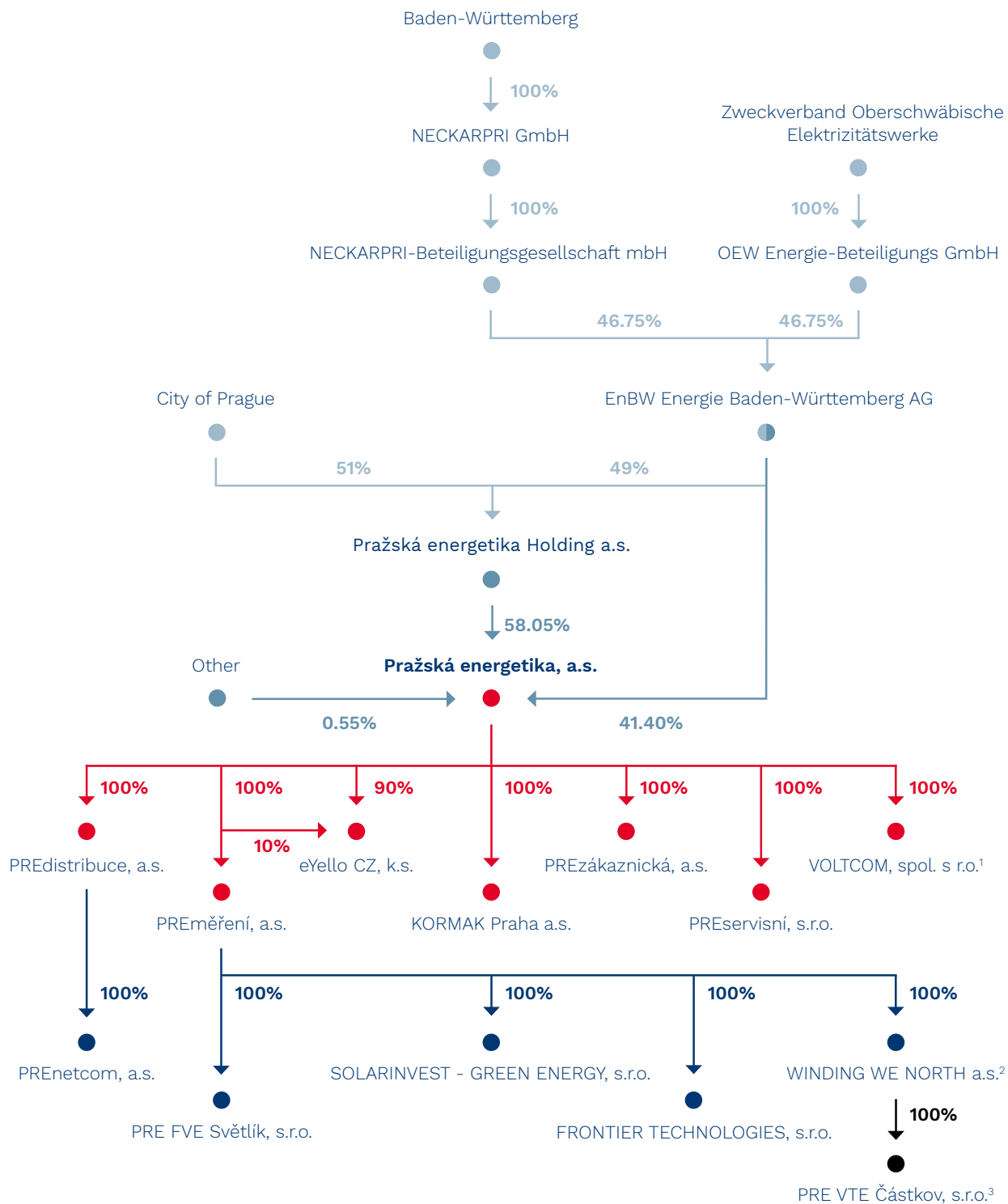
PREdi is a 100% subsidiary of PRE. PRE elects and removes members of the Board of Directors and the Supervisory Board of PREdi. PRE defines the strategic management of the PRE Group and also makes decisions about PREdi's business concept, including the rules of remuneration and the principles of collective bargaining. PRE formulates, assesses and supervises the objectives of the executive management of PREdi. PRE also gives PREdi's Board of Directors strategic instructions and defines strategic principles. PREdi follows the internal group guidelines of PRE. PREdi is a part of the consolidated 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 Coll., the Energy Act. The role of PREdi within the PRE corporate group is to be a stable and reliable operator of the distribution system in the capital and in the city of Rožtoky. PREdi meets the requirements and expectations of the distribution network users by using state-of-the-art technologies and procedures.

PREdi is at the same time the controlling entity of its 100% subsidiary PREnetcom, a.s., and, as such, PREdi elects and removes members of the Board of Directors and Supervisory Board of PREnetcom, a.s., approves its business concept, gives strategic instructions to its Board of Directors, and supervises the Board of Directors' activities.

Other entities controlled/managed by PRE as the controlling/managing entity:

- **PREměření, a.s.**, registered office Na Hroudě 2149/19, Prague 10, 100 05, ID No.: 25677063, registered with the Municipal Court in Prague, file ref. B 5433 (**PREm**);
- **PREzákaznická, a.s.**, registered office Na Hroudě 1492/4, Prague 10, 100 05, ID No.: 06532438, registered with the Municipal Court in Prague, file ref. B 22870 (**PREzak**);
- **eYello CZ, k.s.**, registered office Kubánské náměstí 1391/11, Prague 10, 100 00, ID No.: 25054040, registered with the Municipal Court in Prague, file ref. A 76596 (**eYello**);
- **KORMAK Praha a.s.**, registered office K Sokolovně 667, Prague 10, 104 00, ID No.: 48592307, registered with the Municipal Court in Prague, file ref. B 20181 (**KORMAK Praha**);
- **PREservisní, s.r.o.**, registered office Na Hroudě 1492/4, Prague 10, 100 05, ID No.: 02065801, registered with the Municipal Court in Prague, file ref. C 215222 (**PREservisní**);
- **VOLTCOM, spol. s r.o.**, registered office Otevřená 1092/2, Prague 6, 169 00, ID No.: 44794274, registered with the Municipal Court in Prague, file ref. C 7541 (**VOLTCOM**);
- **PREnetcom, a.s.**, (a 100% subsidiary of PREdi) registered office Na Hroudě 1492/4, Prague 10, 100 05, ID No.: 06714366, registered with the Municipal Court in Prague, file ref. B 23057 (**PREnetcom**);
- **PRE FVE Světlik, s.r.o.**, (a 100% subsidiary of PREm) registered office Na Hroudě 2149/19, Prague 10, 100 05, ID No.: 28080378, registered with the Municipal Court in Prague, file ref. C 287994;
- **SOLARINVEST – GREEN ENERGY, s.r.o.**, (a 100% subsidiary of PREm) registered office Na Hroudě 2149/19, Prague 10, 100 05, ID No.: 28923405, registered with the Municipal Court in Prague, file ref. C 153406;
- **FRONTIER TECHNOLOGIES, s.r.o.**, (a 100% subsidiary of PREm) registered office Na Hroudě 2149/19, Prague 10, 100 05, ID No.: 27234835, registered with the Municipal Court in Prague, file ref. B 106530;
- **WINDING WE NORTH a.s.**, (a 100% subsidiary of PREm) registered office Na Hroudě 2149/19, Prague 10, 100 05, ID No.: 27831248, registered with the Municipal Court in Prague, file ref. B 14766;
- **PRE VTE Částkov, s.r.o.**, (a 100% subsidiary of WINDING WE NORTH a.s.) registered office Na Hroudě 2149/19, Prague 10, 100 05, ID No.: 27966216, registered with the Municipal Court in Prague, file ref. C 327201.

Chart of the controlling structure



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 2019, no actions concerning assets exceeding 10% of PREdi's equity were carried out on the instigation or in the interest of the managing entity or its controlled entities.

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

a) Contracts PREdi x PRE

Contract on the provision of services No. PS20000019/014 – in effect from 1.1.2019 to 31.12.2022
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 1.1.2006 for an indefinite period of time
Contract on the provision of short-term loans No. P200006/22 – in effect from 30.11.2005 for an indefinite period of time
Licence contract No. PS20000011/029 – in effect from 3.1.2011 for an indefinite period of time
Lease contract No. NO21106/015 – in effect from 2.1.2006 for an indefinite period of time, as amended
Lease contract for plastic billboards No. NO21106/001 – in effect from 30.12.2005 for an indefinite period of time, as amended
Lease contract No. NO21109/006 – in effect from 1.4.2009 for an indefinite period of time
10 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
Contract on the establishment of easement No. VV/G33/04457/08 – in effect from 31.3.2008 to 2.4.2048
Lease contract No. NO21111/011 – in effect from 1.4.2011 for an indefinite period of time
General contract on the provision of services of installation of a GPRS module No. PS20000013/033 – in effect from 25.10.2013 for an indefinite period of time
Contract on the lease of the distribution system No. N21112/012 – in effect from 1.2.2012 to 1.1.2019, as amended
Contract on long-term loan No. 1/2014 PS20000014/021 – in effect from 18.6.2014 to 18.6.2026
Contract on long-term loan No. 2/2014 PS20000014/030 – in effect from 26.11.2014 to 28.11.2026
Contract on long-term loan No. 1/2015 PS20000015/021 – in effect from 29.6.2015 to 29.6.2027
Contract on joint gas supply services No. PS21001015/015 – in effect from 1.1.2014 for an indefinite period of time
Contract on the lease of non-residential premises for business No. NV/S21/1633025 – in effect from 1.3.2016 for an indefinite period of time
Contract on the lease of non-residential premises for business No. NV/S21/1633226 – in effect from 1.3.2016 for an indefinite period of time
Contract on the lease of non-residential premises for business No. NV/S21/1633022 – in effect from 1.3.2016 for an indefinite period of time, as amended
Contract on the lease of non-residential premises for business No. S21/1633026 – in effect from 1.3.2016 for an indefinite period of time
Contract on the lease of non-residential premises for business No. S21/1633021 – in effect from 1.3.2016 for an indefinite period of time
Contract on the lease of non-residential premises for business No. S21/1633024 – in effect from 1.3.2016 for an indefinite period of time, as amended
Contract on the lease of non-residential premises for business No. S21/1633027 – in effect from 1.3.2016 for an indefinite period of time
Contract on the lease garage parking spaces No. NV/S21/1634181 – in effect from 1.4.2016 for an indefinite period of time
General contract on electricity distribution to consumption points of the electricity trader's No. PS20000011/011 – in effect from 1.1.2011 for an indefinite period of time

¹ 100% subsidiary of PRE since 30 April 2019.

³ 100% subsidiary of WINDING WE NORTH a.s. since 19 December 2019.

² 100% subsidiary of PREm since 19 December 2019.

Contract on operational cash transfer No. PS20000017/009 – in effect from 17.2.2017 for an indefinite period of time

Contract on the execution of construction alterations No. PS20000017/046 – in effect from 18.5.2017 for an indefinite period of time

Contract on the cooperation on the construction of charging stations No. PS21001018/036 – in effect from 14.6.2018 to 31.12.2028

Contract on the lease of a part of an immovable asset No. NO/S21/1841737 – in effect from 1.7.2018 to 30.6.2028

Contract for work regarding the provision of dispatcher control services and the operation and work on medium voltage equipment in the RS 8900 transformer station at the site of Motol University Hospital No. PS23100218/001 – in effect from 1.6.2018 to 31.5.2019

Contract on the sale of electricity in PREpoint charging stations No. PS20000019/045 – in effect from 20.2.2019

Contract on the lease of a part of an immovable asset No. NO/S21/1944082 – in effect from 1.1.2019 to 31.12.2028

Contract on the purchase of a cable fault detecting device No. PS23000219/001 – in effect from 18.1.2019

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

b) Contracts PREdi x PREm

Contract on the provision of services No. PS20000019/006, M5000/O/2019/0001 – in effect from 18.12.2018 to 31.12.2022

Contract on the supply of defunct metering equipment No. S252007/003, C00261/06 – in effect from 30.12.2006 for an indefinite period of time

Contract on the supply of used metering equipment No. S252007/004, C00260/06 – in effect from 30.12.2006 for an indefinite period of time

Contract for work No. P20006/19, C00203/06 – in effect from 1.3.2006 for an indefinite period of time, as amended

Contract on the lease of land No. N21110/016, C00418/10 – in effect from 1.4.2010 to 31.12.2030

Contract on the lease of land No. NO21110/004, C00438/10 – in effect from 1.9.2010 to 31.12.2030

Contract on the lease of land No. N21110/039, C00436/10 – in effect from 1.10.2010 to 31.12.2035, as amended

Contract on the lease of a part of real estate No. NO21110/005, C00439/10 – in effect from 1.10.2010 to 31.12.2035, as amended

Contract on the supply of metering equipment No. KV/S25/1843480, M5400/RS/2018/0005 – in effect from 1.1.2019 to 31.12.2022

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

Contract personal data processing No. PS20000013/038, C00627/13 – in effect from 1.3.2013 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 15.11.2016 for an indefinite period of time

Contract on the establishment of easement No. VV/G33/12987/1841915 – in effect from 9.4.2018 for an indefinite period of time

1 contract on the purchase of movable assets (electric bike)

Purchase contract No. KV/S21/1946483 – in effect from 2.9.2019 (unnecessary dismantled material)

2 orders on the installation of separator machines

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

c) Contracts PREdi x PREzak

Contract on the provision of services No. PS20000019/013 – in effect from 1.1.2019 to 31.12.2022

d) Contracts PREdi x eYello

General contract on electricity distribution to consumption points of the electricity trader's customers No. SOD/10390 – in effect from 16.11.2012 for an indefinite period of time

e) Contracts PREdi x KORMAK Praha

Contract on work – provision of expert services in the network of PREdistribuce, a.s., No. PS23000117/002 – in effect from 1.2.2017 for an indefinite period of time

Contract for work – graphic and drawing documentation No. PS21002012/004 – in effect from 15.2.2012 for an indefinite period of time

Contract of mandate to contract No. PS23000117/002 – in effect from 1.12.2017 for an indefinite period of time

Contract on personal data processing No. PS27200018/010 – in effect from 6.1.2009 for an indefinite period of time
Contract on personal data processing in connection with provided services No. PS27200018/013 – in effect from 29.2.2016 to 28.2.2019
Contract on data protection (execution) No. PS27200019/011 – in effect from 7.10.2019 for an indefinite period of time
Contract on the provision of dispatcher control services and handling No. PS23330219/011 – in effect from 1.1.2019 to 31.12.2019
Contract on cooperation on performing work on unmeasured parts of electricity consumption equipment – in effect from 29.2.2016 to 2023, i.e., until the cooperating partner's certificate expires
Supply lease contract No. NV/S24/1946371 – in effect from 11.7.2019 to 16.9.2022
General contract on the provision of services No. PS20000019/012 – in effect from 1.1.2019 to 31.12.2022
3 contracts 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
93 contracts for work on the provision of design and engineering services for the construction of distribution system equipment
106 contracts for work on carrying out construction of distribution system equipment

f) Contracts PREdi x PREservisní

Contract on the provision of services No. PS20000019/015 – in effect from 1.1.2019 to 31.12.2022
3 contracts on the purchase of movable assets – in force from 20.6.2019 (furniture, diagnostics and measurements equipment)
PREservisní and PREdi have concluded contracts on the connection to the distribution system for all PRE's consumption points.

g) Contracts PREdi x VOLTCOM

General contract on work and Contract on the provision of services No. PS20000019/046 – in effect from 1.5.2019 to 31.12.2023
Contract on personal data processing No. PS27200019/012 – in effect from 16.12.2019 for an indefinite period of time
Contract on the cooperation on performing work on unmeasured parts of electricity consumption equipment No. PS27200019/013 – in effect from 17.12.2019 to 20.11.2024, or until the cooperating partner's certificate expires
Contract on the provision of maps No. PS21002011/005 – in effect from 21.12.2010 for an indefinite period of time
Contract on the provision of dispatcher control services and handling No. PS23330219/001 – in effect from 1.1.2019 to 31.12.2019
Contract for work – earthing measurements No. PS23320119/009 – in effect from 2.1.2019 to 31.12.2020
General contract for work – fixing of earthing of distribution equipment No. PO/S21/1943571 – in effect from 15.1.2019 to 31.12.2019
Contract for work No. PS23320119/008 – in effect from 2.1.2019 to 31.12.2019
Contract for work No. PS23320119/011 – in effect from 1.2.2019 to 31.12.2019
Contract for work – the provision of design and engineering services No. 99/S24/PR/1946936 – in effect from 25.10.2019 to 30.3.2020 for a HV relocation project
Contract on the provision of services No. PS25002118/004 – in effect from 1.6.2018 to 30.6.2019
Purchase contract No. KV/S21/1946804 – in effect from 9.10.2019
7 contracts for work on the provision of design and engineering services for the construction of distribution system equipment
7 contracts for work on carrying out repairs of distribution network
109 contracts for work on the provision of design and engineering services for the construction of distribution system equipment
80 contracts for work on carrying out construction of distribution system equipment
VOLTCOM and PREdi have concluded contracts on the connection to the distribution system for all consumption points.

h) Contracts PREdi x PREnetcom

Contract on the assignment of Contract No. PS20000019/021 – in effect from 1.2.2019 (contract for work No. 8237/98 – service from 28.7.1998, as amended)
Contract for work No. PS20000019/028 – in effect from 24.4.2019 to 31.3.2022
Contract on personal data processing No. PS20000019/051 – in effect from 24.4.2019 to 31.12.2022

Lease contract No. NO/S21/1943803 – in effect from 1.1.2019 for an indefinite period of time

Contract on personal data processing No. PS20000019/026 – in effect from 24.4.2019

i) Contracts PREdi x PRE x PREnetcom

General contract on the provision of services No. PS20000019/010 – in effect from 1.1.2019 to 31.12.2048

j) Contracts PREdi x FRONTIER TECHNOLOGIES, s.r.o.

Contract on work on the implemented investment No. IS/S24/1947641 - in effect from 28.11.2019 to 30.4.2020

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

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

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

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

The Board of Directors, as the statutory body of PREdi, declares that the data contained in this Report on Relations is 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, 4 March 2020

Signed by

Milan Hampl

Chairperson of the Board of Directors

Signed by

Petr Dražil

Vice-chairperson of the Board of Director



Supervisory Board Report on Activities in 2019

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

In 2019, 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 company's activities 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 2019, the Supervisory Board, amongst others:

- debated and reviewed the Report on Relations for 2018 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 2018;
- debated and reviewed the separate financial statements for 2018 and acquainted itself with the auditor's report on the separate financial statements;
- reviewed the proposal for the distribution of 2018 profit, including determination of the amount of profit shares (dividends) and directors' fees for 2018 and the method of payment; it recommended its adoption by the General meeting;
- debated the 2018 Annual Report;
- debated the materials to be debated by the General Meeting of the company convened on 25 April 2019;
- debated and approved the fulfilment of the top management's objectives for 2018;
- debated the top management's objectives for 2020;
- debated and approved an investment project involving the enhancement of a 22 kV network – Radlice G-120331;
- debated and approved an investment project involving the project of Zahradní Město transformer station – 110 kV distribution station and control system; and,
- debated the economic plan for 2020 and the draft plan for 2021-2022.

The Supervisory Board declares that the company's economic results in 2019 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, 24 March 2020

Signed by

Pavel Elis

Chairperson of the Supervisory Board



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.

Report on the Audit of the Financial Statements

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 2019, 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, including a summary of significant accounting policies and other explanatory notes. 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 2019, 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) as amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KPMG Česká republika Audit, s.r.o., a Czech limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Recorded in the Commercial
Register kept by the Municipal
Court in Prague, Section C,
Insert No. 24185

Identification No. 49619187
VAT No. CZ699001996
ID data box: 8h3gtra



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 Supervisory Board for the Financial Statements

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

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Report on relations

We have reviewed the factual accuracy of the information disclosed in the report on relations of PREdistribuce, a.s. ("the Company") for the year ended 31 December 2019. The responsibility for the preparation and factual accuracy on this report rests with the Company's statutory body. Our responsibility is to express our view on the report on relations based on our review.

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

Based on our review, nothing has come to our attention that would lead us to believe that the report on relations of PREdistribuce, a.s. for the year ended 31 December 2019 contains material factual misstatements.

049

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 2019, based on which this independent auditor's report has been prepared.

Prague
22 April 2020

Signed by

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

Signed by

Petr Kuna
Director
Registration number 2476



Separate financial statements of PREdistribuce, a.s.

In full format as at 31.12.2019

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	2019	2018
I.	Revenue from distribution services and other revenues	(1)	9,665,005	9,667,472
I. 1. 1.	Revenue from distribution services in the Group		5,803,368	5,832,222
I. 1. 2.	Revenue from distribution services outside the Group		3,822,440	3,737,384
I. 2.	Other revenues		39,197	97,866
A.	Cost of sales	(3)	(6,223,150)	(6,187,947)
A. 2. 1.	Cost of transit and system services and losses		(4,721,783)	(4,652,912)
A. 2. 2.	Consumed material and energy		(33,210)	(46,896)
A. 3.	Purchased services		(1,468,157)	(1,488,139)
D.	Personnel expenses	(2)	(466,433)	(476,499)
D. 1.	Wages and salaries		(316,726)	(334,363)
D. 2.	Social security and health insurance expenses and other expenses		(149,707)	(142,136)
D. 2. 1.	Social security and health insurance expenses		(111,265)	(118,422)
D. 2. 2.	Other expenses		(38,442)	(23,714)
E.	Adjustments relating to operating activities		(1,311,713)	(1,321,002)
E. 1.	Adjustments to intangible and tangible fixed assets		(1,308,942)	(1,313,014)
E. 1. 1.	Depreciation and amortisation of intangible and tangible fixed assets	(6, 7)	(1,308,942)	(1,313,227)
E. 1. 2.	Impairment of intangible and tangible fixed assets		-	213
E. 3.	Adjustments to receivables		(2,771)	(7,988)

III.	Other operating revenues		234,768	219,583
III. 1.	Proceeds from disposals of fixed assets		15,376	3,303
III. 2.	Proceeds from disposals of raw materials		4,408	1,426
III. 3.	Other operating revenues	(1)	214,984	214,854
F.	Other operating expenses		(5,944)	(30,456)
F. 1.	Net book value of fixed assets sold		(16,069)	(2,181)
F. 3.	Taxes and charges		(1,055)	(1,343)
F. 4.	Provisions relating to operating activity and complex prepaid expenses		32,973	(9,034)
F. 5.	Other operating expenses		(21,793)	(17,898)
*	Operating profit (loss)		1,892,533	1,871,151
VI.	Interest revenue and similar revenue	(4)	934	349
J.	Interest expense and similar expense	(4)	(116,626)	103,890
VII.	Other financial revenue		5	6
K.	Other financial expense		(204)	(247)
*	Profit (loss) from financial operations		(115,891)	(103,782)
* *	Profit (loss) before tax	(5)	1,776,642	1,767,369
L.	Income tax	(5)	(333,685)	(338,397)
L. 1.	Current income tax		(312,428)	(309,745)
L. 2.	Deferred income tax		(21,257)	(28,652)
* *	Profit (loss) after tax		1,442,957	1,428,972
* * *	Profit (loss) for the period		1,442,957	1,428,972
*	Net turnover for the period		9,900,712	9,887,410

Balance sheet (TCZK)

		2019			2018
Ident.	ASSETS	Note	Gross	Adjust.	Net
	TOTAL ASSETS		57,084,879	(27,739,474)	29,345,405
B.	Fixed assets		54,620,942	(27,678,455)	26,942,487
B. I.	Intangible fixed assets	(7)	45,162	(34,381)	10,781
B. I. 1.	Research and development		34,078	(28,975)	5,103
B. I. 2. 1.	Software		11,013	(5,406)	5,607
B. I. 5. 2.	Intangible fixed assets under construction		71	-	71
B. II.	Tangible fixed assets	(6)	54,573,680	(27,644,074)	26,929,606
B. II. 1.	Land and buildings		39,757,697	(18,691,874)	21,065,823
1.	Land		695,618	-	695,618
2a.	Cables and overhead power lines		23,834,169	(10,344,881)	13,489,288
2b.	Power structures		15,227,910	(8,346,993)	6,880,917
2.	Plant and equipment		12,180,959	(7,664,316)	4,516,643
2a.	Transformer station and distribution plant technology		9,695,762	(5,919,710)	3,776,052
2b.	Dispatching and control system equipment		2,202,861	(1,530,201)	672,660
2c.	Other equipment		282,336	(214,405)	67,931
4.	Other tangible fixed assets		2,104,961	(1,287,884)	817,077
3.	Other tangible fixed assets – electricity meters in the network		2,104,961	(1,287,884)	817,077
5.	Advance payments for tangible fixed assets and tangible fixed assets under construction		530,063	-	530,063
1.	Advance payments for tangible fixed assets		20,176	-	20,176
2.	Tangible fixed assets under construction		509,887	-	509,887
B. III.	Long-term investments	(8)	2,100	-	2,100
C.	Current assets		2,462,258	(61,019)	2,401,239
C. II.	Receivables		2,460,695	(61,019)	2,399,676
C. II. 1.	Long-term receivables		54	-	54
1.	Trade receivables		49	-	49
5.	Receivables – other		5	-	5
2.	Short-term receivables		2,460,641	(61,019)	2,399,622
1.	Trade receivables	(9)	180,204	(61,019)	119,185
2.	Receivables – group undertakings	(18)	24	-	24
4.	Receivables – other		2,280,413	-	2,280,413
4.	Short-term advances paid		419	-	419
5.	Estimated receivables	(18)	2,279,595	-	2,279,595
6.	Other receivables		399	-	399
C. IV.	Cash		1,563	-	1,563
C. IV. 1.	Cash on hand		1,563	-	1,563
D.	Deferrals		1,679	-	1,679

Ident.	LIABILITIES AND EQUITY	Note	2019	2018
	TOTAL LIABILITIES AND EQUITY		29,345,405	28,978,021
A.	Equity	(10)	19,699,878	19,668,021
A. I.	Share capital		17,707,934	17,707,934
A. III.	Funds from profit		530,000	530,000
A. IV.	Retained profits		18,987	1,115
A. V.	Profit (loss) for the period		1,442,957	1,428,972
B. + C.	Liabilities		7,647,341	7,344,137
B.	Provisions		272,430	326,391
B. 2.	Income tax provision		11,513	29,661
B. 4.	Other provisions	(11)	260,917	296,730
C.	Payables		7,374,911	7,017,746
C. I.	Long-term liabilities		5,767,372	5,742,116
C. I. 6.	Liabilities – group undertakings	(18)	2,700,000	2,700,00
8.	Deferred tax liability	(12)	3,059,372	3,038,116
9.	Liabilities – other		8,000	4,000
C. II.	Short-term payables		1,607,539	1,275,630
C. II. 3.	Short-term advances received		543,700	514,696
4.	Trade payables	(13)	303,887	345,732
6.	Liabilities – group undertakings	(18)	568,074	257,381
8.	Liabilities – other		191,878	157,821
3.	Payables to employees		16,718	18,064
4.	Social security and health insurance liabilities	(5)	10,357	10,482
5.	Tax liabilities and subsidies	(5)	98,720	87,906
6.	Estimated payables		66,083	41,369
D.	Accruals		1,998,186	1,965,863
D. 1.	Accrued expenses		46,658	45,978
2.	Deferred revenues	(14)	1,951,528	1,919,885

Cash flow statement (TCZK)

	Note	2019	2018
Cash and cash equivalents at the beginning of the period		(47,101)	(11,906)
Operating activity			
Accounting profit from ordinary activities before taxation		1,776,642	1,767,369
Depreciation and amortisation	(6, 7)	1,308,942	1,313,227
Write-off of doubtful receivables and other assets		2,111	2,022
Change in adjustments and provisions	(9, 11)	(33,042)	6,015
Investment contributions accounted for in revenues	(14)	(187,779)	(191,319)
Gain (losses) from sale and disposal of fixed assets		1,470	3,042
Interest	(4)	114,305	101,594
Net cash flow from operating activity before changes in working capital		2,982,649	3,001,950
Change in receivables from operating activity and deferrals		(55,096)	31,941
Change in short-term payables from operating activity and accruals		(67,293)	178,268
Net cash flow from operating activity before taxation and interest		2,860,260	3,212,159
Interest paid	(4)	(114,593)	(94,204)
Interest received	(4)	994	291
Income tax paid		(330,577)	(313,937)
Net cash flow from operating activity		2,416,084	2,804,309
Investment activity			
Cash paid for acquisition of fixed assets		(1,635,961)	(1,718,378)
Proceeds from investment contributions	(14)	203,711	215,671
Proceeds from sale of fixed assets		15,376	3,303
Net cash flow from investment activity		(1,416,874)	(1,499,404)
Financial activity			
Dividends paid and directors' fees paid		(1,411,100)	(1,340,100)
Net cash flow from financial activity		(1,411,100)	(1,340,100)
Change in cash and cash equivalents		(411,890)	(35,195)
Cash and cash equivalents at the end of the period		(458,991)	(47,101)

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 Roztoky and in Žalov, covering an area of 505 km², from which it derives most of its revenues. The distribution of electricity is carried out in the public interest and the associated rights and obligations, with the exception of general legal regulations, are governed by Act No. 458/2000 Coll., the Energy Act, as amended, and the related implementation guidance.

Statutory and supervisory bodies as at 31 December 2019

Board of Directors

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

Supervisory Board

Pavel Elis	Chairperson of the Supervisory Board
Alexander Manfred Sloboda	Member of the Supervisory Board
Karsten Krämer	Member of the Supervisory Board
Zdeněk Smetana	Member of the Supervisory Board

055

The Company’s sole shareholder is Pražská energetika, a.s., with its registered office at Na Hroudě 1492/4, Prague 10, 100 05.

Organisational structure of the Company

The Company has two divisions, the Managing Director’s division and the Regulated Assets division. The Managing Director’s division is further organised into four sections including Network Management, Preparation of Constructions, Network Access and Economics, and Network Concepts. The Regulated Assets division is organised into Network Administration and Network Operation.

The PRE Group

In 2019, the PRE Group consisted of the parent company, Pražská energetika, a.s., which is the holder of licences for trading in electricity and gas in the Czech Republic, and its subsidiaries. These include the Company, PREměření, a.s., eYello CZ, k.s., KORMAK Praha a.s., PREservisní, s.r.o., PREzákaznická, a.s. Since 30 April 2019, VOLTCOM, spol. s r.o., has been a new member of the PRE Group. The following 100% subsidiaries of PREměření, a.s., also form part of the PRE Group: PRE FVE Světlík, s.r.o., SOLARINVEST – GREEN ENERGY, s.r.o., FRONTIER TECHNOLOGIES, s.r.o., since 19 December 2019 also WINDING WE NORTH a.s., and its 100% subsidiary PRE VTE Částkov, s.r.o. PREnetcom, a.s., which is a 100% subsidiary of the Company also forms part of the PRE Group.

Pražská energetika, a.s., prepares the consolidated financial statements, which include the financial statements of the Company and its subsidiaries. The consolidated financial statements form a part of the Annual Report, which is available in the Collection of Deeds of the parent company. These consolidated financial statements represent the financial statements of the narrowest group of entities.

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

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.

Basis for 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
Buildings, halls and other structures	20, 50, 70
Cable tunnels, cables and overhead power lines	30, 40, 70
Fibre optics	30
Power structures	15, 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	4, 6, 8, 10
Electricity meters	15
Vehicles	4
Furniture and fixtures	4, 6, 8
Hardware and software	4, 8, 15
Other intangible assets	4

Short-term receivables

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

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. 51/2006 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.

Short-term payables

Short-term payables are stated at their nominal value.

Revenue recognition

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

Expense recognition

Operating leases

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

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.

Significant accounting events

As of 1 January 2019, activities from the Support Services section were separated from the company Pražská energetika, a.s., and activities of the Construction Management department and the Diagnostic and Measurement department were separated from the Company and contributed to PREservisní, s.r.o. The first impetus for these changes was the development of legislation, the external environment and the need to effectively comply with regulatory requirements of the relevant legislation. The side-effect of these changes is the optimisation of selected activities and processes as part of customer service or in case of network construction.

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. Provisions
12. Deferred tax liability
13. Trade payables
14. Temporary liabilities
15. Leased assets
16. Fees payable to auditors
17. Related parties
18. Intra-company relations
19. Cash flow statement
20. Material subsequent events

(1) Revenues (TCZK)

Relating to the supply of distribution services and other revenues	2019	2018
Sale of distribution and system services to B2B customers	3,429,422	3,506,619
Sale of distribution and system services to B2C (including low voltage B2B)	6,185,145	6,051,690
Other revenues	11,241	11,297
Revenues relating to the supply of distribution services	9,625,808	9,569,606
Revenue from services rendered in the Group	21,070	18,651
Revenue from services rendered outside the Group	18,127	79,215
of which: servicing and installation	12,104	74,197
leases	3,966	4,054
Other revenues	39,197	97,866
Total	9,665,005	9,667,472

Other operating revenues	2019	2018
Release of connection fees accruals	187,779	191,319
Compensation for unauthorised consumption	11,565	12,586
Sundry	15,640	10,949
Total	214,984	214,854

(2) Personnel expenses (TCZK)

	2019	2018
	Employees and	Employees and
	executives	executives
Average headcount	455	501
Salaries	277,300	285,426
Salaries paid depending on the Company's goal performance	25,986	35,629
Insurance	111,265	118,422
Remuneration paid to members of the Company's bodies	13,440	13,308
Other social costs (according to the collective agreement)*	38,442	23,714
Total	466,433	476,499

* 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 and contributions to pension insurance.

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

	2019	2018
Electricity consumption for grid losses*	402,280	336,407
Services of the parent company	436,490	470,295
Lease of non-residential premises	63,672	68,167
Lease of cars	20,727	22,148
Installation work and reading of meters	229,081	216,438
Customer service	179,537	163,320
IT support	45,923	10,921
Repairs of fixed assets	70,771	23,907
Sundry	25,044	11,783
Costs of purchase of material, services and utilities in the Group	1,473,525	1,323,386
Purchase of distribution and system services	4,319,503	4,316,505
Consumed material and energy	30,079	43,215
Repairs of fixed assets	177,767	268,513
Lease of cable tunnels	110,019	107,789
Lease of non-residential premises	34,520	33,157
Sundry	77,737	95,382
Costs of purchase of material, services and utilities outside the Group	4,749,625	4,864,561
Total	6,223,150	6,187,947

* 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 income and expense (TCZK)

	2019	2018
Interest income: from cash pooling	934	349
Interest expense: from cash pooling	(8,158)	(4,635)
from loans in the Group*	(107,081)	(97,300)
from employee benefits	(1,387)	(1,947)
other	-	(8)
Total (net)	(115,692)	(103,541)

* In addition to interest expense, part of the borrowing costs also included capitalised interest of TCZK 6,921 for 2018 (2018: TCZK 8,870), which is included in the acquisition cost of assets.

(5) Income tax (TCZK)

Effective tax rate	2019		2018	
Profit/loss for the period	1,442,957		1,428,972	
Income tax	333,685		338,397	
Profit before tax	1,776,642		1,767,369	
Income tax using the applicable income tax rate	337,562	19.00%	335,800	19.00%
Impact of items that are never tax-deductible	(3,806)	(0.21)%	2,852	0.16%
Corrections of estimates of prior years' taxes	(71)	0.00%	(255)	(0.01)%
Total income tax / effective tax rate	333,685	18.79%	338,397	19.15%

The current income tax estimate for 2019 of TCZK 312,500 (2018: TCZK 310,000) was reduced by income tax prepayments of TCZK 300,987 (2018: TCZK 280,339) and the net payable is recorded in the income tax provision.

Payables to the state	2019	2018
Social security and health insurance liabilities	10,357	10,482
Tax liabilities	98,720	87,906

None of these liabilities are overdue.

(6) Tangible fixed assets (MCZK)

	Land	Power structures	Cable and overhead power lines	Telecommunication and information technologies	Electricity meters	Sundry	Assets under construction	Total
Acquisition cost								
Balance on 31.12.2017	688.5	24,125.0	22,352.7	2,020.2	2,012.9	322.4	504.4	52,026.1
Additions	3.4	326.9	818.7	78.3	134.0	8.5	322.4	1,692.2
Disposals	(1.3)	(78.0)	(148.3)	(46.3)	(119.0)	(9.7)	(4.2)	(406.8)
Reclassification	0.3	153.0	60.4	55.0	5.9	0.9	(275.5)	-
Balance on 31.12.2018	690.9	24,526.9	23,083.5	2,107.2	2,033.8	322.1	547.1	53,311.5
Accumulated depreciation								
Balance on 31.12.2017	-	(13,305.9)	(9,471.7)	(1,433.6)	(1,361.7)	(225.2)	-	(25,798.1)
Depreciation	-	(548.0)	(569.8)	(98.2)	(72.4)	(18.4)	-	(1,306.8)
Adjustments	-	0.2	-	-	-	-	-	0.2
Disposals	-	77.1	148.4	46.3	118.9	9.8	-	400.5
Reclassification	-	-	-	-	-	-	-	-
Balance on 31.12.2018	-	(13,776.6)	(9,893.1)	(1,485.5)	(1,315.2)	(233.8)	-	(26,704.2)
Net book value								
on 31.12.2017	688.5	10,819.1	12,881.0	586.6	651.2	97.2	504.4	26,228.0
Net book value								
on 31.12.2018	690.9	10,750.3	13,190.4	621.7	718.6	88.3	547.1	26,607.3

	Land	Power structures	Cable and overhead power lines	Telecommunication and information technologies	Electricity meters	Sundry	Assets under construction	Total
Acquisition cost								
Balance on 31.12.2018	690.9	24,526.9	23,083.5	2,107.2	2,033.8	322.1	547.1	53,311.5
Additions	4.3	257.3	843.4	79.7	155.3	7.9	293.4	1,641.3
Disposals	(0.1)	(64.9)	(135.3)	(19.2)	(110.9)	(48.0)	(0.6)	(379.0)
Reclassification	0.5	204.4	42.5	35.2	26.8	0.4	(309.8)	-
Balance on 31.12.2019	695.6	24,923.7	23,834.1	2,202.9	2,105.0	282.4	530.1	54,573.8
Accumulated depreciation								
Balance on 31.12.2018	-	(13,776.6)	(9,893.1)	(1,485.5)	(1,315.2)	(233.8)	-	(26,704.2)
Depreciation	-	(554.9)	(587.0)	(63.9)	(83.6)	(12.7)	-	(1,302.1)
Adjustments	-	-	-	-	-	-	-	-
Disposals	-	64.7	135.2	19.2	110.9	32.1	-	362.1
Reclassification	-	-	-	-	-	-	-	-
Balance on 31.12.2019	-	(14,266.8)	(10,344.9)	(1,530.2)	(1,287.9)	(214.4)	-	(27,644.2)
Net book value								
on 31.12.2018	690.9	10,750.3	13,190.4	621.7	718.6	88.3	547.1	26,607.3
Net book value on 31.12.2019	695.6	10,656.9	13,489.2	672.7	817.1	68.0	530.1	26,929.6

None of the Company's assets are pledged or used as a guarantee.

(7) Intangible fixed assets (MCZK)

	Software	Sundry	Assets under construction	Total
Acquisition cost				
Balance on 31.12.2017	3.2	31.7	0.4	35.3
Additions	7.8	0.3	0.2	8.3
Disposals	-	-	-	-
Reclassification	-	0.3	(0.3)	-
Balance on 31.12.2018	11.0	32.3	0.3	43.6
Accumulated amortisation				
Balance on 31.12.2017	(0.1)	(21.1)	-	(21.2)
Amortisation	(2.5)	(3.9)	-	(6.4)
Disposals	-	-	-	-
Reclassification	-	-	-	-
Balance on 31.12.2018	(2.6)	(25.0)	-	(27.6)
Net book value on 31.12.2017	3.1	10.6	0.4	14.1
Net book value on 31.12.2018	8.4	7.3	0.3	16.0

	Software	Sundry	Assets under construction	Total
Acquisition cost				
Balance on 31.12.2018	11.0	32.3	0.3	43.6
Additions	-	1.8	(0.2)	1.6
Disposals	-	-	-	-
Reclassification	-	-	-	-
Balance on 31.12.2019	11.0	34.1	0.1	45.2
Accumulated amortisation				
Balance on 31.12.2018	(2.6)	(25.0)	-	(27.6)
Amortisation	(2.8)	(4.0)	-	(6.8)
Disposals	-	-	-	-
Reclassification	-	-	-	-
Balance on 31.12.2019	(5.4)	(29.0)	0.0	(34.4)
Net book value on 31.12.2018	8.4	7.3	0.3	16.0
Net book value on 31.12.2019	5.6	5.1	0.1	10.8

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 87,579 (2018: TCZK 96,329). The Company holds no low-value intangible fixed assets.

(8) Long-term investments (TCZK)

	Note	Share	2019	2018
PREnetcom, a.s.	Non-marketable	100%	2,000	2,000
Sundry*			100	100
Total			2,100	2,100

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

PREnetcom, a.s., was established on 27 November 2017 and commenced its activities on 1 January 2018. The Company is its sole shareholder.

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 the remote control of the network. It cooperates with the Company on the designing, planning and coordination of optical infrastructure construction and maintenance.

	2019	2018
Registered office: Prague 10, Na Hroudě 1492/4		
ID No.: 06714366		
Average headcount	13	2
Financial data (TCZK) – unaudited		
Share capital	2,000	2,000
Equity	12,711	3,197
Profit/loss after tax	9,615	1,197
Revenue from sale of products and services	62,886	11,560

067

(9) Trade receivables (TCZK)

Trade receivables	2019	2018
Up to 6 months past due	24,337	5,859
6 to 12 months past due	4,703	11,030
More than 12 months past due	54,821	48,485
Gross past-due trade receivables	83,861	65,374
Before due	96,343	99,018
Total gross trade receivables	180,204	164,392

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

Balance on 31.12.2017	50,260
Additions and utilisation during the current period	7,988
Balance on 31.12.2018	58,248
Additions and utilisation during the current period	2,771
Balance on 31.12.2019	61,019

(10) Equity (TCZK)

Registered share capital and types of shares as of 31 December 2019

The Company's share capital comprises 21,549 registered shares in the certificate form (2018: 21,549 shares) with the nominal value of CZK 821,752 (2018: CZK 821,752).

Distribution of profit

The General Meeting will decide on the distribution of profit of TCZK 1,442,957 (2018: TCZK 1,428,972).

Statement of changes of equity

	Share capital	Fund from profit - reserve fund	Profit/loss	Retained earnings	Total equity
Balance on 31.12.2017	17,707,934	530,000	1,340,776	439	19,579,149
Additions to the reserve fund	-	-	-	-	-
Dividend payments	-	-	(1,329,000)	-	(1,329,000)
Directors' fees paid	-	-	(11,100)	-	(11,100)
Retained earnings	-	-	(676)	676	-
Net profit for 2018	-	-	1,428,972	-	1,428,972
Balance on 31.12.2018	17,707,934	530,000	1,428,972	1,115	19,668,021
Additions to the reserve fund	-	-	-	-	-
Dividend payments	-	-	(1,400,000)	-	(1,400,000)
Directors' fees paid	-	-	(11,100)	-	(11,100)
Retained earnings	-	-	(17,872)	17,872	-
Net profit for 2019	-	-	1,442,957	-	1,442,957
Balance on 31.12.2019	17,707,934	530,000	1,442,957	18,987	19,699,878

(11) Other provisions (TCZK)

	Business risks	Salaries	Employee benefits	Total
Balance on 31.12.2017	116,978	54,574	126,939	298,491
Additions to provisions in the current period	9,714	46,499	7,958	64,171
Utilisation/release of provisions in the current period	(680)	(54,574)	(10,678)	(65,932)
Balance on 31.12.2018	126,012	46,499	124,219	296,730
Additions to provisions in the current period	680	47,900	4,236	52,816
Utilisation/release of provisions in the current period	(33,653)	(46,499)	(8,477)	(88,629)
Balance on 31.12.2019	93,039	47,900	119,978	260,917
Long-term provisions	93,039	-	112,005	205,044
Short-term provisions	-	47,900	7,973	55,873
Total	93,039	47,900	119,978	260,917

Provisions are recognised in respect of the following:

- business risks – arising from the operation of fixed assets;
 - salaries – include salaries paid in dependence on the fulfilment of the plan, charged to personnel expenses; and,
 - employee benefits – 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.

069

(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:

	2019	2018
Fixed assets	3,100,325	3,079,461
Receivables	(1,897)	(1,533)
Provisions	(16,949)	(16,953)
Liabilities arising from the collective agreement	(22,107)	(22,859)
Total	3,059,372	3,038,116

(13) Trade payables (TCZK)

The Company carries no trade payables past their due dates.

(14) Temporary liabilities (TCZK)

Deferred revenues	
Balance on 31.12.2017	1,790,453
Investment contributions received	215,671
Investment contributions accounted for in revenues	(191,319)
Correction factor of permitted revenues	105,080
Balance on 31.12.2018	1,919,885
Investment contributions received	203,711
Investment contributions accounted for in revenues*	(187,779)
Correction factor of permitted revenues**	15,711
Balance on 31.12.2019	1,951,528

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

** This involves part of revenues from distribution services associated with the delivery of distribution services in 2020 and 2021.

(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 transformer stations and administrative buildings. The lease contracts have been concluded for an indefinite period of time.

The table below shows the aggregate annual costs of these leases.

	2019	2018
Cable conduits	110,019	107,789
Non-residential premises	34,520	33,157
Administrative buildings	63,672	68,167
Vehicles	21,473	22,906
Total	229,684	232,019

(16) Fees payable to auditors (TCZK)

Fees payable to auditors for a statutory audit of the financial statements for the period ended on 31 December 2019 were TCZK 990 (31.12.2018: TCZK 990).

(17) Related parties (TCZK)

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

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

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

	2019	2018
Number	8	8
Bonuses in TCZK	24,975	24,847

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

As of 31 December 2019, the Company recorded receivables from the members of the Board of Directors and the Supervisory Board in the aggregate amount of TCZK 8 (2018: TCZK 21). These receivables were settled during January 2019.

(18) Intra-company relations (TCZK)

	Receivables of PREdi as at 31.12.		Payables of PREdi as at 31.12.	
	2019	2018	2019	2018
Pražská energetika, a.s.	1,692,144	1,695,900	3,242,020	2,943,565
of which: trade receivables/payables	-	-	34,807	149,001
trade receivables/payables from cash pooling	-	-	460,555	48,586
accrued revenues/expenses from cash pooling	-	-	1,139	459
long-term loan*	-	-	2,700,000	2,700,000
accrued expenses (loan interest)	-	60	45,519	45,519
estimated accounts – unbilled distribution services**	1,692,144	1,695,840	-	-
eYello CZ, k.s.	12,518	4,630	11,266	4,918
of which: trade receivables/payables	606	105	-	-
advances received for distribution services	-	-	11,266	4,918
estimated accounts – unbilled distribution services	11,912	4,525	-	-
PREměření, a.s.	-	36	42,508	41,554
of which: trade receivables/payables	-	(36)	37,513	149,001
estimated accounts – unbilled services	-	-	4,995	-
KORMAK Praha a.s.	1	5	2,318	712
PREzákaznická, a.s.	-	-	18,920	16,309
of which: trade receivables/payables	-	-	18,073	16,309
estimated accounts – unbilled services	-	-	847	-
PREnetcom, a.s.	-	-	2,658	1,219
PREservisní, s.r.o.	2,201	-	10,935	-
of which: trade receivables/payables	-	-	10,935	-
estimated accounts – unbilled services	2,201	-	-	-
FRONTIER TECHNOLOGIES, s.r.o.	-	-	860	-
VOLTCOM, spol. s r.o.	23	-	355	-
Total	1,706,887	1,700,572	3,331,840	3,008,277

* The long-term loan consists of three parts: a loan of MCZK 600 maturing on 18 June 2026 that bears interest at 3Y CZK IRS + mark-up of 3.1% p.a.; a loan of MCZK 700 maturing on 28 November 2026 that bears interest at 3Y CZK IRS + mark-up of 3.0% p.a.; and 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. The loans serve for financing the operating and investment needs of the debtor.

** Estimated receivables reported in the balance sheet amount to TCZK 2,279,595 (as of 31 December 2018: TCZK 2,243,404), of which TCZK 1,692,144 (as of 31 December 2018: TCZK 1,695,840) represents unbilled distribution services provided to Pražská energetika, a.s., and TCZK 582,725 (as of 31 December 2018: TCZK 545,003) represents unbilled distribution services and unbilled credit notes, if any, related to these services provided outside the PRE Group, and TCZK 4,726 represents other unbilled services (as of 31 December 2018: TCZK 2,561).

	PREdi revenues		PREdi expenses	
	2019	2018	2019	2018
Pražská energetika, a.s.	5,811,045	5,840,750	2,493,000	2,541,412
of which: distribution services	5,784,623	5,823,755	-	-
services, consumed material	11,070	16,640	530,165	572,393
electricity for grid losses and own consumption	-	-	402,280	336,407
material	-	-	38,346	189,962
fixed assets	14,410	-	-	2,845
other expenses	-	-	49	-
other revenues	8	6	-	-
dividends	-	-	1,400,000	1,329,000
interest on cash pooling	934	349	8,158	4,635
interest on loans (including capitalised)	-	-	114,002	106,170
eYello CZ, k.s.	18,753	8,470	-	-
of which: distribution services	18,745	8,465	-	-
other revenues	8	5	-	-
PREměření, a.s.	1,309	1,520	413,437	378,394
of which: installation and supply of electricity meters	1,309	1,520	413,437	378,394
KORMAK Praha a.s.	1,446	478	232,520	260,990
of which: fixed assets	-	-	209,682	237,083
repairs of fixed assets	-	-	22,838	23,907
services	197	289	-	-
other revenues	1,249	189	-	-
PREzákaznická, a.s.	-	210	179,537	163,320
of which: customer and other services	-	210	179,537	163,320
PREservisní, s.r.o.	6,832	-	288,010	-
of which: fixed assets	-	-	49,410	-
repairs of fixed assets	-	-	30,759	-
services	5,098	-	16,222	-
material	1,264	-	191,619	-
other revenues	470	-	-	-
PREnetcom, a.s.	3,681	-	45,923	10,921
of which: services – IT support	3,681	-	45,923	10,921
FRONTIER TECHNOLOGIES, s.r.o.	-	-	942	-
of which: fixed assets	-	-	860	-
repairs of fixed assets	-	-	82	-
VOLTCOM, spol. s r.o.	562	-	75,415	-
of which: fixed assets	-	-	58,695	-
repairs of fixed assets	-	-	16,590	-
services	545	-	130	-
other revenues	17	-	-	-
Total	5,843,628	5,851,428	3,728,784	3,355,037

All transactions with the Group entities were performed on the basis of arm's length conditions. The Company suffered no detriment arising from related party transactions.

	Inter-company sales		Intra-company purchases	
	2019	2018	2019	2018
Relations with subsidiaries and associates	16,286	184,869	7,251	25,666
Capital City of Prague	16,286	184,869	7,251	25,666
Relations with other entities	419,407	425,114	113,115	111,080
Dopravní podnik hl. m. Prahy, akciová společnost	408,843	416,487	2,659	3,549
Kolektory Praha, a.s.	-	-	109,749	107,520
TRADE CENTRE PRAHA, a.s.	5,810	3,907	2	-
Pražská plynárenská, a.s.	4,754	4,720	705	11
Total	435,693	609,983	120,366	136,746

	Receivables		Payables	
	2019	2018	2019	2018
Relations with subsidiaries and associates	759	896	545	1,908
Capital City of Prague	759	896	545	1,908
Relations with other entities	26,672	23,051	46,322	23,867
Dopravní podnik hl. m. Prahy, akciová společnost	21,358	22,085	46,322	44
Pražská plynárenská, a.s.	5,314	966	-	23,823
Total	27,431	23,947	46,867	25,775

074

(19) Cash flow statement

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

	Balance on 31.12.	
	2019	2018
Cash	1,563	1,485
Cash pooling	(460,555)	(48,586)
Total	(458,992)	(47,101)

(20) Material subsequent events

On 11 March 2020, the World Health Organisation declared the coronavirus outbreak a pandemic, and the Czech government declared a state of emergency on 12 March 2020. Responding to the potentially serious threat the COVID-19 presents to public health, the Czech government authorities have taken measures to contain the outbreak (restrictions on the movement of people, restrictions or interruption of production or of the provision of services in selected industries, etc.).

The Company is a member of the PRE Group which ensures the supply (distribution), production and sale of energies and services relating to them on the territory of the capital city of Prague and the entire Czech Republic. In connection with the coronavirus pandemic, PRE Group's management expects a decline in the sale of commodities and other energy services, an increase in the credit risk of its customers or the risk of concluded contracts becoming loss-making as a result of the development of the foreign exchange rate. The PRE Group has introduced measures to prevent operational risks, such as dividing critical departments into shifts that do not come into physical contact, etc. PRE Group's management assumes that even if our corporate customers experience a production shortfall of several months, the PRE Group will be able to achieve profit for 2020, and that the going concern principle of the PRE Group will not be endangered.

As the Company's principal activity is electricity distribution, especially in the Prague region, this activity represents a substantial part of the Company's revenues. Electricity distribution is carried out in the public interest, and the rights and obligations relating to this activity are regulated by Energy Act No. 458/2000 Coll. as amended and its rules of application apart from general legal regulations. In connection with the coronavirus pandemic, the Company's management expects a temporary decline in distributed electricity, primarily in the corporate customer segment. As a substantial part of revenues is realised within the PRE Group or from relationships with other crucial power suppliers in the Czech Republic with a high credit rating, the Company's management does not regard the increase in the credit risk as significant.

The Company's management does not anticipate a significant decline in revenues or other substantial adverse effects impacting on the Company's operation, financial position and operating results. However, the Company's management cannot preclude the possibility that extended lock down periods, an escalation in the severity of such measures, or a consequential adverse impact of such measures on the economic environment the Company operates in may have an adverse effect on the Company, and its financial position and operating results, in the medium and longer term. The Company continues to monitor the situation closely and will respond to mitigate the impact of such events and circumstances as they occur.

No other events have occurred since the balance sheet date that would have any material impact on the financial statements.

In Prague, 22 April 2020

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 2018, and of the prospects for the company's future development. No facts have been deliberately omitted from or distorted in the Annual Report which could have altered its meaning.

In Prague, 22 April 2020

Signed by

Milan Hampl

Chairperson of the Board of Directors

Signed by

Petr Dražil

Vice-chairperson of the Board of Directors



List of abbreviations

AMM	Automatic metering management
B2B	Big customers
B2C	Small customers
EnBW	EnBW Energie Baden-Württemberg AG
ERÚ	Energy Regulatory Office (Energetický regulační úřad)
eYello	eYello CZ, k.s., a 90% subsidiary of PRE and a 10% subsidiary of PREm
FVE	Photovoltaic power plant
GWh	Gigawatt hour
HV	High voltage
KORMAK Praha	KORMAK Praha a.s., a 100% subsidiary of PRE
kV	Kilovolt
LV	Low voltage
MOO	Retail – households
MOP	Retail – small businesses
MV	Medium voltage
MW	Megawatt
OHS	Occupational health and safety
PRE	Pražská energetika, a.s.
PREdi	PREdistribuce, a.s., a 100% subsidiary of PRE
PREm	PREměření, a.s., a 100% subsidiary of PRE
PREnetcom	PREnetcom, a.s., a 100% subsidiary of PREdi
PREs	PREservisní, s.r.o., a 100% subsidiary of PRE
PREzak	PREzákaznická, a.s., a 100% subsidiary of PRE
PRE Group	PRE + PREdi + PREm + PREzak + PREs + eYello + KORMAK Praha + VOLTCOM + PREnetcom + PRE FVE Světlik, s.r.o. + SOLARINVEST - GREEN ENERGY, s.r.o. + FRONTIER TECHNOLOGIES, s.r.o. + WINDING WE NORTH a.s. + PRE VTE Částkov, s.r.o.
TWh	Terawatt hour
VO	Wholesale
VOLTCOM	VOLTCOM, spol. s r.o., a 100% subsidiary of PRE
VTE	Wind farm



Contact information

	Address	Postal code	Telephone
PREdistribuce, a.s. ID No.: 27376516 Distribution Emergency Line	Prague 5, Svornosti 3199/19a www.predistribuce.cz e-mail: distribuce@predistribuce.cz Prague 2, Kateřinská 1528/9 e-mail: poruchy@predistribuce.cz	150 00 120 00	800 550 055 For calls from abroad: +420 267 055 555 Emergency line 800 823 823
Pražská energetika, a.s. ID No.: 60193913 Press relations	Na Hroudě 1492/4, Prague www.pre.cz e-mail: pre@pre.cz Prague 10, Na Hroudě 1492/4	100 05 100 05	800 550 055 For calls from abroad: +420 267 055 555 +420 267 051 102
PREměření, a.s. ID No.: 25677063 Emergency line PRE Costumer Centre PREmobilita Orders of energy services	Prague 10, Na Hroudě 2149/19 www.premereni.cz e-mail: mereni@pre.cz For PRE customers in case of main circuit-breaker failures: web.premereni.cz/opravy Prague 1, Jungmannova 747/28 e-mail: centrum.sluzeb@pre.cz e-mail: premobilita@pre.cz e-mail: servis.prem@pre.cz	100 05 110 00	800 550 055 For calls from abroad: +420 267 055 555 +420 733 143 143
PREzákaznická, a.s. ID No.: 06532438 PRE Costumer Centre PRE Call Centre	Prague 10, Na Hroudě 1492/4 www.prezakaznicka.cz e-mail: pre@pre.cz Prague 1, Jungmannova 36/31 Prague 4, Vladimírova 64/18 Prague 10, Kubánské náměstí 1391/11	100 05 110 00 140 00 100 00	800 550 055 For calls from abroad: +420 267 055 555 800 550 055
PREservisní, s.r.o. ID No.: 02065801	Prague 10, Na Hroudě 1492/4 www.preservisni.cz e-mail: pre@pre.cz	100 05	800 550 055 For calls from abroad: +420 267 055 555
eYello CZ, k.s. ID No.: 25054040	Prague 10, Kubánské náměstí 1391/11 www.yello.cz e-mail: yello@yello.cz	100 00	+420 267 056 704

	Address	Postal code	Telephone
KORMAK Praha a.s. ID No.: 48592307	Prague 10, K Sokolovně 667 www.kormak.cz e-mail: kormak@kormak.cz	104 00	+420 267 051 301
VOLTCOM, spol. s r.o. ID No.: 44794274	Prague 6, Otevřená 1092/2 www.voltcom.cz e-mail: voltcom@voltcom.cz	169 00	+420 267 052 547
PRE FVE Světlík, s.r.o. ID No.: 28080378	Prague 10, Na Hroudě 2149/19 www.premereni.cz e-mail: mereni@pre.cz	100 05	800 550 055 For calls from abroad: +420 267 055 555
SOLARINVEST - GREEN ENERGY, s.r.o. ID No.: 28923405	Prague 10, Na Hroudě 2149/19 www.solarinvest.cz e-mail: info@solarinvest.cz	100 05	+420 321 677 966
FRONTIER TECHNOLOGIES, s.r.o. ID No.: 27234835	Prague 10, Na Hroudě 2149/19 www.frontier-technologies.eu e-mail: info@frontier-technologies.eu	100 05	+420 277 002 333
WINDING WE NORTH a.s. ID No.: 27831248	Prague 10, Na Hroudě 2149/19 www.premereni.cz e-mail: mereni@pre.cz	100 05	800 550 055 For calls from abroad: +420 267 055 555
PRE VTE Částkov, s.r.o. ID No.: 27966216	Prague 10, Na Hroudě 2149/19 www.premereni.cz e-mail: mereni@pre.cz	100 05	800 550 055 For calls from abroad: +420 267 055 555
PREnetcom, a.s. ID No.: 06714366	Prague 10, Na Hroudě 1492/4 www.prenetcom.cz e-mail: pre@pre.cz	100 05	800 550 055 For calls from abroad: +420 267 055 555

PREdistribuce, a.s.
Svornosti 3199/19a
150 00 Prague 5
www.predistribuce.cz

© 2020 Design and production KUKLIK.CZ