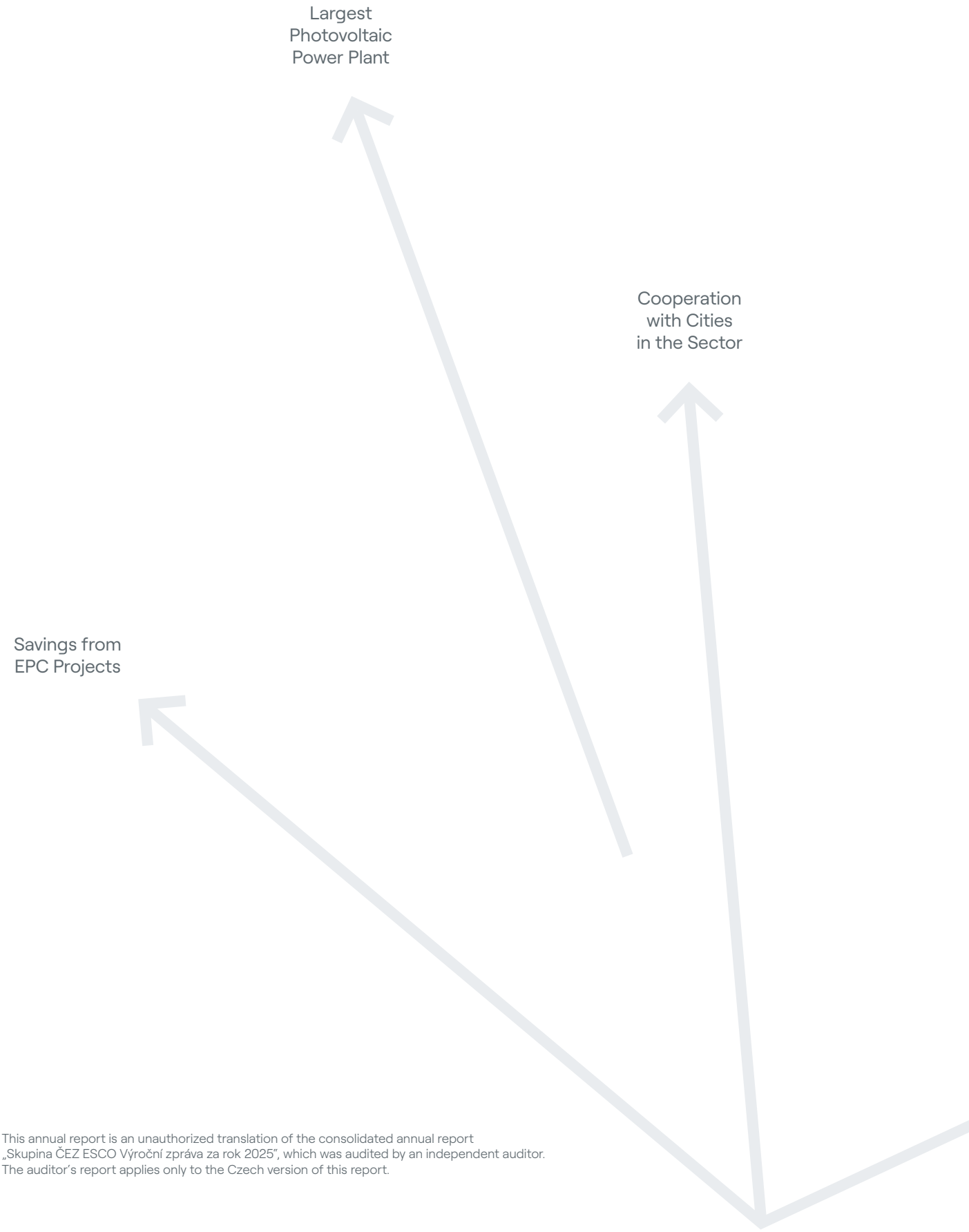
CLEAN
ENERGY OF
TOMORROW



We innovate

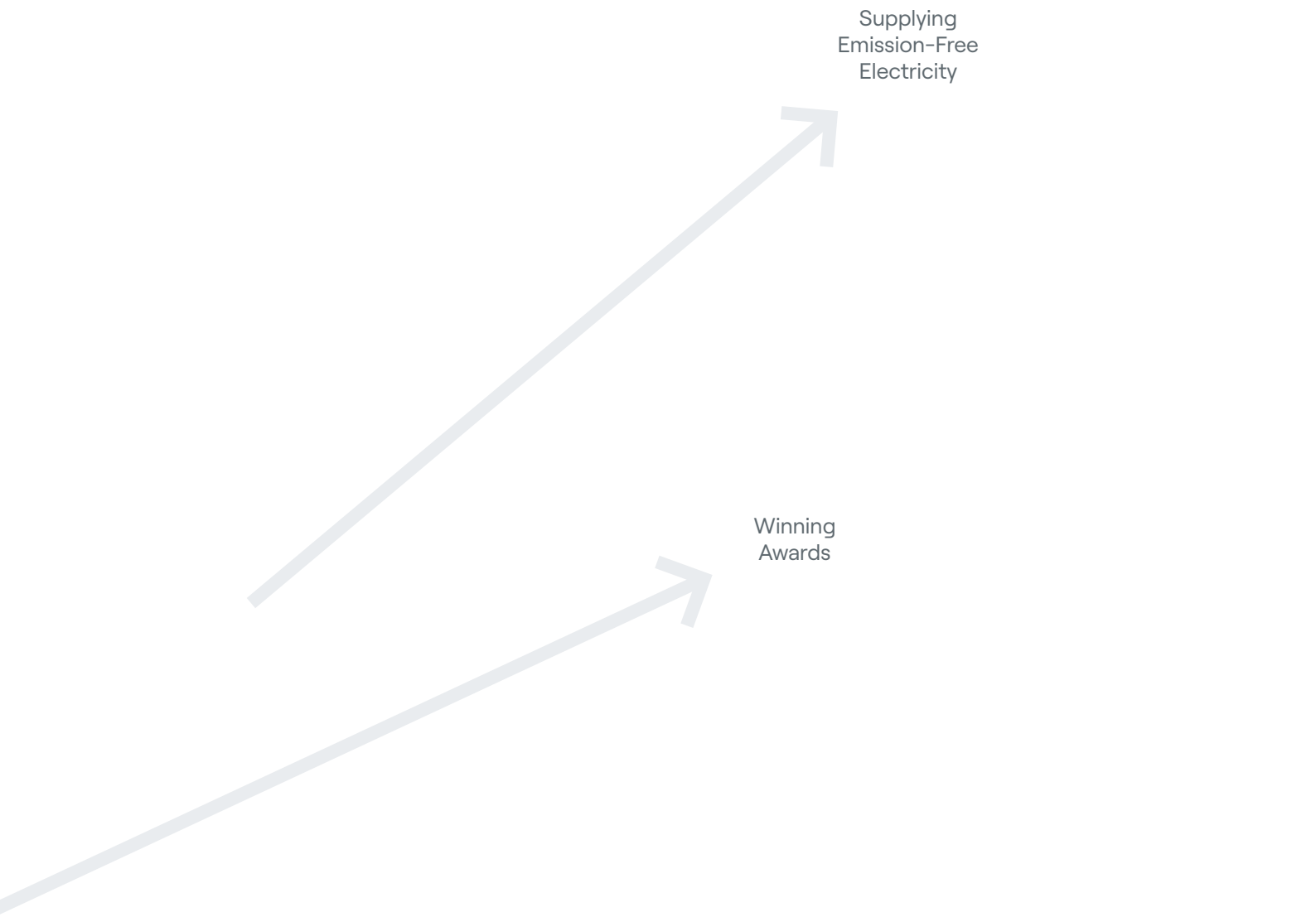
We modernize

We’re growing



This annual report is an unauthorized translation of the consolidated annual report „Skupina ČEZ ESCO Výroční zpráva za rok 2025“, which was audited by an independent auditor. The auditor’s report applies only to the Czech version of this report.

The energy sector is currently undergoing fundamental changes reflecting the EU's decarbonization and sustainability objectives. Generating facilities must ensure stable energy supply while honoring the economic and environmental interests of company.
CEZ Group therefore focuses on modernization and growth across all areas of business in Czechia and within the Central European region. In addition to innovation and modernization, we place special emphasis on improving the customer experience and on the continuous development of energy services



CEZ Group Profile

CEZ Group is a stable energy group and one of the largest business entities in Czechia and Central Europe, contributing significantly to the development of the region's energy sector in line with the principles of sustainability. It is a safe and reliable partner for its customers, ensuring consistent energy supplies for Czechia and its neighboring countries, and providing comprehensive energy services.
In its activities, the Group emphasizes meeting global climate goals, decarbonization, and the environment in general. It focuses on the development of nuclear and renewable energy sources, on innovation in the energy sector, and on the development of reliable and sustainable solutions for its customers. Core value is generated through emission-free generation and the distribution and sale of electricity and heat. Other significant activities include the distribution and sale of natural gas, the provision of comprehensive energy and technological services, coal mining, and commodity trading.
CEZ Group employs nearly 34,000 people and supplies power and modern energy solutions to millions of customers in Czechia, Germany, and Slovakia. It also operates especially in Poland, Hungary, France, Italy, and the Netherlands.

Vision and Corporate Social Responsibility

The long-term vision of CEZ Group is to deliver innovations for addressing energy needs and contribute to higher quality of life. The VISION 2030 – Clean Energy of Tomorrow strategy focuses on the dynamic transformation of the generation portfolio toward low-emission, responsible, and sustainable operations, the fulfillment of the growth strategy while maintaining the specified debt level, and the goal of achieving climate neutrality by 2040. An integral part is the commitment to significantly reduce heat and electricity generation from coal by 2030. The development of nuclear power and the construction of renewable energy facilities are fundamental to the zero-emission vision and the priority of energy self-sufficiency. To cover peak electricity demand, CEZ Group also invests in the development of new dispatchable sources, such as batteries and gas-based sources. It also plays an important role in the area of charging infrastructure for electric vehicles. The overall goal is to ensure secure and competitively priced energy for customers.
In distribution and sales, the core objective is to provide the most advantageous energy solutions and the best customer experience on the market. Therefore, CEZ Group invests significantly in modernizing and digitizing its distribution grids. With its high quality of service, it aims to be among the best suppliers of energy and modern comprehensive energy services, and intends to be a leader in the energy transformation and decarbonization of industry in Czechia and in Central Europe.

CEZ Group's business activities are governed by strict ethical standards that include responsible behavior toward employees, society, and the environment. It adheres to the principles of sustainable development, and its entire strategy is based on the principles of ESG (Environmental, Social, Governance). The principles of ethics and sustainability are therefore an integral part of the management and strategic direction of the entire company, and CEZ Group emphasizes their fulfillment by its suppliers as well.

CEZ Group supports energy savings and efficiency, promotes new technologies and innovations, and focuses on investments in modern technology, science, and research. Its corporate culture emphasizes safety, internal efficiency, increasing the value for shareholders, and creating a safe and stimulating environment for its employees' career growth based on the principle of equal opportunities for everyone. One of its priorities is close cooperation with communities and the most customer-friendly approach.

The largest shareholder of the parent company ČEZ is the Czech Republic, with a nearly 70% stake in the company's stated capital. ČEZ shares are traded on the Prague and Warsaw stock exchanges and included in the PX and WIG-CEE stock exchange indices. The market capitalization of ČEZ as at December 31, 2025, amounted to CZK 695 billion, and since its establishment in 1992, the company has paid CZK 499 billion to its shareholders in dividends.

CEZ Group has long been one of the largest taxpayers in Czechia and one of the main pillars of the Czech economy. Since the establishment of the joint-stock company, ČEZ has paid CZK 1.3 trillion to the Czech state in the form of dividends, taxes, levies, donations, and payments for emission allowances.

In 2025, we helped our customers save almost CZK 400 million through 26 EPC projects. Together with ENESA, a subsidiary of ČEZ ESCO and one of the strongest players in energy savings, we are successfully implementing EPC projects both in private companies and in hospitals, university buildings, regions, and municipalities. In addition to their undeniable financial benefits, EPC projects also have a positive environmental impact and significantly reduce the carbon footprint. The savings achieved last year are equivalent to a reduction of 45,400 tonnes of CO_2 emissions.

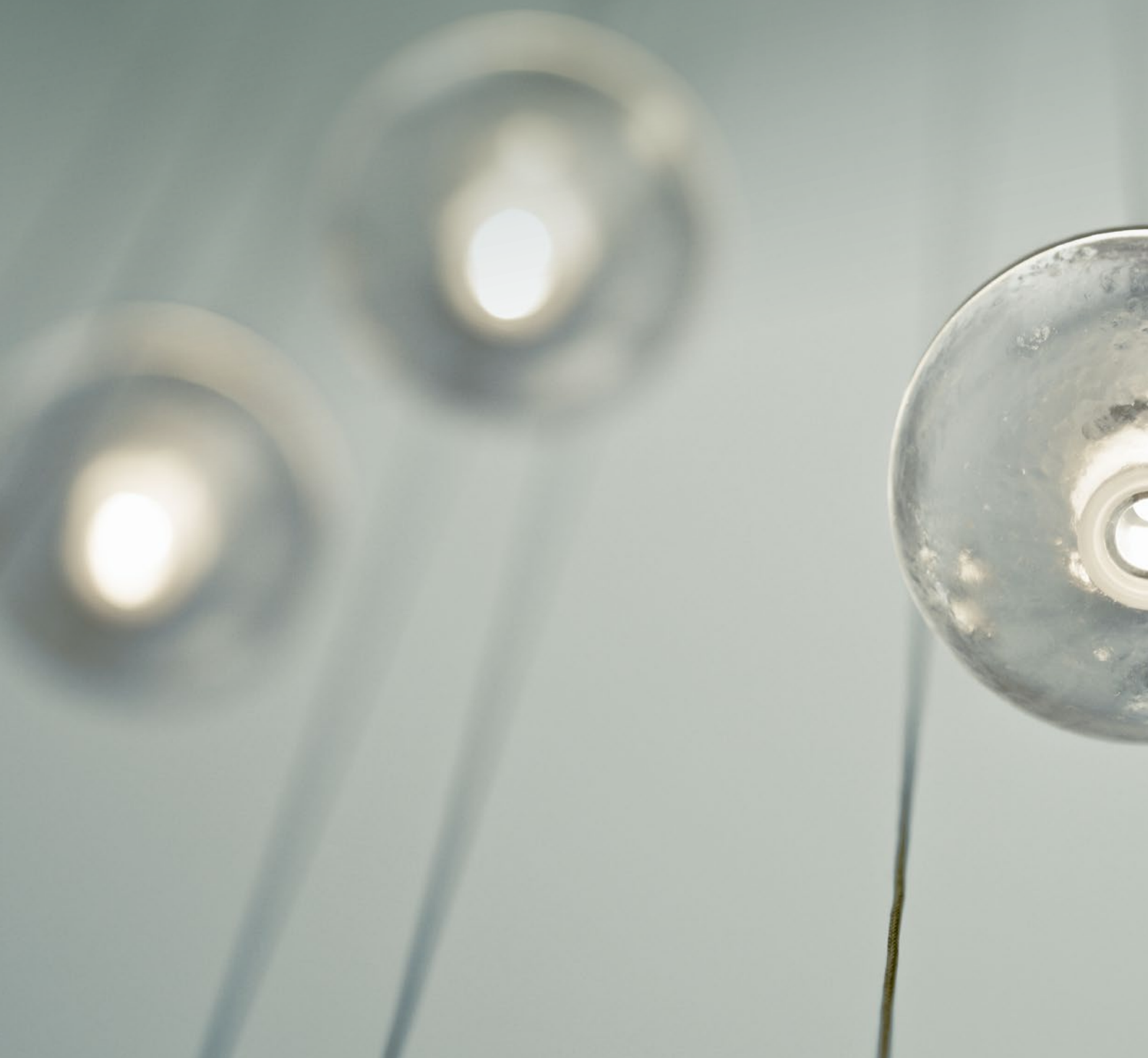




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Annex 1 Relation Structure Diagram for the Period of January 1, 2025, to December 31, 2025 (on the back cover)

Statutory Declaration by the Persons Responsible for ČEZ ESCO's 2025 Annual Financial Report

The information presented in the 2025 Annual Report of the ČEZ ESCO Group is true and accurate and no significant circumstances that could affect the accurate and correct assessment of the ČEZ ESCO Group have been omitted.

Prague, June 16, 2026



Kamil Čermák
Chairman of the Board of Directors
of ČEZ ESCO, a.s.



Radek Doubek
Vice-Chairman of the Board of Directors
of ČEZ ESCO, a.s.



1. ČEZ ESCO Group Profile
Introduction by the Chairman of the Board of Directors

Dear shareholders, ladies and gentlemen,

From the perspective of the modern energy sector and the ČEZ ESCO Group, 2025 was another dynamic and successful year. In addition to delivering strong financial results, with consolidated EBITDA of almost CZK 5 billion, we further strengthened our position in the modern energy market.

The energy sector continues to face a wide range of important issues that we will be addressing together with our customers and partners. These include, first and foremost, energy security, stability of supply, and the availability of resources. The ideal energy mix for Czechia is a combination of nuclear power and renewable energy sources, with natural gas playing a significant role as a key transition fuel – both for the heating industry and as a source of electricity generation.

At the same time, 2025 was a year of preparations for the next stage of the Group's development. In response to changes in the energy sector, the regulatory environment, and the expectations of customers and shareholders, we updated ČEZ ESCO's strategy with an outlook to 2030. The updated strategy builds on our existing direction, while placing greater emphasis on efficiency, stable returns, and the ability to deliver large-scale, complex energy projects.

Over the past year, our company significantly strengthened its role in the development of modern and sustainable energy and completed dozens of photovoltaic power plants for its customers with a total installed capacity of more than 20 MWp. These projects were delivered for businesses, industrial customers, and the public sector. As a result, customers of major developers, for example, can use emission-free electricity in their facilities. Our cooperation with CTP was particularly successful: some of the largest rooftop installations in Czechia were made on its industrial halls, including a PV power plant with a capacity of more than 3 MWp on a logistics hall in Blučina.

We also continued our cooperation with numerous shopping centers, transport companies, and dozens of clients in other sectors (such as the spa industry and manufacturing). In addition to photovoltaics, the number of e-mobility projects we deliver has also been accelerating, including charging stations for filling station operators and the electrification of public transport in Bohemia, Moravia, and Silesia.

In industrial energy, we continued to reinforce our leading position in small cogeneration units, the number of which reached almost 200 in 2025.

We made significant progress in transforming the heating industry and in both constructing and preparing new low-emission sources in many locations, particularly in northern Bohemia and northern Moravia. We are implementing the transition to gas or biomass at a number of our heating plants, which will continue to provide reliable district heat supply on which 40% of domestic customers rely. We will invest tens of billions of Czech crowns in this segment over the coming years.

Today, the heating industry is no longer solely about supplying district heat; it is about comprehensive, integrated services. Central heat supply is also closely linked to energy savings, renewable energy sources, and decentralized supplementary sources in areas where they are efficient.

At the same time, we developed new products, particularly in energy storage. This included, for example, the operation of the battery energy storage system (BESS) in Vítkovice owned by ČEZ Energo. We completed the new acquisition of ELPRO - DELICIA, a specialist in local distribution systems, and its smooth integration under ČEZ ESL.

In building energy, we delivered substantial financial savings and reductions in our clients' emission footprints through EPC projects for both the public and private sectors. Guaranteed annual savings in energy costs reached CZK 175 million, while actual savings achieved at current prices amounted to approximately CZK 380 million. Completed projects for regions, as well as ongoing contracts for major public institutions, confirm that EPC is an effective tool for the cost-efficient and sustainable operation of buildings. Energy savings were also a key component of memoranda signed with Veletrhy Brno, the Prague City Hall, and the developer CTP. ČEZ ESCO's flagship EPC projects include the Prague Congress Centre, major hospitals, the National Theatre, the Rudolfinum, and the Prague Public Transit Company, which even received the award for the best EPC project of 2025.

In commodity supply as well, we strengthened our position as a trusted partner for customers ranging from large and smaller companies to cities, towns, and municipalities. Long-term contracts, the first off-site PPA (the supply of emission-free electricity from a remote source to the customer), the development of flexibility aggregation, and new services in electricity sharing all demonstrate that we are actively responding to new trends and market needs. For us, 2026 will be a breakthrough year in providing flexibility aggregation services, including balancing services. Acquiring TECHSYS – HW a SW further strengthens these activities, expanding our technological capabilities in smart energy resource management. We intend to continue supporting the decarbonization of Czech industry by selling guarantees of origin from renewable energy sources or nuclear power, and to support the development of PPA contracts in Czechia despite a range of market and legislative obstacles. And, of course, we do not intend to lose momentum in standard electricity and gas supply to end-use customers either.

The year 2025 was also a period of successful growth, the integration of new companies into the ČEZ ESCO Group, and the strengthening of our capabilities in large-scale construction projects. The public sector made significant progress in modern energy as well. We had the opportunity to participate in strategic partnerships and systemic changes that will enable wider use of EPC projects, including for buildings owned by organizational units of the state.

We enter 2026 not only with clear priorities for the immediate period ahead, but also with ČEZ ESCO's updated strategy through 2030, which reflects changes in the energy sector, the regulatory environment, and the expectations of our customers and shareholders. The updated strategy builds on the continuity of our existing direction, while clearly defining five strategic priorities focused on growing the Group's value, stable returns from our own assets, operational efficiency, and the ability to deliver large-scale energy projects.

I am convinced that, thanks to the expertise of our employees, the trust of our customers, and the stable backing of the Group, we have solid foundations for fulfilling this strategy.

I would like to thank everyone who contributed to the results achieved over the past year, and I look forward to our continued work together.

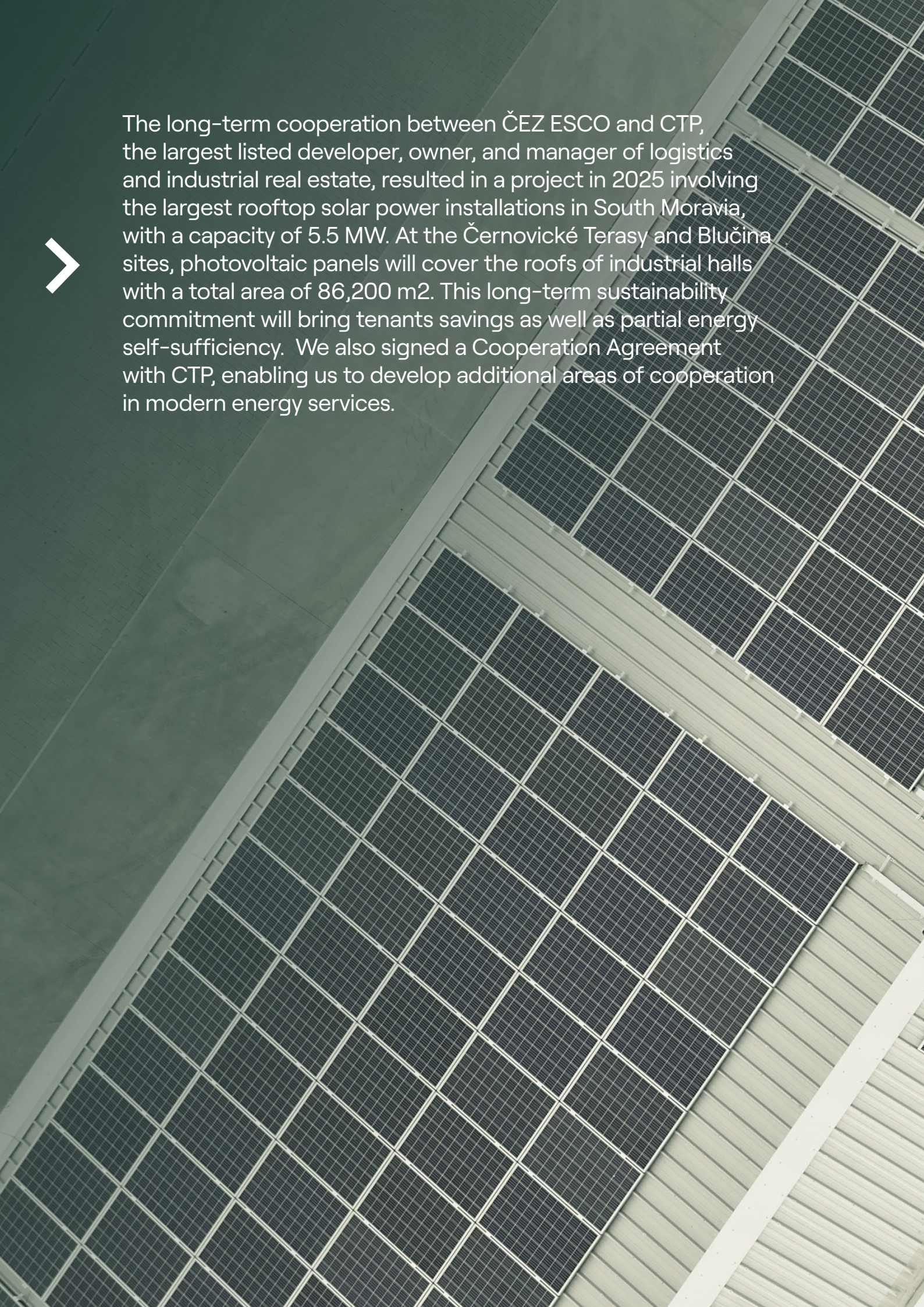


Kamil Čermák
Chairman of the Board of Directors
and Chief Executive Officer, ČEZ ESCO, a.s.

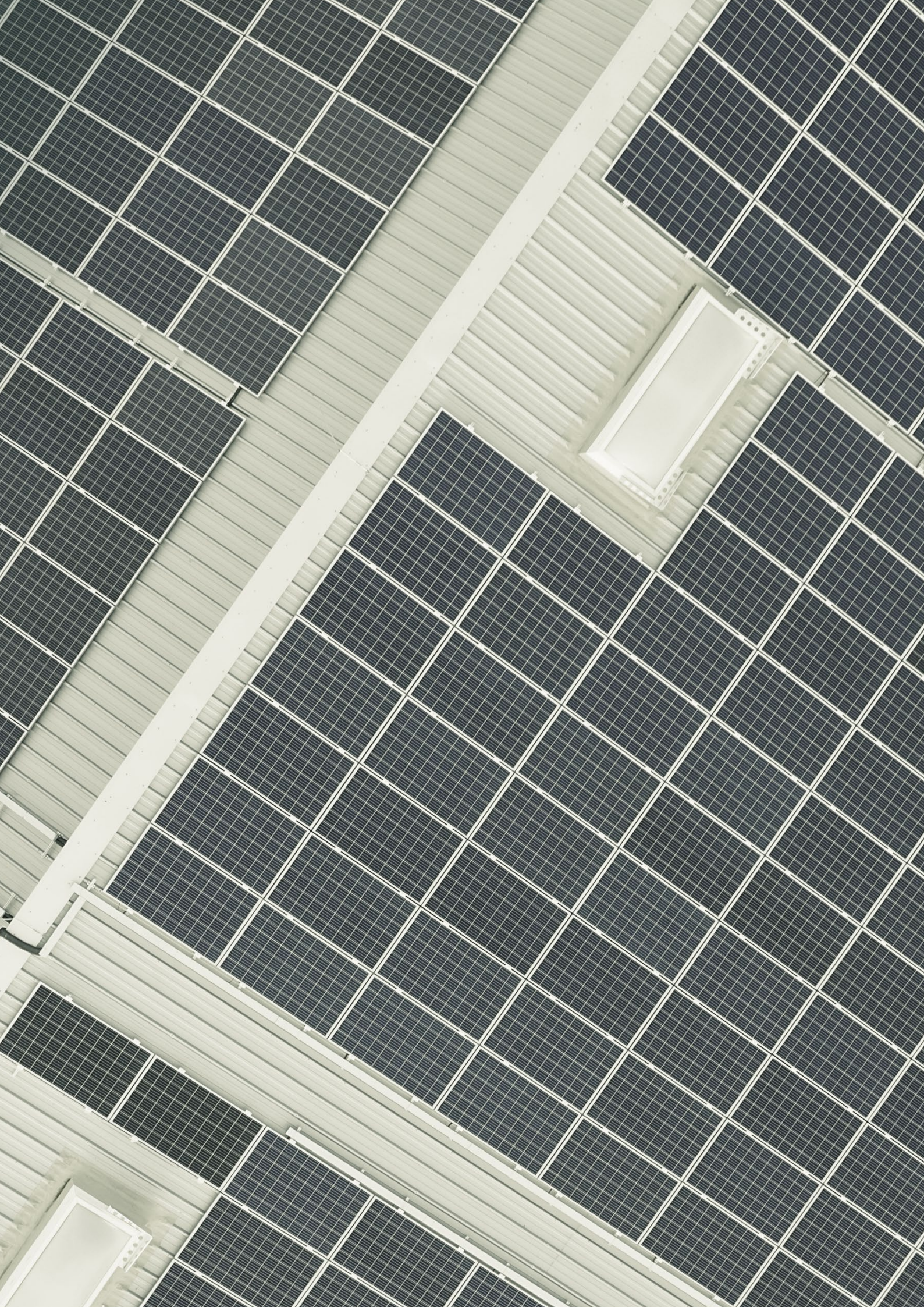
ČEZ ESCO Group Highlights

ČEZ ESCO Group Highlights

	Unit	2025	2024	2023
Workforce headcount, December 31	Number	2,252	1,836	2,152
Operating revenues	CZK thousands	54,910,680	54,160,473	96,551,665
Of which: Sales of electricity, gas, and heat	CZK thousands	47,618,805	46,949,901	87,044,610
Of which: Sales of services and other revenues	CZK thousands	7,068,266	7,056,841	9,356,629
EBITDA	CZK thousands	4,447,925	2,658,243	2,764,105
Net income	CZK thousands	1,686,945	1,605,866	1,609,345
Total assets	CZK thousands	34,658,639	26,969,993	30,477,519
Equity	CZK thousands	14,608,488	12,447,638	9,305,266
Operating cash flow	CZK thousands	6,438,609	2,631,649	2,238,276
Net debt	CZK thousands	(4,251,832)	1,019,772	2,600,663
Net debt / EBITDA	1	(0.96)	0.38	0.94



The long-term cooperation between ČEZ ESCO and CTP, the largest listed developer, owner, and manager of logistics and industrial real estate, resulted in a project in 2025 involving the largest rooftop solar power installations in South Moravia, with a capacity of 5.5 MW. At the Černovické Terasy and Blučina sites, photovoltaic panels will cover the roofs of industrial halls with a total area of 86,200 m2. This long-term sustainability commitment will bring tenants savings as well as partial energy self-sufficiency. We also signed a Cooperation Agreement with CTP, enabling us to develop additional areas of cooperation in modern energy services.



Significant Events

Selected Events of 2025

January

- Based on a contribution agreement, a non-monetary contribution was accepted from the sole shareholder outside the stated capital, consisting of a 100% equity interest in ČEZ Teplárenská, a.s.
- As of the effective date of January 1, 2025, part of the heat management operations of ČEZ ESL, s.r.o. was spun off by merger and transferred to the successor company ČEZ Energo, s.r.o.
- EPIGON spol. s r.o. and PIPE SYSTEMS s.r.o. merged, with EPIGON spol. s r.o. being the successor company.

June

- Based on a contribution agreement, a contribution was made to the equity of Domat Control System s.r.o.
- Based on a contribution agreement, a contribution was made to the equity of ČEZ Energo, s.r.o.
- Based on a contribution agreement, a contribution was made to the equity of ČEZ ESL, s.r.o.

October

- The organizational structure of ČEZ ESCO, a.s., was changed: the Innovation and Decarbonization Section was discontinued and the Development and Strategic Projects Section was established.
- ELPRO - DELICIA, a.s., was acquired into the ČEZ ESCO Group.

November

- Distribuce Ostrava s.r.o., was established by spin-off from ČEZ ESL, s.r.o., and the entire equity interest was transferred to UCED Vítkovice a.s.

December

- TECHSYS – HW a SW, a.s., was acquired into the ČEZ ESCO Group.
- Based on a contribution agreement, a contribution was made to the equity of ENVEZ, a. s.
- Based on a contribution agreement, a contribution was made to the equity of Domat Control System s.r.o.

Selected Events of 2026 until the Annual Report Closing Date

January

- On January 1, 2026, based on an agreement signed on December 2, 2025, the Group sold part of its business comprising the heat supply system in the municipalities of Mělník and Horní Počaply to Energotrans, a.s., a related party.

February

- Based on a decision of the sole shareholder, the Articles of Association of ČEZ ESCO, a.s., were amended and the number of Supervisory Board members was reduced from five to three. In this connection, Mr. Tomáš Chmela and Mr. Ondřej Soukup were removed from the Supervisory Board with effect from February 28, 2026.

April

- The Board of Directors of the parent company ČEZ, a. s., approved the proposal for the Optimization of the Ownership Structure and Governance of CEZ Group. The plan was subsequently discussed by the Supervisory Board of the parent company on April 23, 2026, and is subject to approval by the General Meeting of ČEZ, a. s. The proposed Optimization of the Ownership Structure and Governance of CEZ Group comprises (a) the transfer of CEZ Group's so-called customer segment to a company controlled by ČEZ, a. s., with completion expected by the end of the first quarter of 2027, and (b) the possible sale of a minority interest in a subsidiary within the customer segment, as well as interests in other companies forming part of CEZ Group's customer segment. The customer segment essentially consists of companies in the existing Distribution and Sales segments and the Trading area. The ČEZ ESCO Group is part of CEZ Group's customer segment.

June

- The General Meeting of ČEZ, a. s., held on June 1, 2026, approved the Optimization of the Ownership Structure and Governance of CEZ Group.

Strategic Plans

Strategic direction of the Group

The ČEZ ESCO Group has long been a leader in modern energy services and a key partner in the transformation of Czech industry, buildings, and the heating sector. In 2025, the Group built on the previous period of dynamic growth and entered a consolidation phase aimed at deeper integration of individual activities, strengthening synergies, and further increasing business efficiency.
ČEZ ESCO's strategic focus has long been based on decarbonization, energy efficiency, and the development of modern decentralized energy sources. The Group's ambition is not only to respond to changes in the energy market, but also to actively shape the future of the Czech energy and heating sectors through comprehensive, technologically advanced, and long-term sustainable solutions for the B2B and B2G segments. Long-term stability is an important pillar of our services, giving our customers confidence when planning their energy needs, investments, and development projects. Thanks to the strong backing of CEZ Group, our clients can rely on predictability, continuity of service, and support at every stage of long-term cooperation.

ČEZ ESCO enters 2026 not only with clear priorities for the immediate period ahead, but also with an updated strategy through 2030 that reflects changes in the energy sector, the regulatory environment, and the expectations of our customers and shareholders. The ambition of the ČEZ ESCO Group in the coming years is to systematically strengthen the Group's value and our role as a leader in modern energy services. We have therefore based our direction on five strategic priorities that connect growth, long-term stability, and sustainability:

1. Constructing and efficiently operating our own energy sources and networks to generate long-term, stable returns;
2. Simplifying and further integrating Group management in order to maximize synergies and increase the value of the holding group;
3. Strengthening commercial capabilities and delivering an excellent customer experience across the entire service portfolio;
4. Systematically developing our people, operational efficiency, and digitalization as the foundations of long-term competitiveness; and
5. Actively identifying new technological and business opportunities to respond flexibly to market and regulatory developments.

These priorities build on ČEZ ESCO's existing strategy, while clearly shifting the emphasis toward greater efficiency, stable returns from our own assets, and the ability to deliver large-scale, complex energy projects.

Transformation and modernization of the heating industry

The year 2025 marked a major milestone in the heating industry. Through the strategic integration of ČEZ Teplárenská into the ČEZ ESCO Group, the Group became a full-fledged integrator of modern and low-emission heating within the wider CEZ Group. This step makes it possible to connect heat generation, distribution, and end use with other ČEZ ESCO products and services into a single functional whole.
ČEZ ESCO focuses on the systematic modernization of existing heat supply systems and the construction of new low-emission sources, particularly cogeneration units and biomass and gas-fired plants, including related infrastructure. The subsidiary ČEZ Energo remains the largest operator of small cogeneration units in Czechia and a key pillar of decentralized heat and electricity generation.
Transformation projects, such as those implemented in Dětmarovice and Prunéřov, confirm the Group's long-term direction: a gradual shift away from coal, emissions reductions, and increased heat generation efficiency while maintaining the safety and stability of supply. This approach also includes the modernization of district heating networks, the development of local energy sources, and the integration of smart consumption management at customer sites.

Energy efficiency and integrated customer solutions

Energy efficiency remains one of the key competitive advantages of the ČEZ ESCO Group. The company is a leader in comprehensive energy solutions for buildings and industrial sites, with EPC (Energy Performance Contracting) projects with guaranteed savings serving as a key tool. These projects combine technology modernization, digitalization of management, and long-term operational oversight.
The expansion of competencies in building systems and electrical installation works, including the acquisition of EL-ENG, strengthens ČEZ ESCO's ability to deliver extensive turnkey investment projects. The Group is thus able to offer customers a unified solution covering the design, implementation, and long-term operation of energy technologies, and, where applicable, project financing.

Decarbonization, renewable energy sources, and capital construction

ČEZ ESCO has long supported the development of renewable and low-emission energy sources. Its offering includes both on-site and off-site PPA contracts, photovoltaic power plants, and supplies of emission-free electricity, biomethane, and low-emission heat. At the same time, the Group is developing its own electricity sharing solutions that enable customers to work efficiently with their own energy generation and consumption.
In 2025, capital construction focused not only on renewable energy sources, but also on the development of cogeneration units and infrastructure for the flexible operation of energy facilities. These investments support customers' energy self-sufficiency and contribute to the resilience of the entire power system.

Battery storage systems, flexibility, and energy facility management

As the share of decentralized energy generation increases, the importance of flexibility and storage is also growing. ČEZ ESCO is therefore systematically developing battery storage systems, flexibility management, and advanced energy management systems (EMS). A prime example remains the battery storage system in Vítkovice, which provides balancing services for the transmission system.
The Group is gradually expanding its flexibility aggregation activities, both using its own sources and at customer sites. The objective is to connect energy generation, consumption, and storage into a single intelligently managed system that maximizes both economic and operational efficiency while contributing to the stability of the power system.

Long-Term outlook

ČEZ ESCO enters the coming years as an integrated energy services provider with a key role in the modernization of the Czech heating industry. The priorities remain the completion of transformation projects, further investments in low-emission sources, and the development of cogeneration, battery storage systems, and local distribution systems.
The strategic objective is to strengthen ČEZ ESCO's role as a long-term partner for industry, cities, towns, and the public sector, and to actively contribute to safe, efficient, and sustainable energy in Czechia.

2. Corporate Governance
Corporate Bodies of ČEZ ESCO, a.s., and its Management

Ownership Structure

ČEZ ESCO, a.s., is owned by its sole shareholder, ČEZ, a. s., with its registered office at Duhová 1444/2, 140 53 Prague 4 – Michle, Company Reg. No. 452 74 649, registered in the Commercial Register maintained by the Municipal Court in Prague, File No. B 1581.

Ownership Interests Held

As at December 31, 2025, ČEZ ESCO, a.s., held ownership interests in the following companies:

- AZ KLIMA a.s. (with effect from September 30, 2016), interest in stated capital: 100%;
- Solární servis, s.r.o. (with effect from February 10, 2016), interest in stated capital: 100%;
- ENESA a.s. (with effect from January 2, 2018), interest in stated capital: 100%;
- ČEZ Teplárenská, a.s. (with effect from January 2, 2025), interest in stated capital: 100%;
- ČEZ Energo, s.r.o. (with effect from June 30, 2020), interest in stated capital: 100%;
- ČEZ ESL, s.r.o. (with effect from July 3, 2015), interest in stated capital: 100%;
- ŠKO-ENERGO, s.r.o. (with effect from March 13, 2017), interest in stated capital 12%;
- KART, spol. s r.o. (with effect from September 4, 2017), interest in stated capital: 100%;
- AirPlus, spol. s r.o. (with effect from November 1, 2017), interest in stated capital: 100%;
- HORMEN CE a.s. (with effect from June 1, 2022), interest in stated capital: 100%;
- Bytkomfort, s.r.o. (with effect from September 18, 2018), interest in stated capital: 49%;
- Domat Control System s.r.o. (with effect from October 1, 2019), interest in stated capital: 100%;
- EL-ENG s.r.o. (with effect from December 4, 2024), interest in stated capital: 100%;
- ENVEZ, a. s. (with effect from June 22, 2020), interest in stated capital: 51%;
- EP Rožnov, a.s. (with effect from July 15, 2021), interest in stated capital: 100%;
- Green Energy Capital, a.s. (with effect from December 7, 2021), interest in stated capital: 100%;
- CAPEXUS s.r.o. (with effect from December 13, 2021), interest in stated capital: 100%.

Corporate Management

Corporate bodies as at December 31, 2025

Supervisory Board

Position	Name
Chairman	Pavel Cyrani
Vice-Chairman	Martin Novák
Member	Vojtěch Kopp
Member	Ondřej Soukup
Member	Tomáš Chmela

Board of Directors

Position	Name
Chairman	Kamil Čermák
Vice-Chairman	Radek Doubek
Member	Ondřej Šišpela
Member	Martin Kročil

Top management

Position	Name
Chief Executive Officer	Kamil Čermák
Head of Finance and Administration	Radek Doubek
Head of Development and Strategic Projects	Lubomír Myslík
Head of Building Energy	Pavol Fraňo, authorized head
Head of Industrial Energy	Ondřej Šišpela
Head of Commodity Products and Services	Martin Kročil
Head of Green Energy	David Veselý
Head of Investment Management	Peter Talian

3. ČEZ ESCO Group's Business – Financial Performance
ČEZ ESCO Group Operations

ČEZ ESCO (Energy Service Company), a member of CEZ Group, is a strategic partner for public administration, local governments, the corporate sector, industrial enterprises, and large companies. The ČEZ ESCO Group provides a comprehensive range of energy products and services, including energy optimization and energy supply.
It ensures the supply of electricity, gas, and heat, the purchase of electricity, and the trading of emission allowances, guarantees of origin from renewable energy sources, and guarantees of origin from nuclear facilities.
It also offers a comprehensive range of energy products and services related to decarbonization strategies, energy management, electrical equipment, thermal energy sector, cogeneration units, cleanrooms, air-conditioning and ventilation, lighting, and rooftop and ground-mounted photovoltaic power plants, whether owned by the client or provided as a service. It is also a provider of services related to public and corporate electromobility, battery storage, and balancing services.
The ČEZ ESCO Group excels in offering comprehensive solutions, such as all technical equipment for buildings, including the proposal, design, and implementation of modern and energy-saving interior spaces, services in the form of technical facility management, or projects of guaranteed energy savings (EPC), which do not require an initial investment by the client.
The ČEZ ESCO Group is one of the largest suppliers of zero-emission and low-energy projects and services, helps reduce the impact of human activity on the climate, and is the ideal partner for customers trying to reduce emissions and meet the climate goals of the EU and the Czech Republic.

Financial Management of the ČEZ ESCO Group

Revenues, Expenses, and Income

Earnings before interest, taxes, depreciation, and amortization (EBITDA) in the ČEZ ESCO Group reached CZK 4,448 million in 2025. Net income was reported at CZK 1,687 million. Total expenses amounted to CZK 54,282 million, with a substantial portion consisting of purchase of electricity, gas, and other energies totaling CZK 40,304 million, followed by services totaling CZK 4,028 million. In contrast, sales and other revenues amounted to CZK 55,969 million, consisting mainly of revenues from the sales of electricity, gas, and heat in the amount of CZK 47,619 million.

Profit generation (CZK thousands)

	2025
Total revenues	55,968,584
Total expenses	(54,281,639)
EBITDA	4,447,925
Net income	1,686,945

Assets

The value of assets in the total amount of CZK 34,659 million mainly comprises current assets in the total volume of CZK 22,158 million, as well as net plant in service and intangible assets amounting to CZK 11,686 million.

Structure of assets (CZK thousands)

	2025
Net plant in service and intangible assets	11,686,380
Non-current financial assets	744,608
Current assets	22,157,868
Deferred tax assets	69,783
Total assets	34,658,639

Equity and Liabilities

The equity of the ČEZ ESCO Group was reported in the amount of CZK 14,609 million as at December 31, 2025. Retained earnings and capital funds, totaling CZK 11,665 million, represent a significant component of equity. Stated capital of CZK 2,803 million is another significant component.
In 2025, equity accounted for 42% of total equity and liabilities, compared with 46% in 2024.
Other significant components of equity and liabilities include current liabilities of CZK 16,540 million, consisting primarily of trade payables of CZK 10,479 million.

Structure of equity and liabilities (CZK thousands)

	2025
Stated capital	2,803,000
Equity	14,608,488
Non-current liabilities	3,509,807
Current liabilities	16,540,344
Total equity and liabilities	34,658,639

In the first quarter, we signed a strategic memorandum with representatives of the statutory city of Brno and Teplárny Brno. Under the partnership, ČEZ ESCO has the opportunity to assess options for the energy modernization of buildings and energy management, identify opportunities for EPC projects, and help reduce overall energy consumption in the second-largest city in Czechia with the aim of improving its energy balance and the environment while generating greater financial savings.



Economic and Financial Outlook for 2026

In 2026, increased volatility and a higher level of uncertainty can still be expected in commodity markets, primarily as a result of ongoing geopolitical events. These factors may also affect the development of prices of energy commodities on the Czech market. The Group will therefore continue to actively manage risks, maintain flexibility, and preserve its ability to respond quickly to dynamically changing market conditions. We plan to continue maintaining strong organic growth, also supported by synergies among ČEZ ESCO companies. Emphasis will also be placed on the internal efficiency of processes.
ČEZ ESCO focuses on services related to modern energy, decarbonization, energy savings, and reducing the carbon footprint of industrial customers, municipalities, and institutions. The company only offers solutions that fully meet each customer's individual needs and are financially efficient. The company delivers products and services comprehensively, including consultancy, financing, construction, operation, subsequent maintenance, and service.
ČEZ ESCO is a leader in the field of efficient, economical, and environmentally friendly solutions. It develops new approaches, products, and services in the field of energy, digitalization, and smartification. It predicts future trends and prepares effective solutions for them. It is one of the largest suppliers of zero-emission and low-energy projects and services, helps reduce the impact of human activity on the climate, and is the ideal partner for customers trying to reduce emissions and meet the climate goals of the EU and the Czech Republic.

4. Company Business Activities – Other Areas
Human Resources

Employment Changes

In employment relations and social policy, obligations arising from the Labor Code, internal guidelines, and related legislation were complied with, as were obligations arising from the collective agreement.
The headcount of employees in the ČEZ ESCO Group as at December 31, 2025, was 2,252. The average number of employees as at December 31, 2025, was 2,224.

Training Program

The business activities of the ČEZ ESCO Group place high demands in particular on specific technical knowledge and skills, sales and commercial competencies, the development of managerial competencies, and other mandatory and optional qualification requirements for employees. In general, these include development activities in hard and soft skills, coaching, training sessions, seminars and conferences, either from public offerings or from offerings delivered within CEZ Group.
In 2025, the company implemented development and training both online and face-to-face. The company offers internal open courses and allows employees to use a whole range of courses offered by external providers. Employees also had the opportunity to attend lectures by inspirational personalities. A whole series of lectures were free for employees, and the employees also took advantage of the optional e-courses. In 2025, we continued both the succession program and the Leadership Academy program, which is very positively rated. The company's employees also participated in internal development activities, particularly regarding the product portfolio of ČEZ ESCO.
The company continues to work intensively with university and secondary school students. A one-year Trainee Program is available for university students, and the ESCO Maturita program for secondary school students is offered in several regions. In 2025, we launched the "Become a Designer for a Day" program for secondary school students.

Welfare Policy

As part of its welfare policy, the company provides its employees with both monetary and non-monetary benefits. Non-monetary benefits are provided, for example, in the form of reduced working hours, vacation extended by one week beyond the statutory entitlement, or paid time off beyond the scope stipulated by legislation.
The employer contributes to employees mainly for old-age savings products, i.e., supplementary pension insurance, life insurance, and long-term investment products, as well as meals and health care. All employees in an employment relationship have a personal account set up primarily for their relaxation, recreation, and leisure activities from Pluxee Česká republika a.s., with a wide range of options for using the personal account.
We offer employees health-related benefits. They may also use sick days or take advantage of an influenza vaccination program. As part of employee health support, employees can use the uLékaře.cz benefit program, with unlimited access to health care through an online medical consultation service and doctor appointment booking.
In the area of benefits, we continuously monitor the market situation and seek to reflect the needs of our employees. Electronic meal vouchers are also one of the benefits; they are faster than paper vouchers, are easier to "charge" to employees' accounts, and have unlimited validity.

Relations with Labor Unions

There were a total of 7 labor unions operating at ČEZ ESCO, a.s., in 2025.
During 2025, regular meetings were held between the employer and representatives of the labor unions, at which information was provided to the labor unions and discussions were held on matters stipulated by the Labor Code and the collective agreement.
The Company has entered into a collective agreement. At the end of 2025, an amendment to the collective agreement of ČEZ ESCO, a.s., was concluded, relating primarily to wage growth for 2026 and adjustments in the area of benefits; the amendment also extended the term of the collective agreement until the end of 2027.

Environment

The ČEZ ESCO Group fulfills the Safety and Environmental Protection Policy by consistently complying with legislative requirements in the area of waste management. Waste disposal is ensured through contractually agreed authorized agents – professionally qualified companies for the handling, sorting, and disposal of waste. The company also contributes to environmental protection by sorting municipal waste, and the sorted waste is used as input materials for further processing. This entire area is reviewed annually as part of the Group's control system, with positive results.

Research, Development, and Innovation

The Group carries out no research and development activities.





The PPA contract signed with Třinecké železárny is the first off-site PPA contract (electricity supply from a remote emission-free source) under the ČEZ ESCO brand. The three-year contract guarantees the customer the supply of emission-free electricity with guarantees of origin in the amount of 4.4 GWh per year. In this particular case, the largest steel producer in Czechia is purchasing electricity from the Vrskmaň photovoltaic power plant in the Chomutov region. This contract is linked to Třinecké železárny's long-term strategy of actively reducing carbon dioxide emissions and is currently concluded until the end of 2027.

5. Related Parties Report
Report on Relations between the Controlling Entity and the Controlled Entity and between the Controlled Entity and Entities Controlled by the Same Controlling Entity for the Accounting Period of January 1, 2025, to December 31, 2025

The Board of Directors of ČEZ ESCO, a.s., Company Reg. No.: 03592880, with its registered office at Duhová 1444/2, Michle, 140 00 Prague 4, registered in the Commercial Register maintained by the Municipal Court in Prague, file No. B 20240, has drawn up, in accordance with Section 82 of Act No. 90/2012 Coll., on business corporations, as amended, the following Report on Relations between the Controlling Entity and the Controlled Entity and between the Controlled Entity and Entities Controlled by the Same Controlling Entity (hereinafter referred to as the "Related Parties Report") for the Accounting Period of January 1, 2025, to December 31, 2025 (hereinafter referred to as the "Relevant Period").

1. Structure of Relations between the Controlling Entity and the Controlled Entity and between the Controlled Entity and Entities Controlled by the Same Controlling Entity

Controlled/managed entity and author of the Related Parties Report:

ČEZ ESCO, a.s.
Company Reg. No.: 03592880
Registered office: Duhová 1444/2, Michle, 140 00 Prague 4
Registered in the Commercial Register maintained by the Municipal Court in Prague, file No. B 20240

Controlling/managing entity:

ČEZ, a. s.
Company Reg. No.: 45274649
Registered office: Duhová 2/1444, 140 53 Prague 4
Registered in the Commercial Register maintained by the Municipal Court in Prague, file No. B 1581

As at December 31, 2025, the managing entity held shares corresponding to a 100% interest in the stated capital of ČEZ ESCO, a.s. As at December 31, 2025, the Czech Republic, represented by the Ministry of Finance, held shares corresponding to a 69.78% interest in the stated capital of the managing entity, ČEZ, a. s.

Entities controlled by ČEZ ESCO, a.s.:

As at December 31, 2025, ČEZ ESCO, a.s., was the controlling entity of the following companies:

- AZ KLIMA a.s. (with effect from September 30, 2016), interest in stated capital: 100%;
- Solární servis, s.r.o. (with effect from February 10, 2016), interest in stated capital: 100%;
- ENESA a.s. (with effect from January 2, 2018), interest in stated capital: 100%;
- ČEZ Teplárenská, a.s. (with effect from January 2, 2025), interest in stated capital: 100%;
- ČEZ Energo, s.r.o. (with effect from June 30, 2020), interest in stated capital: 100%;
- ČEZ ESL, s.r.o. (with effect from July 3, 2015), interest in stated capital: 100%;
- KART, spol. s r.o. (with effect from September 4, 2017), interest in stated capital: 100%;
- AirPlus, spol. s r.o. (with effect from November 1, 2017), interest in stated capital: 100%;
- HORMEN CE a.s. (with effect from June 1, 2022), interest in stated capital: 100%;
- ŠKO-ENERGO, s.r.o. (with effect from March 13, 2017), interest in stated capital: 12%;
- Domat Control System s.r.o. (with effect from October 1, 2019), interest in stated capital: 100%;
- EL-ENG s.r.o. (with effect from December 4, 2024), interest in stated capital: 100%;
- ENVEZ, a. s. (with effect from June 22, 2020), interest in stated capital: 51%;
- EP Rožnov, a.s. (with effect from July 15, 2021), interest in stated capital: 100%;
- Green Energy Capital, a.s. (with effect from December 7, 2021), interest in stated capital: 100%;
- CAPEXUS s.r.o. (with effect from December 13, 2021), interest in stated capital: 100%.

With effect from December 4, 2017, ČEZ ESCO, a.s., became the controlling entity of HORMEN SK s.r.o., specifically through the controlled entity HORMEN CE a.s. (share in the company's stated capital: 100%).

With effect from December 3, 2018, ČEZ ESCO, a.s., became the controlling entity of Domat Control System s.r.o. (Slovak entity), specifically through the controlled entity Domat Control System s.r.o. (share in the company's stated capital: 100%).

With effect from June 28, 2019, ČEZ ESCO, a.s., became the controlling entity of HA.EM OSTRAVA, s.r.o., specifically through the controlled entity ČEZ ESL, s.r.o. (share in the company's stated capital: 100%).

With effect from July 15, 2021, ČEZ ESCO, a.s., became the controlling entity of EPIGON spol. s r.o., specifically through the controlled entity EP Rožnov, a.s. (share in the company's stated capital: 100%).

With effect from July 15, 2021, ČEZ ESCO, a.s., became the controlling entity of ELEKTROPROJEKTA SLOVAKIA, s.r.o., specifically through the controlled entity EP Rožnov, a.s. (share in the company's stated capital: 100%).

With effect from June 1, 2023, ČEZ ESCO, a.s., became the controlling entity of IVITAS, a.s., specifically through the controlled entity ČEZ ESL, s.r.o. (share in the company's stated capital: 100%).

With effect from April 19, 2024, ČEZ ESCO, a.s., became the controlling entity of CEZ Energo Polska Sp. z o.o., specifically through the controlled entity ČEZ Energo, s.r.o. (share in the company's stated capital: 100%).

With effect from December 4, 2024, ČEZ ESCO, a.s., became the controlling entity of EL-ENG RO SRL, specifically through the controlled entity EL-ENG s.r.o. (share in the company's stated capital: 100%).

With effect from January 2, 2025, ČEZ ESCO, a.s., became the controlling entity of Energetické centrum s.r.o., specifically through the controlled entity ČEZ Teplárenská, a.s. (share in the company's stated capital: 100%).

With effect from January 2, 2025, ČEZ ESCO, a.s., became the controlling entity of Tepelné hospodářství města Ústí nad Labem s.r.o., specifically through the controlled entity ČEZ Teplárenská, a.s. (share in the company's stated capital: 55.83%).

With effect from October 1, 2025, ČEZ ESCO, a.s., became the controlling entity of ELPRO - DELICIA, a.s., specifically through the controlled entity ČEZ ESL, s.r.o. (share in the company's stated capital: 100%).

With effect from December 23, 2025, ČEZ ESCO, a.s., became the controlling entity of TECHSYS – HW a SW, a.s., specifically through the controlled entity Domat Control System s.r.o. (share in the company's stated capital: 100%).

ČEZ, a. s., as a managing entity, is in charge of the concern that includes the following managed entities: AirPlus, spol. s r.o., Areál Třeboradice, a.s., AZ KLIMA a.s., ČEZ Distribuce, a. s., ČEZ Energetické produkty, s.r.o., ČEZ ESL, s.r.o., ČEZ Energo, s.r.o., ČEZ ENERGOSERVIS spol. s r.o., ČEZ ESCO, a.s., ČEZ ICT Services, a. s., ČEZ Invest Slovensko, a.s., ČEZ Obnovitelné zdroje, s.r.o., ČEZ Prodej, a.s., ČEZ Teplárenská, a.s., Domat Control System s.r.o., Energetické centrum s.r.o., Elektrárna Temelín II, a. s., Energotrans, a.s., ENESA a.s., EP Rožnov, a.s., HA.EM OSTRAVA, s.r.o., in PROJEKT LOUNY ENGINEERING s.r.o., KART, spol. s r.o., MARTIA a.s., OSC, a.s., PRODECO, a.s., Revitrans, a.s., Severočeské doly a.s., SD - Kolejová doprava, a.s., Telco Infrastructure, s.r.o., Telco Pro Services, a. s., TENAUR, s.r.o., Ústav aplikované mechaniky Brno, s.r.o.

As regards ČEZ Distribuce, a. s., and ČEZ ESL, s.r.o., concern management is applied with full respect for all requirements of the unbundling rules arising from the Energy Act and Directive (EU) 2019/944 of the European Parliament and of the Council of June 5, 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU, as amended.

The Relation Structure Diagram forms Annex 1 to the Related Parties Report.

Other Entities Controlled by the Same Controlling Entity:
Based on the information provided by ČEZ, a. s., the Board of Directors of ČEZ ESCO, a.s., prepared a diagram of the structure of relations between entities controlled by the same controlling entity or, as applicable, managed by ČEZ, a. s.

ČEZ ESCO, a.s., and the companies controlled by it are part of CEZ Group.

2. Role of the Controlled/Managed Entity

ČEZ ESCO, a.s., brings together the professional and commercial capacity of CEZ Group in the field of energy savings, decentralized sources, lighting, and other energy products. ČEZ ESCO, a.s., focuses on creating individual offers for business customers, SMEs, and the public sector. It offers solutions to its customers' energy needs, especially at the decentralized level, with an emphasis on new technologies, efficient energy use, and integrated product offerings. Individual products are implemented by the subsidiaries of ČEZ ESCO, a.s.

ČEZ ESCO, a.s., also acts as the managing entity's go-between for the control of other companies.

3. Manner and Means of Control/Management

ČEZ, a. s., controls ČEZ ESCO, a.s., so that it is its sole shareholder, and therefore also holds 100% of the voting rights in it. Because of this share in its voting rights, ČEZ, a. s., can appoint or dismiss all members of the controlled entity's statutory governing body.

As part of concern management, ČEZ, a. s., may give binding instructions to the managed entities. It may issue general and operating concern instruments to that end. General concern instruments are common documents of CEZ Group and the managing entity's internal documents which are also intended for managed entities. Operating concern instruments are concern instructions given on an ad hoc basis.

Fundamental documents having concern-wide application are Concern Management Policies governing primarily areas and activities that should be subjected to concern management and follow concern interests. In addition to the common general part, Concern Management Policies are broken down and always announced for the relevant areas falling within the responsibility of individual members of the Board of Directors of ČEZ, a. s.

4. List of Acts Pursuant to Section 82(2)(d) of Act No. 90/2012 Coll., on Business Corporations, As Amended

In the relevant period, ČEZ ESCO, a.s., did not perform any acts that would have been performed at the instigation or in the interest of the controlling entity or entities it controls and concerned assets exceeding 10% of the equity of ČEZ ESCO, a.s., as identified in its latest financial statements.

5. List of Mutual Contracts

The Board of Directors of ČEZ ESCO, a.s., has prepared a list of mutual contracts effective in 2025 and made between ČEZ ESCO, a.s., and the controlling entity and other entities controlled by the same controlling entity, which constitutes Annex 2 to the List of Contractual Relations. The list does not include further details on contractual relations in order to keep trade secrets and meet the contractual obligation of confidentiality of information.

6. Assessment of Potential Damage by the Controlled Entity and Assessment of its Compensation Pursuant to Sections 71 and 72 of Act No. 90/2012 Coll., on Business Corporations, As Amended

All the described contractual relationships were concluded on customary contractual terms, and the agreed and provided performance or consideration corresponded to terms customary in ordinary business dealings; ČEZ ESCO, a.s. incurred no harm from them that would be subject to compensation pursuant to Sections 71 and 72 of Act No. 90/2012 Coll., on business corporations, as amended.

7. Conclusion

The Board of Directors of ČEZ ESCO, a.s., evaluated, on the basis of the available information, the advantages and disadvantages arising from the above-described position of ČEZ ESCO, a.s., and concluded that the advantages for ČEZ ESCO, a.s., prevail (the company benefits from CEZ Group's financial stability, goodwill, and brand, as well as support services within CEZ Group), and there were no special disadvantages or risks. After careful consideration, the Board of Directors of ČEZ ESCO, a.s., declares that it is not aware of any risks resulting from relations between the above entities against which standard safeguards would not be in place.

8. Annexes

Annex 1 Relation Structure Diagram for the Period of January 1, 2025, to December 31, 2025
Annex 2 List of Contractual Relations

The Related Parties Report has been prepared to the best of the knowledge and belief of the Board of Directors of ČEZ ESCO, a.s., based on available documents and materials and using best efforts.

The Related Parties Report is subject to verification by the auditor and will be submitted for discussion to the Supervisory Board of ČEZ ESCO, a.s., pursuant to Section 83(3) of Act No. 90/2012 Coll., on business corporations, as amended.

Prague, Tuesday, March 31, 2026



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



Radek Doubek
Vice-Chairman of the Board of Directors
ČEZ ESCO, a.s.

Annex 2 List of Contractual Relations

AirPlus, spol. s r.o.

Agreement/order registration number	Agreement title
1550010502	Service Agreement
4400049335/4620000034	Framework Agreement
4620000172	Framework Service Agreement
1550040244	Joint Administrators' Agreement
1550060569	Cooperation Agreement
1550060702	Storage Agreement
4520000135	Service Agreement
4520000937	Service Agreement
4520001839	Service Activities
4520001313	Service Order
4520001267	Service Intervention Order
4520001196	Guarantee Intervention Order
7300044385	Purchase Agreement
7200030622	Purchase Agreement
7300040785	Purchase Agreement

AZ KLIMA a.s.

Agreement/order registration number	Agreement title
1550010501	Service Agreement
1550040244	Joint Administrators' Agreement
1550010352	Data Provision Agreement
1550050372	Nondisclosure Agreement
4520000569	Lease Agreement
7200031659	Contract for Work – Charging Infrastructure for Electric Vehicles
7200028065	Contract for Work – Charging Infrastructure for Electric Vehicles

CAPEXUS s.r.o.

Agreement/order registration number	Agreement title
1550010566	Service Agreement

ČEZ Distribuce, a. s.

Agreement/order registration number	Agreement title
4520000010 (110285_2020 / 4400050277)	Lease Agreement
4520000003 (4400043306)	Agreement on Customer Disconnection and Reconnection Services
1550040066, P3A18000014207	Personal Data Processing Agreement to the Distribution System Service Agreement
1550040066, (14740354_RSD_2017_D_00)	Framework Distribution System Service Agreement Including Distribution Portal (DIP, personal data, OPM) Operation Rules
14740354_PND_2022_D_00	Hourly Readings Service Agreement
1550040181	Cooperation Agreement – Maintenance of SAP Licenses of July 3, 2018
	Framework Agreement on Cession of Receivables of June 11, 2020
22_960_1010474224	Framework Agreement on the Provision of Power Balance Services of September 2, 2022, completed on August 18, 2025
25_960_1011803612	Framework Agreement on the Provision of Power Balance Services of August 19, 2025

ČEZ Energo, s.r.o.

Agreement/order registration number	Agreement title
4400020344	Service Agreement
P3A20000000079	Personal Data Processing Agreement
1550010503	Service Agreement
	Contribution Agreement of June 25, 2025
4520002096	Order of Services
4520001682	Employers' Agreement on Temporary Assignment of an Employee
4520000369	Service Agreement for Power Balance Services
7200031738/22025028002	Contract for Work
	Nondisclosure Agreement of March 6, 2025
1550040244	Joint Administrators' Agreement

ČEZ ICT Services, a. s.

Agreement/order registration number	Agreement title
4520002017	Order – Modifications of the "Consolidated Purchasing" Application
4520001934	Order – Consultation and Implementation of Azure Policies for ESCO Energy Market (TCO)
4520001734	Order – Power Factory e-Learning
4520001340	Order – Cribis application
4102309795(4520001026,4520001025) / 58_2021	Service Agreement
4520000986	Order – Operational Support for Smart Invoice – ČEZ ESCO, a.s.
4400050314	Framework Service Agreement
4520001552	Software Purchase Agreement
4101546308	Service Agreement
4101917070	Agreement on a Future Amendment to the Service Subcontract
4102581654	Agreement on Assignment of the Right to Exercise Economic Rights in a Copyrighted Work
4520000015 (4102903008)	Service Agreement

ČEZ Prodej, a.s.

Agreement/order registration number	Agreement title
1550070793/2024043	Agreement to Ensure the Safety Standard of Supply in 2024–2025
1550070648	Electricity Trading License Holders' Agreement
1550020497/2021220	Service Agreement
1550080263/2019041	Service Agreement – DPI
4520000006/2020144	Service Agreement – Call Centers, Customer Centers, Contractual Partners
4520000007/2020165	Service Agreement – Process Automation, Provisions of SW Platform
4520000004/2019119	Service Level Agreement (SLA) for the Purchase of Electricity and Natural Gas
4520000005/2019120	Service Level Agreement (SLA) for Electricity and Natural Gas Consumption Forecasting
1550060357/2019107	Service Agreement – Invoicing, Balance, Methodological Support
4400039785/2018007	Agency Agreement

ČEZ Teplárenská, a.s.

Agreement/order registration number	Agreement title
000491_2020	Framework Agreement on Cession of Receivables
140042_2024 (4570012218)	Mandate Contract
140078_2024 (4570021291)	Mandate Contract
GDPR_SO_2024_192	Personal Data Processing Agreement
GDPR_SO_2024_203	Personal Data Processing Agreement
4570056455	Technical Assistance Agreement
4570096691	Preparation of a Feasibility Study
4570075810	Agreement for the Preparation of a Heating Assessment
4570053397	Preparation of a Feasibility Study
1550020857	Contribution Agreement
1550020858	Contribution Agreement
1550020856	Contribution Agreement

ČEZ ESL, s.r.o.

Agreement/order registration number	Agreement title
4102359128	Healthcare Agreement
1550010504	Service Agreement of January 1, 2021
1550040244	Joint Administrators' Agreement
45700000024/1550010062	Commercial Agency Agreement
4400037271/45700000024	Personal Data Processing Agreement
4570072649/7200030491	Agreement on the Preparation of Design Documentation
4570084230/7200033036	Agreement on the Preparation of Design Documentation
4570084587/7200033557	Agreement on the Preparation of Design Documentation
15410106	Document Provision Agreement
22410167/1550040603	Agreement on the Granting of Consent to Data Provision
16610120/1550040003	Framework Agreement on Inspection Activities
23410184/4520000630	Service Agreement
25SZ0045/4520001474	Agreement for a Lighting Study
25410175/4520001989	Agreement on the Supply and Connection of Battery Storage
24410044/4520000013	Storage Agreement

ČEZ, a. s.

Agreement/order registration number	Agreement title
4520000714	Opinions of Suppliers
GDPR_SO_2023_451	Personal Data Processing Agreement
GDPR_SO_2023_481	Personal Data Processing Agreement
5600012650	License Agreement on the Provision of the Right to Use Trademarks
4570024435	Mníšek pod Brdy Hydrogen Unit
CONTRACT_2021_1678	Framework Agreement
CONTRACT_2021_199	Framework Agreement – Principles for the Assignment of Receivables
CONTRACT_2021_2193	Contract on Mutual Loan Arrangements in KB CZK Cash Pooling
CONTRACT_2021_2242	Contract on Mutual Loan Arrangements in KB EUR Cash Pooling
CONTRACT_2021_227	Contract on Mutual Loan Arrangements in ČS CZK Cash Pooling
CONTRACT_2021_248	Contract on Mutual Loan Arrangements in ČSOB CZK Cash Pooling
CONTRACT_2021_3674	Agreement on the Provision of CZK Cash Pooling with ČSč for ČEZ, a. s., and CEZ Group
CONTRACT_2021_800	Agreement on the Issuance of Guarantees
CONTRACT_2024_2167	Electricity Purchase Agreement for 2025
CONTRACT_2024_845	Agreement on the Arrangement of Contractual Relationships
CONTRACT_2025_142	Electricity Purchase Agreement for 2025–2027 – Vrskmaň PVPP
CONTRACT_2025_143	Electricity Purchase Agreement for 2025–2027 – Křižany PVPP
CONTRACT_2025_675	Agreement on a Non-Monetary Contribution
GDPR_SS_2022_94	Personal Data Processing Agreement
CONTRACT_2026_251	Contribution Agreement
CONTRACT_2026_250	Contribution Agreement
CONTRACT_2026_249	Contribution Agreement
4102325134	Agreement on Sublease for Further Business and on Business Sublease of Movable Property
4102709937	Lease Agreement
4102880827	Leasing Agreement – Charging Stations for Electromobility
4520000008	Collective Bargaining
4520000012	License Agreement on the Provision of the Right to Use Trademarks
4520000959	Sublease Agreement
4570026362	Service Agreement
4570038440	Purchase Agreement – Materials
4570048388	Cable Supply Agreement
4570043394	Agreement for One Charging Station, Including Transport and Installation, for Replacement Purposes at Prague, Duhová, Building D2
4700002523	Service Agreement
6600000222	Service Agreement
	Agreement on Coordinated Action in the Award and Performance of a Public Contract of June 18, 2019 – Supply of End-point Computer Equipment
	Agreement on Contracting Entities' Coordinated Action in the Award of a Public Contract – Consultancy Services
	Agreement on Contracting Entities' Coordinated Action in the Award of a Public Contract – Advertising Agency Services and Creation of Audiovisual Works
	Agreement on Coordinated Action in the Award and Performance of the Public Contract "Deliveries of Passenger Vehicles for CEZ Group and Related Servicing and Maintenance Services" of August 26, 2019
	Agreement on Coordinated Action in the Award and Performance of the Public Contract "Fuel Purchase Using Fuel Cards at Pump Stations" of December 21, 2023
	Agreement on Coordinated Action in the Award of a Public Contract of the "Operational Leasing of Passenger Vehicles for CEZ Group" of August 7, 2020
	Agreement on Contracting Entities' Coordinated Action of October 17, 2022 "Introduction of a Dynamic Purchasing System for the Acquisition of Electric Passenger and Commercial Vehicles"
CONTRACT_2022_1237	Energy Sales
4570067375	Project Implementation Agreement – Installation of a Charging Station
4570083941	Project Implementation Agreement – Installation of a Charging Station
4570083942	Project Implementation Agreement – Installation of a Charging Station
4570051105	Purchase Agreement
4570061620	Project Implementation Agreement – Infrastructure
4570077382	Project Implementation Agreement – Installation of a Charging Station
4570062772	Material Supply Agreement (Charging Station)
4570068135	Service Agreement – Servicing
4570081417	Service Agreement – Servicing
4570082084	Service Agreement – Servicing
4700004314	Material Supply Agreement (Cables)
4520001204	Payment of Fees
4570096245	Purchase Agreement
	Agreement on Coordinated Action in the Award of a Public Contract_Agreement on Contracting Entities' Coordinated Action in the Award of the Public Contract "Legal Services – Czech Republic", of May 28, 2025
	Agreement on Coordinated Action in the Award of a Public Contract_Agreement on Contracting Entities' Coordinated Action in the Award of the Public Contract "Legal Services – EEA", of August 27, 2025
	Agreement on Coordinated Action in the Award of a Public Contract_Agreement on Contracting Entities' Coordinated Action in the Award of the Public Contract "Comprehensive Provision of BTL Activities 2026–2032", of December 15, 2025
	Agreement on Coordinated Action in the Award of a Public Contract_Agreement on Contracting Entities' Coordinated Action in the Award of a Public Contract "Office Supplies," of December 22, 2025

Agreement/order registration number	Agreement title
4570096904	Purchase Agreement for a Connector
	Agreement on Coordinated Action in the Award and Performance of a Public Contract – Printing Services
	Agreement on Coordinated Action in the Award and Performance of a Public Contract – ORACLE License Maintenance 2026–2028
4570086293	Purchase Agreement
4570071646	Media Origin Service Agreement
4570088687	Media Origin Service Agreement
4570048376	Agreement on the Transfer of Guarantees of Origin

ČEZ Obnovitelné zdroje, s.r.o.

Agreement/order registration number	Agreement title
4570036062/7200024779	Design documentation for the issuance of a building permit

Domat Control System s.r.o.

Agreement/order registration number	Agreement title
4520002006	Provision of Software Infrastructure Operation
4520001582	Supply of a Monitoring System
4520001438	Supply of a Monitoring System
4520001183	Framework Agreement for the Provision of Aggregation Services
4520001153	Servicing Services and Supply of Hardware
4520001083	Supply of a Monitoring System
4520001035	Application Software Operation Agreement
1550010506	Service Agreement

EL-ENG s.r.o.

Agreement/order registration number	Agreement title
4520000882	Order for Electrical Installation Work

Elektrárna Dukovany II, a. s.

Agreement/order registration number	Agreement title
	Framework Agreement on Cession of Receivables of June 11, 2020

Energotrans, a.s.

Agreement/order registration number	Agreement title
4102563567/790002_2022	Lease Agreement, Including an Amendment
EME/20220040	Electricity Supply Agreement EME/20220040
CONTRACT_2021_199/ CONTRACT_2021_617	Framework Agreement on Cession of Receivables

ENESA a.s.

Agreement/order registration number	Agreement title
2016_083_01/16S0064-SR	Agreement on the Issuance of Guarantees
1550040244/18S0173-SR	Joint Administrators' Agreement
1550010507/22S0058-SR	Service Agreement
7200021796/24S0019-20113-0	Agreement on the Supply and Installation of a PVPP
1550060824/24S0161-20113-0	Agreement on the Use of Premises for Storage
S02025/0074-20274-0	Agreement for the Preparation of an Analysis of Risks and External Impacts on a PVPP
7200031619/25S0061-15005-13	Agreement for the Complete Delivery, Installation, and Operation of a Wind Power Plant

ENVEZ, a. s.

Agreement/order registration number	Agreement title
1550060774	Partnership Agreement of January 31, 2024
1550060810	Partnership Agreement of September 23, 2024
	Partnership Agreement of May 27, 2024
1550060816	Agreement on the Rights and Obligations of Partners in the Partnership of July 16, 2024
1550060817	Agreement on the Rights and Obligations of Partners in the Partnership of September 23, 2024
1550060825	Agreement on the Rights and Obligations of Partners in the Partnership of October 4, 2024
1550010721	Contribution Agreement

EP Rožnov a.s.

Agreement/order registration number	Agreement title
1550010564	Service Agreement
7200026734	Contract for Work

Green Energy Capital, a.s.

Agreement/order registration number	Agreement title
7300021655	Contract for Work
7200016375	Contract for Work
7200016802	Contract for Work
7200016806	Contract for Work
7200016982	Contract for Work
7200010734	Contract for Work
7200027313	Contract for Work
7300030886	Contract for Work
1550010565	Service Agreement
1550060734	Letter of Intent
	Contribution Agreement of December 21, 2023
1550060874	Agreement on the Transfer of the Builder's Rights and Obligations

HORMEN CE a.s.

Agreement/order registration number	Agreement title
1550010567	Service Agreement
4102780530	Lamp Lease Agreement

KART, spol. s r.o.

Agreement/order registration number	Agreement title
1550010508	Service Agreement
1710310010	Framework Agreement for the Provision of Inspection, Servicing, and Related Services
1550040244	Joint Administrators' Agreement
4520000977	Agreement
7200030753	Purchase Agreement
7200031642	Purchase Agreement
Order 002/26/0004	Order

Kongresové centrum Praha, a.s.

Agreement/order registration number	Agreement title
1550040593	Agreement on the Granting of Consent to Data Provision
4520001109	Price Agreement
4520000052	Price Agreement
	Provision of Conference and Catering Services on May 7, 2025

MARTIA a.s.

Agreement/order registration number	Agreement title
	Electricity Purchase Agreement of September 5, 2019

PV Design and Build s.r.o.

Agreement/order registration number	Agreement title
7200031813	Contract for Work
2700119057	Contract for Work
1550060885	Nondisclosure Agreement
	Agreement on Assignment of an Order of November 27, 2025
1550060822	Cooperation Agreement

Severočeské doly a.s.

Agreement/order registration number	Agreement title
1550010826, 4520001358/2025/IT/S/31476	Service Agreement for the Charging Station Management and Control Application
2025/GDP/R/32095	Personal Data Processing Agreement
2024/UNN/DOS/31041	Purchase of Surplus Electricity Generated by a PVPP
2025/UNN/DST/32988	Purchase of Surplus Electricity Generated by a PVPP
2025/UNN/DST/32988	Purchase of Surplus Electricity Generated by a PVPP

Solární servis, s.r.o.

Agreement/order registration number	Agreement title
4400047502	Agreement on Assignment of the Framework Agreement on the Implementation of Charging Station Sites
1550010773	Service Agreement
1550040244	Joint Administrators' Agreement

ŠKODA PRAHA a.s.

Agreement/order registration number	Agreement title
4400038957/20170426-108	Framework Service Agreement

ŠKO-ENERGO, s.r.o.

Agreement/order registration number	Agreement title
7200018112	Contract for Work
7200018112	Service Agreement
	Electricity Supply Agreement for Electricity from the M12L Photovoltaic Power Plant
	Electricity Supply Agreement for Electricity from the U51 Photovoltaic Power Plant
	Electricity Supply Agreement for Electricity from the U6C Photovoltaic Power Plant

Telco Pro Services, a. s.

Agreement/order registration number	Agreement title
CONTRACT_2021_199	Framework Agreement on Cession of Receivables

ÚJV Řež, a. s.

Agreement/order registration number	Agreement title
1550040602/22SML180	Agreement on the Granting of Consent to Data Provision
25SMN196/7200030438	Order for the Supply and Installation of a Charging Station

The data for ČEZ ESCO include unaudited figures obtained from management reporting, which do not reflect eliminations or other consolidation adjustments, or the amount of the ownership interest held by ČEZ ESCO, a.s., and are included at 100%.



The Association of Energy Services Providers named the EPC project for the Prague Public Transit Company the Czech Republic's best energy savings project of 2025. In this case, our subsidiary ENESA proposed energy-saving measures for the client, including photovoltaic energy sources, construction modifications, new heat sources, and lighting upgrades. Modernization of this kind promises financial savings of more than CZK 15 million per year and more environmentally friendly operation.



6. Financial Section

ČEZ ESCO Group

Consolidated Financial Statements Prepared in Accordance with IFRS Accounting Standards as Adopted by the European Union as of December 31, 2025

ČEZ ESCO Group Consolidated Balance Sheet as of December 31, 2025

In CZK Thousands

ASSETS:	Note	2025	2024
Property, plant and equipment	4	9,416,804	5,050,279
Non-current financial assets	7.3	744,608	460,061
Intangible assets	5	2,269,576	1,477,966
Deferred tax assets	28	69,783	160,000
Total non-current assets		**12,500,771**	**7,148,306**
Cash and cash equivalents	7.1	501,336	274,319
Trade and other receivables	7.2	8,950,793	10,069,958
Income tax receivable		64,651	18,365
Materials and supplies	10	442,483	323,624
Emission rights and guarantees of origin	11	25,358	15,068
Derivatives and other current financial assets	7.3	8,297,928	5,158,174
Other current assets	12	3,636,614	3,703,933
Assets classified as held for distribution to owners	13	238,705	258,246
Total current assets		**22,157,868**	**19,821,687**
TOTAL ASSETS		**34,658,639**	**26,969,993**

EQUITY AND LIABILITIES:	Note	2025	2024
Stated capital		2,803,000	2,803,000
Retained earnings and other reserves		11,664,628	9,634,451
Total equity attributable to equity holders of the parent	14	**14,467,628**	**12,437,451**
Non-controlling interests	3.4.1	140,860	10,187
Total equity		**14,608,488**	**12,447,638**
Long-term debt, net of current portion	7.4	2,488,757	1,532,537
Provisions	15	315,585	174,408
Other long-term financial liabilities	7.6	153,753	179,118
Deferred tax liability	28	551,712	335,963
Total non-current liabilities		**3,509,807**	**2,222,026**
Current portion of long-term debt	7.4	549,858	525,116
Trade payables	7.5	10,478,534	7,471,875
Income tax payable		1,869,599	142,788
Provisions	15	386,232	596,512
Derivatives and other short-term financial liabilities	7.6	1,188,257	1,092,938
Other short-term liabilities	16	2,067,864	2,471,100
Total current liabilities		**16,540,344**	**12,300,329**
TOTAL EQUITY AND LIABILITIES		**34,658,639**	**26,969,993**

The accompanying notes are an integral part of these consolidated financial statements.

ČEZ ESCO Group
Consolidated Statement of Income for the Year Ended December 31, 2025

In CZK Thousands

	Note	2025	2024
Sales of electricity, gas and heat		47,618,805	46,949,901
Sales of services and other revenues		7,068,266	7,056,841
Other operating income		223,609	153,731
Total revenues and other operating income	18	**54,910,680**	**54,160,473**
Gains and losses from commodity derivative trading	19	73,352	(62,653)
Purchase of electricity, gas, heat and other energies	20	(40,303,469)	(42,268,868)
Fuel and emission rights	21	(2,082,079)	(2,211,903)
Services	22	(4,028,267)	(3,835,080)
Salaries and wages	23	(2,700,810)	(2,055,639)
Material and supplies		(1,392,779)	(1,243,321)
Capitalization of expenses to the cost of assets and change in own inventories		340,847	124,955
Depreciation and amortization	4,5	(866,684)	(597,525)
Impairment of property, plant and equipment and intangible assets	6	14,239	2,273
Impairment of trade and other receivables		(10,142)	(38,303)
Other operating expenses	24	(265,778)	94,259
Income before other income (expenses) and income taxes		**3,689,110**	**2,068,668**
Interest expense		(172,723)	(137,267)
Interest income	25	168,828	158,387
Share of profit (loss) from joint-ventures	3.4.2	-	12,333
Other financial expenses	26	(163,856)	(70,546)
Other financial income	27	460,638	60,039
Total other income (expenses)		**292,887**	**22,946**
Income before income taxes		**3,981,997**	**2,091,614**
Income taxes	28	(2,295,052)	(485,748)
Net income		**1,686,945**	**1,605,866**
Net income (loss) attributable to:			
Equity holders of the parent		1,673,061	1,605,927
Non-controlling interests		13,884	(61)
Net income per share attributable to equity holders of the parent (thousand CZK per share):	31		
Basic		596.9	572.9
Diluted		596.9	572.9

The accompanying notes are an integral part of these consolidated financial statements.

ČEZ ESCO Group
Consolidated Statement of Comprehensive Income for the Year Ended December 31, 2025

In CZK Thousands

	Note	2025	2024
Net income		1,686,945	1,605,866
Change in fair value of cash flow hedges	9.3	584,122	(149,646)
Cash flow hedges reclassified to statement of income	9.3	(367,849)	125,982
Translation differences – subsidiaries		156	56
Translation differences – joint-ventures		–	4,703
Share on other equity movements of joint ventures		–	(92)
Deferred tax related to other comprehensive income	28	(45,418)	3,393
Net other comprehensive income that may be reclassified to statement of income or to assets in subsequent periods		171,011	(15,604)
Re-measurement gains (losses) on defined benefit plans		(1,984)	3,592
Deferred tax related to other comprehensive income	28	416	(754)
Net other comprehensive income not to be reclassified from equity in subsequent periods		(1,568)	2,838
Total other comprehensive income, net of tax		169,443	(12,766)
Total comprehensive income, net of tax		1,856,388	1,593,100
Total comprehensive income attributable to:			
Equity holders of the parent		1,842,504	1,593,162
Non-controlling interests		13,884	(62)

The accompanying notes are an integral part of these consolidated financial statements.

ČEZ ESCO Group
Consolidated Statement of Changes in Equity for the Year Ended December 31, 2025

In CZK Thousands

	Note	Attributable to equity holders of the parent								
		Stated capital	Share premium	Translation difference	Cash flow hedge reserve	Equity instruments and other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance as at January 1, 2024		2,803,000	722	(47,858)	97,240	863,296	4,700,470	8,416,870	888,396	9,305,266
Net income		–	–	–	–	–	1,605,927	1,605,927	(61)	1,605,866
Other comprehensive income		–	–	4,760	(18,694)	–	1,169	(12,765)	(1)	(12,766)
Total comprehensive income		–	–	4,760	(18,694)	–	1,607,096	1,593,162	(62)	1,593,100
Contributions from owners	3.3	–	–	–	–	–	3,167,350	3,167,350	6,878	3,174,228
Distribution to owners	13	–	–	37,805	–	–	(777,736)	(739,931)	(885,025)	(1,624,956)
Balance as at December 31, 2024		2,803,000	722	(5,293)	78,546	863,296	8,697,180	12,437,451	10,187	12,447,638
Net income		–	–	–	–	–	1,673,061	1,673,061	13,884	1,686,945
Other comprehensive income		–	–	156	170,855	149	(1,717)	169,443	–	169,443
Total comprehensive income		–	–	156	170,855	149	1,671,344	1,842,504	13,884	1,856,388
Dividends		–	–	–	–	–	–	–	(1,000)	(1,000)
Contributions from owners	3.3	–	–	–	–	–	187,673	187,673	117,789	305,462
Balance as at December 31, 2025		2,803,000	722	(5,137)	249,401	863,445	10,556,197	14,467,628	140,860	14,608,488

The accompanying notes are an integral part of these consolidated financial statements.

ČEZ ESCO Group
Consolidated Statement of Cash Flows for the Year Ended December 31, 2025

In CZK Thousands

	Note	2025	2024
OPERATING ACTIVITIES:			
Income before income taxes		3,981,997	2,091,614
Adjustments of income before income taxes to cash generated from operations:			
Depreciation and amortization	4, 5	866,684	597,525
(Gains) and losses on non-current asset retirements		(556,862)	(16,777)
Foreign exchange rate loss (gain)		109,471	(53,231)
Interest expense, interest income and dividend income		(11,370)	(31,268)
Provisions		(214,647)	(553,921)
Impairment of property, plant and equipment and intangible assets	6	(14,239)	(2,273)
Other non-cash expenses and income		(223,096)	246,933
Share of (profit) loss from joint-ventures	3.4.2	–	(12,333)
Changes in assets and liabilities:			
Receivables and contract assets		1,025,047	4,077,896
Materials, supplies and fossil fuel stocks		(74,067)	89,235
Receivables and payables from derivatives		380,496	(6,995)
Other assets		127,181	(434,872)
Trade payables		1,923,795	(2,484,920)
Other liabilities		(329,205)	(326,048)
Cash from operations		6,991,185	3,180,565
Income taxes paid		(599,339)	(579,572)
Interest paid, net of capitalized interest		(137,917)	(131,830)
Interest received		164,959	153,640
Dividends received		19,721	8,846
Net cash flow from operating activities		6,438,609	2,631,649
INVESTING ACTIVITIES:			
Acquisition of subsidiaries, associates and joint-ventures, net of cash acquired	3	(203,980)	(293,470)
Proceeds from sale of subsidiaries and associates, net of cash disposed of	3.1.2	781,062	–
Additions to non-current assets before deducting grants, including capitalized interest		(2,193,042)	(597,729)
Proceeds from grants to non-current assets		8,078	6,350
Proceeds from sale of non-current assets		118,717	48,742
Repayment of loans		12,823	9,526
Change in restricted financial assets		(1,322)	–
Net cash flow from investing activities		(1,477,664)	(826,581)
FINANCING ACTIVITIES:			
Proceeds from borrowings		771,568	62,162
Payments of borrowings		(404,608)	(4,250)
Payments of lease liabilities	17	(153,670)	(128,236)
Proceeds from other long-term liabilities		3,041	8,630
Payments of other long-term liabilities		(30,976)	(3,104)
Change in payables/receivables from group cash pooling		(5,296,373)	(1,602,009)
Distribution to Company's shareholders	13	–	(677,674)
(Dividends paid) contributions received – owners of non-controlling interests		(1,000)	6,878
Contributions from owners	3.3	380,268	–
Net cash flow from financing activities		(4,731,750)	(2,337,603)
Net effect of currency translation and allowances in cash		(2,178)	(9,135)
Net increase (decrease) in cash and cash equivalents		227,017	(541,670)
Cash and cash equivalents at beginning of period		274,319	815,989
Cash and cash equivalents at end of period	7.1	501,336	274,319
Supplementary cash flow information:			
Total cash paid for interest		146,196	140,377

The accompanying notes are an integral part of these consolidated financial statements.

ČEZ ESCO Group
Notes to Consolidated Financial Statements as of December 31, 2025

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1. The Description of the Company

ČEZ ESCO, a.s. (or the Company), is a joint-stock company, reg. No. 035 92 880, which was established on November 25, 2014. The address of the Company's registered office is Duhová 1444/2, 140 00, Prague 4, Czech Republic. Company information is entered in the public register maintained by the Municipal court in Prague, file number B 20240.

The sole shareholder of the Company is ČEZ, a. s, with its registered office at Duhová 2/1444, 140 53, Prague 4, reg. No. 452 74 649. The Company is a part of the CEZ Group and a part of the consolidation unit of the parent company ČEZ, a. s. The consolidated financial statements of the CEZ Group as of December 31, 2025, are available at the website www.cez.cz.

ČEZ, a. s., is a Czech Republic joint-stock company, owned 69.8% (69.9% of voting rights) at December 31, 2025 by the Czech Republic represented by the Ministry of Finance. The remaining shares are held by legal persons and individuals, and they are traded on stock exchange markets in Prague and Warsaw.

The Company's main activity is the sale of electricity and other energy products to wholesale customers and municipalities. The Company provides comprehensive solutions for energy needs, including energy optimalization and energy supply. At the same time, it is a partner for state administration, local governments and the corporate sector, industrial enterprises, and large companies.

The Company is a parent company of the ČEZ ESCO Group (the Group, see Note 3.4) operating in the modern energy market and being key partner for transformation of Czech industry, buildings and heating industry. Year 2025 represented a significant milestone for the Group due to the strategic integration of company ČEZ Teplárenská (see Note 3.3), which enabled the interconnection of heat generation, its distribution and final consumption with other products and services within the Group into a single integrated unit. The Group, through its subsidiaries, provides comprehensive service in the field of construction and reconstruction of facilities for thermal energy, electric power, public lighting and related technical infrastructure. The Group also provides a comprehensive supply of commodities and commodity-related services, primarily in the B2B and B2G markets. The Group is the market leader in building photovoltaic power plants and is an operator of cogeneration units. It operates energy management, distribution systems and heat supply. It also provides solutions in the field of air conditioning and ventilation and provides solutions that consume less energy. In the field of real estate services, the Group provides facility management services and interior renovation of office buildings.

The average number of employees of the Company and its subsidiaries included in the consolidation was 2,224 and 1,783 in 2025 and 2024, respectively.

2. Summary of the Most Significant General Accounting Policies

> The accounting policies and principles set out in these consolidated financial statements are graphically highlighted as this text for clarity. The accounting policies and principles that directly relate to a given item of the notes to the consolidated financial statements are placed in individual notes for ease of reference. This chapter also sets out the accounting policies and principles that apply to the consolidated financial statements in general.

2.1. Financial Statements

> These consolidated financial statements of the ČEZ ESCO Group have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (hereinafter IFRS).
>
> The financial statements are prepared based on a historical cost approach, except where IFRS require a different measurement basis as disclosed in the description of accounting policies below.

Explanation Added for English Translation
These consolidated financial statements represent a translation of consolidated financial statements originally issued in Czech.

2.2. Changes in Accounting Policies

2.2.1. Adoption of New IFRS Standards in 2025

The accounting policies adopted are consistent with those of the previous financial year, except for as follows. The Group has adopted the following amended standards endorsed by EU as at January 1, 2025:
– IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (amendment).

The application of these amendments did not have significant impact to the Group's financial statements.

2.2.2. New and Revised IFRS Standards either not yet Effective or not yet Adopted by EU

The Group is currently assessing the potential impacts of the new and revised standards that will be effective or adopted by the EU from January 1, 2026 or later:

- IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (amendment),
- IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (amendments),
- IFRS 1 First-time Adoption of International Financial Reporting Standards (amendment),
- IAS 7 Statements of Cash Flows (amendment),
- IFRS 18 Presentation and Disclosures in Financial Statements (new standard),
- IFRS 19 Subsidiaries without Public Accountability: Disclosure (new standard),
- IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint-ventures: Sale or Contribution of Assets between an Investor and Its Associate or Joint-venture (amendments).

The Group assesses the impact of amendments of IFRS 10 and IAS 28 and new standard IFRS 18 to the financial statements. The Group does not expect early adoption of any of the above-mentioned new or amended standards and does not expect any significant impact to the Group's financial statements.

2.3. Estimates and Accounting Judgements

In applying accounting policies, the Group makes judgments (other than judgments requiring estimates) that have a significant effect on the amounts reported in the consolidated financial statements, and further makes estimates and assumptions in determining the carrying amounts of assets and liabilities when an adequate value for such estimates or assumptions is not readily available from other sources. These estimates and related assumptions are based on historical experience and other factors that are considered to be relevant. The Group makes significant estimates when accounting for unbilled electricity and gas (see Note 12), determining the expected credit losses model (see Note 7), accounting for the provisions (see Note 15), determining the recoverable amounts of property, plant and equipment and intangible assets (see Note 6), fair value of commodity contracts (see Notes 7 and 8), financial derivatives (see Notes 7 and 8), incremental borrowing rate and lease terms to measure lease liability (see Note 17) and deferred tax calculation (see Note 28). Actual outcome may vary from these estimates. Estimates and their underlying assumptions are reviewed on an ongoing basis using available data, including macroeconomic data. Changes in these accounting estimates are recognized in the period in which the accounting estimate is revised. A change in estimate may affect the profit or loss of the current or future periods.

2.4. Translation of Foreign Currencies

The consolidated financial statements are presented in Czech crowns (CZK), which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured and reported using that functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when they arise in connection with a liability classified as effective cash flow hedges. Such exchange differences are recognized directly in other comprehensive income.

The assets and liabilities of foreign subsidiaries are translated at the rate of exchange valid at the balance sheet date. The costs and revenues of foreign subsidiaries are translated at average exchange rates for the given year. The exchange differences arising on the retranslation are taken directly to other comprehensive income. On disposal of a foreign entity, accumulated exchange differences are recognized in the income statement as a component of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign operation and are translated at the closing exchange rate.

The Group used the following exchange rates to translate assets and liabilities in foreign currencies at December 31, 2025 and 2024:

	2025	2024
CZK per 1 EUR	24.245	25.185
CZK per 1 PLN	5.744	5.890

3. Principle of the Consolidation and Structure of the Group

Group Structure

The consolidated financial statements of the ČEZ ESCO Group include data of ČEZ ESCO, a.s., and its subsidiaries and joint-ventures included in the consolidation unit (see Note 3.4).

Subsidiaries

Subsidiaries included in the consolidation unit are those entities which the ČEZ ESCO Group controls. The Group controls an investee if, and only if, the Group:

- Has power over the investee (i.e., the Group has existing rights that give it the current ability to direct the activities of the entity that significantly affect its revenues);
- Is exposed to risk associated with or entitled to variable returns from its involvement with the investee;
- Is able to use its power over the investee to affect the amount of the Group's returns.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method. The cost of a business combination is the sum of the consideration transferred, measured at fair value at acquisition date, and the amount of any non-controlling interests in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are recognized directly in profit or loss.

If the business combination is achieved in stages, the Group, as the acquirer, remeasures, through profit or loss, previously held equity interests in the acquiree to fair value at the acquisition date.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired ("bargain purchase gain"), then the Group first reassesses the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the combination. Any excess remaining after the reassessment is recognized immediately in the income statement and is presented in the line Impairment of property, plant and equipment and intangible assets.

A change in the ownership interest of a subsidiary, without loss of control, is accounted as an equity transaction. Losses within a subsidiary incurred are attributed to the non-controlling interest even if that results in a deficit balance.

Put options held by non-controlling interests are recorded as a derecognition of non-controlling interest and recognition of a liability at the end of the reporting period. The liability is recognized at the present value of the amount payable on exercise of the option. Any difference between the amount of non-controlling interest derecognized and this liability is accounted for within equity. Subsequent changes to the present value of liability are recorded directly in equity.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are eliminated unless transaction indicates impairment of the asset transferred. Accounting policies of subsidiaries have been changed, where necessary, to ensure consistency with the policies adopted by the ČEZ ESCO Group.

Joint-ventures

A joint-venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to its net assets. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary considerations to determine control over subsidiaries. The Group recognizes its interest in the joint-venture using the equity method of accounting. Under this method the Group's share of the post-acquisition profits or losses of joint-ventures is recognized in the income statement. The Group's share of other post-acquisition movements in equity of joint-ventures is recognized in other comprehensive income against the cost of the investment. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The Group's investment in associates includes goodwill (net of accumulated impairment losses) on acquisition.

When the Group's share of losses in a joint-ventures equals or exceeds its interest in the joint-ventures, the Group does not recognize further losses. In such a case, the Group recognizes its full share on profit or loss and its share on other comprehensive income only to the extent to recognize nil interest in an associate. This amount is included in the item Translation differences – associates and joint-ventures in the statement of comprehensive income, then the Group

discontinues of using equity method of accounting. However, additional losses are provided for, and a liability is recognized on the balance sheet in the item Other long-term liabilities or in the item Provisions, after the Group's interest is reduced to zero, only to the extent that the Group has incurred legal or constructive obligations (e.g., provided guarantees) or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

Transactions Involving Entities under Common Control of Majority Owner
Acquisitions of subsidiaries from entities under common control are recorded using a method similar to pooling of interests.

The assets and liabilities of the acquired subsidiary are recognized in the Group's financial statements at their carrying amounts. The difference between the purchase price on acquisition of a subsidiary from a company under common control and the acquired equity interest in the subsidiary at book value is reflected directly in equity.

3.1. Changes in the Group Structure in 2025

The following table summarizes the cash flows related to acquisitions in 2025 (in CZK thousands):

Cash outflow on acquisitions of the subsidiaries	221,892
Less:	
Cash and cash equivalents acquired	(17,912)
Total cash outflows on acquisitions	**203,980**

3.1.1. Acquisitions of Companies in 2025, in Which ČEZ ESCO Group Gained Control

On October 1, 2025, the Group acquired a 100% interest in company ELPRO - DELICIA, a.s, which focuses on the distribution of electricity, the operation of local distribution systems, and the implementation of electrical installation, design, and service work in the field of high and low voltage.

On December 23, 2025, the Group acquired a 100% interest in TECHSYS - HW a SW, a.s., which is engaged in the development and supply of monitoring, control and information systems for energy, industry, transport and telecommunications, including the development of its own hardware and software.

The following table presents the current best estimate of fair values of acquired identifiable assets and liabilities as of the date of acquisition (in CZK thousands):

	ELPRO - DELICIA	TECHSYS - HW a SW	Total
Share being acquired	100%	100%	
Property, plant and equipment	88,178	12,270	100,448
Cash and cash equivalents	5,038	12,874	17,912
Materials and supplies	9,476	4,057	13,533
Trade and other receivables	9,376	25,538	34,914
Contractual assets	2,796	452	3,248
Another current assets	2,675	3,244	5,919
Deferred tax liability	(12,722)		(12,722)
Trade payables	(5,971)	(2,811)	(8,782)
Short-term provisions	(372)		(372)
Another current liabilities	(8,462)	(7,543)	(16,005)
Total net assets	90,012	48,081	138,093
Share of net assets acquired	90,012	48,081	138,093
Goodwill	63,896	78,310	142,206
Total acquisition cost of the interest	153,908	126,391	280,299
Contingent liabilities from acquisition of the subsidiary	(10,908)	(47,499)	(58,407)
Cash outflow on acquisition in 2025	143,000	78,892	221,892
Less: Cash and cash equivalents in the subsidiary acquired	(5,038)	(12,874)	(17,912)
Cash outflow in 2025, net	**137,962**	**66,018**	**203,980**

If the acquisition had taken place at the beginning of the year 2025, net income for ESCO Group as at December 31, 2025, would have been CZK 1,714,054 thousand and the revenues and other operating income from continuing operations would have been CZK 55,100,624 thousand. The amounts of goodwill recognized as a result of the business combinations comprise the value of expected synergies arising from the acquisitions.

From the acquisition date, the newly acquired subsidiary has contributed the following balances to the Group's statement of income (in CZK thousands):

	ELPRO – DELICIA
Revenues and other operating income	25,649
Income before other income (expense) and income taxes	1,706
Net income	1,817
Net income attributable:	
Equity holders of the parent	1,817
Non-controlling interests	–

3.1.2. Loss of Control over Subsidiaries in 2025

On November 1, 2025, the Group sold its interest in company Distribuce Ostrava, which was established by the divestment of net assets that were the subject of the sale transaction. The sale price was paid in full. The following table provides an overview of the impacts related to the sale and to the derecognition from consolidation (in CZK thousands):

Sold interest	100%
Property, plant and equipment	312,265
Other assets	67,357
Deferred tax liability	(30,607)
Other liabilities	(28,067)
Total net assets – cost of sale of the Group	320,948
Revenue from sale	781,062
Gain on sale	460,114

3.2. Changes in the Group Structure in 2024

The following table summarizes the cash flows related to acquisitions in 2024 (in CZK thousands):

Cash outflow on acquisitions of the subsidiaries	310,325
Payments of payables from acquisitions in previous periods	104,480
Less:	
Cash and cash equivalents acquired	(121,335)
Total cash outflows on acquisitions	293,470

3.2.1. Acquisitions of Companies in 2024, in Which ČEZ ESCO Group Gained Control

On December 4, 2024, the Group acquired a 100% interest in the company EL-ENG s.r.o., that focuses on electrical installation work in the field of high and low voltage, including design and engineering activities.

The following table presents the fair values of acquired identifiable assets, liabilities and purchase consideration as of the date of acquisition (in CZK thousands):

	EL-ENG
Share of the Group being acquired	100%
Property, plant and equipment	2,705
Intangible assets	97,500
Other long-term financial assets	79
Cash and cash equivalents	121,335
Trade and other receivables	115,520
Another current assets	15,802
Long-term debt, net of current portion	(282)
Deferred tax liability	(20,475)
Trade payables	(39,002)
Another current liabilities	(1,196)
Total net assets	291,986
Share of net assets acquired	291,986
Goodwill	110,321
Total purchase consideration	402,307
Contingent liabilities from acquisition of the subsidiary	(91,982)
Cash outflow on acquisition in 2024	310,325
Less: Cash and cash equivalents in the subsidiary acquired	(121,335)
Cash outflow on acquisition in 2024, net	188,990

If the acquisition had taken place at the beginning of the year 2024, net income for ESCO Group as at December 31, 2024, would have been CZK 1,663,684 thousand and the revenues and other operating income from continuing operations would have been CZK 54,391,933 thousand. The amounts of goodwill recognized as a result of the business combinations comprise the value of expected synergies arising from the acquisitions.

From the acquisition date, the newly acquired subsidiary has contributed the following balances to the Group's statement of income (in CZK thousands):

	EL-ENG
Revenues and other operating income	30,936
Income before other income (expense) and income taxes	14,458
Net income	(1,160)
Net income attributable:	
Equity holders of the parent	(1,160)
Non-controlling interests	–

3.3. Contribution of 100% Interest in the Company ČEZ Teplárenská

On December 12, 2024, the agreement on a non-cash contribution was concluded between the unique shareholder (company ČEZ, a. s.) and the Company. The subject of contribution to equity other than the stated capital is a non-cash contribution of 100% interest in the company ČEZ Teplárenská, a.s. The book value of the contributed interest was CZK 3,167,350 thousand and as at December 31, 2024 it was presented as receivable for subscribed contribution to equity in the line item Derivatives and other financial assets (see Note 7.3). The realization of the contribution was made on January 2, 2025. The non-cash contribution of the net assets of the ČEZ Teplárenská Group (see also Note 3.4) represents a transaction under common control and was accounted for at carrying amount.

The following table provides an overview of changes in the consolidated balance sheet in connection with the contribution (in CZK thousands):

	Contributed	Elimination	Total
Property, plant and equipment	3,197,427	(102,408)	3,095,019
Intangible assets	643,032	–	643,032
Other non-current assets	51,907	–	51,907
Cash and cash equivalents	380,268	–	380,268
Trade and other receivables	469,418	(211,935)	257,483
Derivatives and other current financial assets	760,261	–	760,261
Other current assets	129,437	(52,776)	76,661
Another current assets	53,542	–	53,542
Long-term debt, net of current portion	(599,562)	–	(599,562)
Non-current provisions	(110,104)	–	(110,104)
Deferred tax liability	(269,084)	–	(269,084)
Other long-term liabilities	(2,612)	–	(2,612)
Current portion of long-term debt	(25,124)	–	(25,124)
Trade payables	(1,156,042)	261,745	(894,297)
Other short-term liabilities	(53,627)	105,374	51,747
Total net assets	3,469,137	–	3,469,137
Less: non-controlling interest contributed	(114,114)	–	(114,114)
Less: Derecognition of the receivable from subscription of owners to contribute the interest in the company ČEZ Teplárenská	(3,167,350)	–	(3,167,350)
Impact on the equity attributable to owners of the parent arising from the settlement of the contribution	187,673	–	187,673

3.4. Investments in Subsidiaries and Joint-ventures

The consolidated financial statements of ESCO Group include the financial figures of ČEZ ESCO, a.s., and its subsidiaries and joint-ventures listed in the following table:

Subsidiaries	Country	Operating segment	% equity interest[1]		% voting rights
			Change 2025	Balance 2025	Balance 2025
New acquisitions and newly established companies					
ELPRO - DELICIA, a.s.	CZ	NON-COM	100.00	100.00	100.00
Distribuce Ostrava s.r.o.[2]	CZ	NON-COM	100.00	–	–
TECHSYS - HW a SW, a.s.	CZ	NON-COM	100.00	100.00	100.00
Non-cash contribution of interest					
ČEZ Teplárenská, a.s.	CZ	NON-COM	100.00	100.00	100.00
Energetické centrum s.r.o.	CZ	NON-COM	100.00	100.00	100.00
Tepelné hospodářství města Ústí nad Labem s.r.o.	CZ	NON-COM	55.83	55.83	55.83
Mergers					
PIPE SYSTEMS s.r.o.	CZ	NON-COM	(100.00)	–	–
Sales					
Distribuce Ostrava s.r.o.[2]	CZ	NON-COM	(100.00)	–	–
Other subsidiaries without change of equity or voting rights in 2025					
AirPlus, spol. s r.o.	CZ	NON-COM	–	100.00	100.00
AZ KLIMA a.s.	CZ	NON-COM	–	100.00	100.00
CAPEXUS s.r.o.	CZ	NON-COM	–	100.00	100.00
CEZ Energo Polska Sp. z o.o.	PL	NON-COM	–	100.00	100.00
ČEZ Energo, s.r.o.	CZ	NON-COM	–	100.00	100.00
ČEZ ESL, s.r.o.	CZ	NON-COM	–	100.00	100.00
Domat Control System s.r.o.	CZ	NON-COM	–	100.00	100.00
EL-ENG s.r.o.	CZ	NON-COM	–	100.00	100.00
ENESA a.s.	CZ	NON-COM	–	100.00	100.00
ENVEZ, a. s.	CZ	NON-COM	–	51.00	51.00
EP Rožnov, a.s.	CZ	NON-COM	–	100.00	100.00
EPIGON spol. s r.o.	CZ	NON-COM	–	100.00	100.00
Green Energy Capital, a.s.	CZ	NON-COM	–	100.00	100.00
HA.EM OSTRAVA, s.r.o.	CZ	NON-COM	–	100.00	100.00
HORMEN CE a.s.	CZ	NON-COM	–	100.00	100.00
KART, spol. s r.o.	CZ	NON-COM	–	100.00	100.00
Solární servis, s.r.o.[3]	CZ	NON-COM	–	100.00	100.00

[1] The equity interest represents effective ownership interest of the Group.
[2] The company was established in November 2025 and was sold in November 2025.
[3] The company name Solární servis, s.r.o., was changed to Solární servis, s.r.o., v likvidaci in 2026.

Joint-ventures	Country	Operating segment	% equity interest		% voting rights
			Change2025	2025	2025
Companies with no change in ownership interest or voting rights in 2025					
Bytkomfort, s.r.o.	SK	NON-COM	–	49.00	49.00

Used abbreviations:

Country ISO code	Country	Segment	Operating segment
CZ	Czech Republic	COM	Commodity and commodity products
PL	Poland	NON-COM	Non-commodity
SK	Slovakia		

3.4.1. Subsidiaries with Non-controlling Interests

The following table shows the composition of Group's non-controlling interests and dividends paid to non-controlling interests by respective subsidiaries (in CZK thousands):

	2025		2024	
	Non-controlling interests	Dividends paid	Non-controlling interests	Dividends paid
Tepelné hospodářství města Ústí nad Labem s.r.o.	127,776	1,000	–	–
Other	13,084	–	10,187	–
Total	140,860	1,000	10,187	–

The following table shows summarized financial information of subsidiaries that have material non-controlling interests for the year ended December 31, 2025 (in CZK thousands):

	Tepelné hospodářství města Ústí nad Labem s.r.o.
Ownership share of non-controlling interests	44.17%
Current assets	353,280
Non-current assets	363,698
Current liabilities	(249,343)
Non-current liabilities	(78,587)
Equity	389,048
Attributable to:	
Equity holders of the parent	261,272
Non-controlling interests	127,776
Revenues and other operating income	818,261
Income before other income (expenses) and income taxes	37,579
Other income (expenses)	2,042
Income before income taxes	39,621
Income taxes	(9,099)
Net income	30,522
Attributable to:	
Equity holders of the parent	17,041
Non-controlling interests	13,481
Total comprehensive income	30,522
Attributable to:	
Equity holders of the parent	17,041
Non-controlling interests	13,481
Operating cash flow	67,994
Investing cash flow	(140,742)
Financing cash flow	(4,092)
Net (decrease) in cash and cash equivalents	(76,840)

3.4.2. Interests in Joint-ventures

As at 31 December 2025 and 2024, the Group had a single investment in a joint venture, Bytkomfort, s.r.o. Since 31 December 2023, this investment has been classified as part of assets held for distribution to owners (see Note 13). The application of the equity method to this investment has been discontinued. The following tables show the composition of Group's investment in joint-ventures and share of main financial results from joint-ventures for the years ended December 31, 2025 and 2024 (in CZK thousands):

Year 2025:	Investment in joint-ventures	Dividends received	Group's share of joint-venture's:		
			Net income (loss)	Other comprehensive income	Total comprehensive income
Bytkomfort, s.r.o.	238,705	19,541	–	–	–

Year 2024:	Investment in joint-ventures	Dividends received	Group's share of joint-venture's:		
			Net income (loss)	Other comprehensive income	Total comprehensive income
Bytkomfort, s.r.o.	258,246	8,666	12,333	4,611	16,944

The following tables present summarized financial information of joint-ventures for the year ended December 31, 2025 (in CZK thousands):

	Current assets	Thereof: Cash and cash equivalents	Non-current assets	Current liabilities	Non-current liabilities	Equity	Share of the Group	Goodwill	Total investment in joint-ventures
Bytkomfort, s.r.o.	130,496	74,572	328,016	108,547	115,886	234,079	105,275	133,430	238,705

	Revenues and other operating income	Depreciation and amortization	Interest income	Interest expense	Income taxes	Net income (loss)	Other comprehensive income	Total comprehensive income
Bytkomfort, s.r.o.	402,137	(27,178)	322	(1,301)	(7,547)	24,706	(5,836)	18,869

The following tables present summarized financial information of joint-ventures for the year ended December 31, 2024 (in CZK thousands):

	Current assets	Thereof: Cash and cash equivalents	Non-current assets	a Current liabilities	Non-current liabilities	Equity	Share of the Group	Goodwill	Total investment in joint-ventures
Bytkomfort, s.r.o.	72,375	7,000	343,784	149,847	11,586	254,726	124,816	133,430	258,246

	Revenues and other operating income	Depreciation and amortization	Interest income	Interest expense	Income taxes	Net income (loss)	Other comprehensive income	Total comprehensive income
Bytkomfort, s.r.o.	467,697	(24,916)	2,299	(788)	(8,977)	25,170	4,310	29,481

4. Property, Plant and Equipment

Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairments. The cost of property, plant and equipment comprises the purchase price and the related cost of materials and labor and the cost of debt financing used in the construction. The cost also includes the estimated cost of dismantling and removing a tangible asset to the extent specified by IAS 37, Provisions, Contingent Liabilities, and Contingent Assets. Government grants and similar subsidies received for the acquisition of property, plant and equipment decrease the cost.

Self-constructed property, plant and equipment are measured at the cost of constructing them. Expenditures on the repair, maintenance, and replacement of minor asset items are recognized as repair and maintenance expenses in the period when such repair is carried out. Any gains or losses arising from the sale or disposal of property, plant and equipment are included in profit or loss.

At each reporting date, the Group assesses whether there are any indicators that an asset may have been impaired. Where there are such indicators of impairment, the Group checks whether the recoverable amount of the item of property, plant and equipment is less than its depreciated cost. The recoverable amount is the higher of the fair value less costs to sell and the value in use. Any impairment of property, plant and equipment is recognized in profit or loss and presented in the line item Impairments of property, plant and equipment and intangible assets.

At each reporting date, the Group assesses whether there are any indicators that previously recognized impairments of assets are no longer justified or should be decreased. If there are such indicators, the Group determines the recoverable amount of non-current assets. A previously recognized impairment is recognized as an expense only if there has been a change in the assumptions used to estimate the non-current asset's recoverable amount since the last recognition of the impairment. If that is the case, the depreciated cost of the asset including the impairment is increased to the new recoverable amount. The new depreciated cost may not exceed the current carrying amount, less accumulated depreciation, that would be determined had no impairment been recognized in the past. A reversal of previously recognized impairment is recognized in profit or loss and presented in the line item Impairments of property, plant and equipment and intangible assets.

The Group depreciates the cost of property, plant and equipment less their residual value using the straight-line method over their estimated useful life. Each part of an item of property, plant and equipment that is significant in relation to the total amount of the asset is recognized and depreciated separately.

The Group typically determines the estimated useful life of property, plant and equipment as follows:

	Useful lives (years)
Buildings and structures	2–75
Machinery and equipment	2–50
Vehicles	4–20
Furniture and fixtures	4–25

Right-of-use Assets

Right-of-use assets (see Note 17) are part of property, plant and equipment. Right-of-use assets are reported in the same asset category as they would be reported if the Group owned them. Right-of-use assets are measured at cost less accumulated amortization and impairment losses and adjusted for any reassessment of lease liabilities.

Right-of-use assets are amortized using the straight-line method over the lease term or the estimated life of the assets as follows:

	Depreciation period (years)
Lands	5–26
Buildings	1–31
Vehicles, machinery and equipment	1–25
Inventory and other tangible assets	6–23

Plant in service, including own tangible assets and right-of-use assets, is subject of lease (see Note 17).

The overview of property, plant and equipment at December 31, 2025, is as follows (in CZK thousands):

	Buildings	Plant and equipment	Land and other	Total plant in service	Construction work in progress	Total property, plant and equipment
Cost at January 1, 2025	3,172,083	4,897,468	326,859	8,396,410	521,974	8,918,384
Additions	126,436	42,200	31,628	200,264	2,099,525	2,299,789
Disposals	(65,586)	(156,195)	(11,263)	(233,044)	(15,186)	(248,230)
Put into use	532,058	632,345	5,759	1,170,162	(1,170,162)	–
Acquisition of subsidiaries	86,724	11,488	385	98,597	1,851	100,448
Contribution from owners	6,154,278	2,014,102	79,193	8,247,573	676,760	8,924,333
Sale of subsidiaries	(326,020)	(616,973)	(14,930)	(957,923)	–	(957,923)
Change in capitalized part of provisions	16,656	–	3,396	20,052	–	20,052
Reclassification and other	(2,737)	31	–	(2,706)	7,081	4,375
Cost at December 31, 2025	9,693,892	6,824,466	421,027	16,939,385	2,121,843	19,061,228
Accumulated depreciation and impairment at January 1, 2025	(1,283,985)	(2,508,291)	(74,972)	(3,867,248)	(857)	(3,868,105)
Depreciation	(304,485)	(476,721)	(14,125)	(795,331)	–	(795,331)
Net book value of assets disposed	(32,334)	(12,247)	(6)	(44,587)	–	(44,587)
Disposals	65,586	156,195	2,215	223,996	–	223,996
Contribution from owners	(4,232,013)	(1,580,772)	(16,498)	(5,829,283)	(31)	(5,829,314)
Sale of subsidiaries	214,183	431,475	–	645,658	–	645,658
Reclassification and other	313	328	28	669	(1,533)	(864)
Impairment losses recognized	(677)	(66)	(5,189)	(5,932)	–	(5,932)
Impairment losses reversed	27,702	2,353	–	30,055	–	30,055
Accumulated depreciation and impairment at December 31, 2025	(5,545,710)	(3,987,746)	(108,547)	(9,642,003)	(2,421)	(9,644,424)
Total property, plant and equipment at December 31, 2025	4,148,182	2,836,720	312,480	7,297,382	2,119,422	9,416,804

The overview of property, plant and equipment at December 31, 2024, is as follows (in CZK thousands):

	Buildings	Plant and equipment	Land and other	Total plant in service	Construction work in progress	Total property, plant and equipment
Cost at January 1, 2024	2,928,095	4,404,826	314,695	7,647,616	680,325	8,327,941
Additions	144,441	100,705	9,983	255,129	537,729	792,858
Disposals	(70,687)	(59,034)	(594)	(130,315)	(90,303)	(220,618)
Put into use	163,829	447,758	–	611,587	(611,587)	–
Acquisition of subsidiaries	–	2,427	278	2,705	–	2,705
Change in capitalized part of provisions	3,187	–	2,497	5,684	–	5,684
Reclassification and other	3,218	786	–	4,004	5,810	9,814
Cost at December 31, 2024	3,172,083	4,897,468	326,859	8,396,410	521,974	8,918,384
Accumulated depreciation and impairment at January 1, 2024	(1,125,070)	(2,203,290)	(61,354)	(3,389,714)	(6)	(3,389,720)
Depreciation	(201,385)	(338,654)	(13,618)	(553,657)	–	(553,657)
Net book value of assets disposed	(35,706)	(27,511)	(554)	(63,771)	–	(63,771)
Disposals	70,687	59,034	554	130,275	–	130,275
Reclassification and other	555	2,327	–	2,882	–	2,882
Impairment losses recognized	(856)	(197)	–	(1,053)	(1,203)	(2,256)
Impairment losses reversed	7,790	–	–	7,790	352	8,142
Accumulated depreciation and impairment at December 31, 2024	(1,283,985)	(2,508,291)	(74,972)	(3,867,248)	(857)	(3,868,105)
Total property, plant and equipment at December 31, 2024	1,888,098	2,389,177	251,887	4,529,162	521,117	5,050,279

In 2025 and 2024, a composite depreciation rate of plant in service was 6.4% and 7.0%, respectively.

As at December 31, 2025 and 2024, capitalized interest costs amounted to CZK 8,279 thousand and CZK 8,547 thousand, respectively, and the interest capitalization rate was 3.7% and 3.7%, respectively.

Group's plant in service pledged as security for liabilities at December 31, 2025 and 2024, is CZK 1,408,187 thousand and CZK 1,586,347 thousand, respectively.

Construction work in progress comprises, in particular, investments in local electricity distribution networks and cogeneration units.

The Group drew in 2025 and 2024, grants related to the property, plant and equipment in the amount of CZK 11,229 thousand, and CZK 17,353 thousand, respectively.

Group as a Lessee

Set out below are the carrying amounts and other information at December 31, 2025 and for the year ended 2025, respectively, about right-of-use assets recognized in total property, plant and equipment (in CZK thousands):

	2025			
	Buildings	Plant and equipment	Land and other	Total plant in service
Additions of right-of-use assets	147,580	32,405	31,628	211,613
Depreciation charge for right-of-use assets	(121,437)	(40,579)	(14,125)	(176,141)
Carrying amount as at December 31	762,452	182,366	105,109	1,049,927

Set out below are the carrying amounts and other information at December 31, 2024 and for the year ended 2024, respectively, about right-of-use assets recognized in total property, plant and equipment (in CZK thousands):

	2024			
	Buildings	Plant and equipment	Land and other	Total plant in service
Additions of right-of-use assets	139,257	30,412	9,983	179,652
Depreciation charge for right-of-use assets	(102,827)	(23,185)	(13,598)	(139,610)
Carrying amount as at December 31	625,292	75,891	72,593	773,776

Group as a Lessor

The carrying amounts of property, plant and equipment that are subject to an operating lease (in CZK thousands):

	Buildings	Plant and equipment	Land and other	Total plant in service
Carrying amount as at December 31, 2025	20,186	7,096	–	27,282
Carrying amount as at December 31, 2024	3,171	14,781	2,596	20,548

5. Intangible Assets

Intangible assets

Intangible assets are measured at costs, including the purchase price and related expenses. Intangible assets are amortized using the straight-line method over their estimated useful life, which ranges between 3–25 years.

At each reporting date, the Group assesses whether there are any indicators that an intangible asset may have been impaired (for goodwill see following paragraph). Intangible assets in progress are tested for possible impairment annually regardless of whether there are indicators of possible impairment. Any impairment of intangible assets is recognized in profit or loss and presented in the line item Impairments of property, plant and equipment and intangible assets.

Goodwill

Goodwill is initially measured at the amount of the difference between the consideration transferred plus the value of any non-controlling interest and the net amount of the identifiable assets acquired and liabilities assumed (see Note 3). Goodwill arising on the acquisition of subsidiaries is included in intangible assets. Goodwill relating to associates and joint-ventures is recognized in the balance sheet as part of investments in associates and joint-ventures. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. The recognized goodwill is tested for possible impairment. The test is performed at least once a year or more frequently if there are indicators of possible impairment of goodwill.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the synergies arising from the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets. Impairment of goodwill is determined by assessing the recoverable amount of the cash-generating units, to which the goodwill relates. Where recoverable amount of the cash-generating unit is lower than the carrying amount, an impairment loss is recognized. Recognized impairment losses of goodwill cannot be reversed in subsequent periods. In the event of a partial sale of a cash-generating unit to which goodwill has been allocated, the carrying amount of goodwill relating to the sold part is included in the gain or loss on sale. The amount of goodwill disposed is measured on the basis of the ratio of the value of the sold part of the cash-generating unit to the value of the part that remains in the ownership of the Group.

The overview of intangible assets at December 31, 2025, is as follows (in CZK thousands):

	Software	Rights and other	Emission Rights	Goodwill	Intangibles in progress	Total
Cost at January 1, 2025	114,646	336,687	–	1,181,518	18,934	1,651,785
Additions	8,872	40,137	–	–	33,496	82,505
Disposals	(4,547)	–	–	–	(104)	(4,651)
Put into use	10,461	1,795	–	–	(12,256)	–
Acquisition of subsidiaries	–	–	–	142,206	–	142,206
Contribution from owners	18,333	844,087	4,440	68,793	32	935,685
Sale of subsidiaries	–	(269)	–	–	–	(269)
Reclassification and other	(570)	73	(4,440)	–	–	(4,937)
Cost at December 31, 2025	147,195	1,222,510	–	1,392,517	40,102	2,802,324
Accumulated amortization and impairment at January 1, 2025	(78,375)	(95,444)	–	–	–	(173,819)
Amortization	(17,903)	(53,450)	–	–	–	(71,353)
Disposals	4,547	–	–	–	–	4,547
Contribution from owners	(14,560)	(278,093)	–	–	–	(292,653)
Sale of subsidiaries	–	162	–	–	–	162
Reclassification and other	375	(7)	–	–	–	368
Accumulated amortization and impairment at December 31, 2025	(105,916)	(426,832)	–	–	–	(532,748)
Intangible assets at December 31, 2025	41,279	795,678	–	1,392,517	40,102	2,269,576

The overview of intangible assets at December 31, 2024, is as follows (in CZK thousands):

	Software	Rights and other	Goodwill	Intangibles in progress	Total
Cost at January 1, 2024	95,504	235,108	1,071,197	7,504	1,409,313
Additions	3,089	–	–	32,741	35,830
Disposals	(37)	–	–	(1,553)	(1,590)
Put into use	15,692	4,079	–	(19,771)	–
Acquisition of subsidiaries	–	97,500	110,321	–	207,821
Reclassification and other	398	–	–	13	411
Cost at December 31, 2024	114,646	336,687	1,181,518	18,934	1,651,785
Accumulated amortization and impairment at January 1, 2024	(62,990)	(66,672)	–	–	(129,662)
Amortization	(15,096)	(28,772)	–	–	(43,868)
Disposals	37	–	–	–	37
Reclassification and other	(326)	–	–	–	(326)
Accumulated amortization and impairment at December 31, 2024	(78,375)	(95,444)	–	–	(173,819)
Intangible assets at December 31, 2024	36,271	241,243	1,181,518	18,934	1,477,966

At December 31, 2025 and 2024, goodwill allocated to cash-generating units is as follows (in CZK thousands):

	2025	2024
CAPEXUS	417,773	417,773
AZ KLIMA	245,455	245,455
EL-ENG	110,321	110,321
Domat Control System	87,691	87,691
TECHSYS - HW a SW	78,310	–
KART	75,535	75,535
ČEZ Teplárenská	68,793	–
ELPRO - DELICIA	63,896	–
HA.EM OSTRAVA	57,726	57,726
Other	187,017	187,017
Total	1,392,517	1,181,518

6. Impairment of Property, Plant and Equipment and Intangible Assets

In 2025 and 2024, the Group performed impairment tests of goodwill and tests of other non-current assets where there was an indication that the carrying amounts could be impaired.

No impairment of goodwill or other tested property, plant and equipment or intangible assets was recognized in 2025 or 2024 as a result of impairment testing of assets at the cash-generating unit level.

Description of selected parameters related to testing and determination of recoverable amounts
The impairment test involves determining the recoverable amount of the cash-generating unit, which corresponds to the value in use. Value in use is the present value of the future cash flows expected to be derived from a cash-generating unit and is internally assessed by the company's management.

Values in use are determined based on a complex projection of cash flows or on the medium-term budget for a period of 5 years and on the anticipated development of the expected cash flows in the long-term, which is valid when the impairment test is performed. These budgets are based on the past experience, as well as on the anticipated future market trends and on the macroeconomic development of the respective region.

a. The value in use derived from the projection of cash flows based on financial budget for a period of 5 years and on the expected future development of cash flows generated from the respective assets was applied when determining the recoverable amount of the following cash-generating units:

   The discount rate of 9.0% was used for cash-generating unit CAPEXUS. Cash flows after the fifth year were derived from the assumption of a five-year convergence to a long-term sustainable level with a constant long-term growth rate of 2.0%.

   The discount rate of 9.0% was used for cash-generating unit AZ KLIMA. Cash flows after the fifth year were derived from the assumption of a five-year convergence to a long-term sustainable level with a constant long-term growth rate of 2.0%.

The discount rate of 9.0% was used for cash-generating unit EL-ENG. Cash flows after the fifth year were derived from the assumption of a five-year convergence to a long-term sustainable level with a constant long-term growth rate of 2.0%.

The discount rate of 9.0% was used for cash-generating unit Domat Control System. Cash flows after the fifth year were derived from the assumption of a five-year convergence to a long-term sustainable level with a constant long-term growth rate of 2.0%.

The discount rate of 9.0% was used for cash-generating unit KART. Cash flows after the fifth year were derived from the assumption of a five-year convergence to a long-term sustainable level with a constant long-term growth rate of 2.0%.

b. The calculations of value in use for all cash-generating units are most sensitive to the following assumptions:

Gross margins – Gross margins are based on experience from historical trends in the preceding periods, current outlook of market and non-market parameters, eventually with regard to operational efficiency improvements. Gross margins are affected especially by wholesale electricity prices, prices of emission rights and prices of green and similar certificates.

Raw materials price inflation – Estimates are obtained from published indices for the countries from which materials are sourced, as well as data relating to specific commodities. Forecast figures are used if data is available, otherwise past actual raw material price movements have been used as an indicator of future price movements.

Discount rate – Discount rates reflect management's estimate of the risk specific to each unit. The basis used to determine the value assigned is weighted average cost of capital (WACC) of the related subsidiaries.

Estimated growth rate – The basis used to determine the value assigned to estimated growth rate is the anticipated future development of the market, gross domestic product, nominal wages and interest rates and the forecast of regulation.

The development of regulatory environment – Tax legislation, the emission trading system (EU ETS) and climate targets and related EU policy.

7. Financial Assets and Liabilities

Financial assets

Financial assets comprise primarily cash, equity instruments of another entity, or a contractual right to receive cash or another financial asset and derivatives with positive fair value.

Financial assets are classified as current if the Group intends to realize them within 12 months of the end of the reporting period or if there is not reasonable assurance that the Group will hold the financial assets for more than 12 months after the end of the reporting period.

Financial assets and financial liabilities are offset, and the resulting net amount is presented in the balance sheet if there is a legally enforceable right to set off the recognized amounts and the Group intends to settle on a net basis or to realize the financial assets and settle the financial liabilities simultaneously.

Measurement of Financial Assets

Financial assets are classified into two main categories in terms of measurement at amortized cost and at fair value depending on whether the financial assets are held for sale or whether they are held under a business model whose objective is to hold the assets to collect contractual cash flows.

The Group classifies assets into the following categories:

a) Financial asset measurement at amortized cost

This category comprises financial assets for which the Group's strategy is to hold them to collect contractual cash flows, consisting of both principal and interest. Examples of such financial assets include loans, securities held to maturity, trade receivables.

Expected credit losses, exchange differences, and interest revenue are recognized in profit or loss.

b) Financial asset measurement at fair value through other comprehensive income

This category comprises financial assets where the Group's strategy is both to collect contractual cash flows and to sell the financial assets. This model differentiates between two types of accounting treatment:

– Without future reclassification to profit or loss – used for equity financial assets

Impairments are neither calculated nor recognized. Changes in fair value are recognized in other comprehensive income. When a financial asset is sold, no gain or loss is recognized in profit or loss, so it never affects profit or loss. If an equity financial asset is sold, the accumulated revaluation amount is transferred to retained earnings. Exchange differences are recognized in other comprehensive income as part of the revaluation amount. Dividends on such financial assets are recognized in profit or loss provided that the payment of such dividends does not reduce the value of the investment.

– With future reclassification to profit or loss – used for debt financial assets
Additions to impairment are recognized in profit or loss. Changes in fair value are recognized in other comprehensive income. On the disposal of a financial asset, the gain or loss is recognized in profit or loss (the gain/loss is transferred from other comprehensive income to profit or loss). Exchange differences in relation to revaluation surplus are recognized in other comprehensive income. Exchange differences in relation to impairment are recognized in profit or loss. Interest revenue is recognized in profit or loss.

c) Financial asset measurement at fair value through profit or loss
A category of financial assets for which the Group's strategy is to actively trade the asset. The collection of contractual cash flows is not the main objective of the strategy. Examples of such financial assets are securities held for trading and non-hedging derivatives. Impairments are neither calculated nor recognized. Changes in fair value and exchange differences are recognized in profit or loss.

Changes in the fair value of financial investments at fair value through profit or loss are recognized in Other financial expenses or Other financial income.

Impairment of Financial Assets
The impairment of financial assets is based on a model of expected credit losses (ECL).

An impairment analysis of receivables is performed by the Group at each reporting date on an individual basis for significant specific receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively where the individual approach is not applicable.

The Group accounts for either 12-month expected credit losses or lifetime expected credit losses depending on whether there has been a significant increase in credit risk since initial recognition (or since the commitment was made or the guarantee was provided). The Group has used a simplified approach for trade receivables, contract assets and lease receivables, under which lifetime expected credit losses are always accounted for.

The portfolio of financial assets is broken down into 3 categories for the purposes of ECL calculation. At the date of initial recognition, financial assets are included in Category 1 with the lowest impairment, which is determined as a percentage of historically unpaid receivables. They are subsequently reclassified as Category 2 and 3 as the debtor's credit risk increases. If a financial asset is bearing interest, interest revenue in Category 3 is calculated from the net amount of the asset.

Restricted Financial Assets
Cash and other financial assets that are recognized as restricted funds are classified as non current assets due to the time at which they are expected to be released for the Group's purposes.

Cash and Cash Equivalents
Cash and cash equivalents include immediately available liquid funds and very short-term investments that are readily convertible to known amounts of cash, with maturities of no more than 6 months from the date of acquisition and are subject to an insignificant risk of changes in value. These items are held to cover short-term liabilities rather than for short-term investment or other purposes.

Financial Liabilities
Financial liabilities are primarily contractual obligations to deliver cash or another financial asset and derivatives with negative fair value.

Financial liabilities are classified as current if they are due within 12 months from the end of the reporting period. Liabilities held for trading are presented as current.

Measurement of Financial Liabilities

Financial liabilities are classified into two main categories in terms of measurement:

a) Financial liabilities measured at amortized cost

Financial liabilities are classified into this category with the exceptions of:
– financial liabilities which the Company has to or irrevocably decided to remeasure liabilities through profit or loss,
– financial guarantee contracts,
– loan commitments with an interest rate lower than market interest rates.

As example of such liabilities are mainly bonds payable, bank loans, trade payables and commitments from capital expenditures.

Financial liabilities are initially measured at fair value, less transaction costs directly associated with them (if any). Subsequently, the financial liabilities are measured at amortized cost, which is determined using the effective interest rate method. The foreign currency differences and interests are recognized in profit or loss.

b) Financial liabilities measured at fair value through profit or loss

The Company has an obligation or can irrevocably decide to classify a financial liability as measured at fair value through profit or loss. Examples of such financial liabilities are mainly financial and commodity derivatives that are not used to hedge cash flows.

Financial liabilities are initially measured at fair value, transaction costs are recognized directly in profit or loss. Subsequent changes in fair value that are not attributable to changes in credit risk are recognized in profit or loss. Exchange differences and interests are included in fair value changes and are recognized in profit or loss.

The change in fair value attributable to changes in credit risk is recognized in other comprehensive income. However, if the treatment of changes in fair value that are attributable to credit risk created or enlarged an accounting mismatch in profit or loss, the entity would present all gains or losses on such a liability in profit or loss.

Long-term Debt

Debt is initially measured at the amount of proceeds from the issue of the debt, less transaction costs. It is then carried at amortized cost, which is determined using the effective interest rate. The difference between the nominal amount and the initial measurement of debt is recognized in profit or loss as interest expense over the period of debt.

Transaction costs comprise commission paid to advisers, agents, and brokers and levies by regulatory agencies and securities exchanges

Derivatives

Derivatives are a special category of financial assets and liabilities. Derivatives within the scope of IFRS 9 are measured at fair value. The way in which gains or losses from the revaluation of derivatives to fair value are recognized depends on whether the derivative is classified as a hedging instrument and on the nature of the item being hedged. For non-hedging derivatives within the scope of IFRS 9, the change in the fair value of the derivatives is recognized directly in profit or loss. The accounting for derivatives classified as hedging instruments is described in Note 9.3.

Some derivatives are not within the scope of IFRS 9. It relates to most commodity purchases and sales carried out by the Group where there is an assumption of physical delivery of the commodity in amounts intended for use or sale in the course of the Group's ordinary activities. Such contracts are called "own-use" and are specifically registered to allow distinction from contracts within the scope of IFRS 9.

Forward purchases and sales with physical delivery of energy are not within the scope of IFRS 9 as long as the contract is made in the course of the Group's ordinary activities. This is true if all of the following conditions are met:

- Physical delivery of the commodity takes place under the contract,
- The amount of the commodity purchased or sold under the contract corresponds to the Group's operating requirements,
- There is no practice of settlements of these contracts net in cash or another financial instrument or by exchanging financial instruments,
- The contract does not represent a sold option as defined by IFRS 9. In the specific case of electricity sales contracts, the contracts are substantially equivalent to firm forward sales or can be considered sales of generation capacity.

These conditions must be met at the contract's inception and throughout its duration, which is regularly evaluated by the Group.

The Group considers transactions entered into with the aim of balancing electricity amounts purchased and sold to be part of an integrated energy group's ordinary activities; therefore, such contracts are not within the scope of IFRS 9.

Commodity contracts that are within the scope of IFRS 9 and that do not hedge cash flows are revalued to fair value, with changes in fair value recognized in profit or loss. The Group presents revenue and expenses related to trading in electricity and other commodities in the statement of income item Gains and losses from commodity derivative trading.

Gains and losses from financial derivatives not classified as hedge instruments are recognized by the Group in the statement of income in the line item Other financial costs and Other financial income.

Derivatives are recognized as part of the line item long-term and current other financial assets and liabilities in the balance sheet.

7.1. Cash and Cash Equivalents

The overview of cash and cash equivalents at December 31, 2025 and 2024, is as follows (in CZK thousands):

	2025	2024
Cash on hand and current accounts with banks	501,342	274,324
Allowance to cash and cash equivalents	(6)	(5)
Total	501,336	274,319

Cash and cash equivalents as at December 31, 2025 and 2024, included foreign currency balances in the amount of CZK 187 thousand and CZK 130 thousand, respectively.

7.2. Trade and Other Receivables

The overview of trade and other receivables at December 31, 2025 and 2024, is as follows (in CZK thousands):

	2025	2024
Trade receivables	9,139,428	10,415,976
Other receivables	40,974	41,919
Allowances	(229,609)	(387,937)
Total	8,950,793	10,069,958

The information about receivables from related parties is included in Note 29.

Carrying amount of receivables pledged as security for liabilities at December 31, 2025 and 2024, are CZK 228,620 thousand and CZK 94,138 thousand, respectively.

At December 31, 2025 and 2024, the ageing structure of trade and other receivables is as follows (in CZK thousands):

	2025	2024
Not past due	8,494,175	9,465,094
Past due:		
Less than 3 months	370,624	498,182
3–6 months	63,451	79,246
6–12 months	10,508	18,876
More than 12 months	12,035	8,560
Total	8,950,793	10,069,958

Receivables include impairment allowance created by the Group in the same way for all similar receivables that are not individually significant.

Movements in allowance (in CZK thousands):

	2025	2024
Balance as at January 1	(387,938)	(346,516)
Additions	(124,335)	(140,306)
Reversals	102,490	99,614
Derecognition of impaired assets	178,378	–
Currency translation differences	1,796	(730)
Balance as at December 31	(229,609)	(387,938)

7.3. Derivatives and Other Financial Assets

The overview of derivatives and other financial assets as at December 31, 2025 and 2024, is as follows (in CZK thousands):

	2025			2024		
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total
Other financial receivables[1)]	481,698	100,749	582,447	275,389	3,167,738	3,443,127
Receivables from group cash pooling[2)]	–	7,733,803	7,733,803	–	1,487,025	1,487,025
Restricted financial assets	1,532	–	1,532	209	–	209
Investment in finance lease	123,589	12,124	135,713	89,871	11,096	100,967
Total financial assets at amortized cost	606,819	7,846,676	8,453,495	365,469	4,665,859	5,031,328
Equity financial assets	5,774	–	5,774	–	–	–
Commodity and other derivates	–	157,505	157,505	–	321,970	321,970
Total financial assets at fair value through profit or loss	5,774	157,505	163,279	–	321,970	321,970
Equity financial assets	37,007	–	37,007	36,781	–	36,781
Cash flow hedge derivatives	95,008	293,747	388,755	57,811	170,345	228,156
Total financial assets at fair value through other comprehensive income	132,015	293,747	425,762	94,592	170,345	264,937
Total	744,608	8,297,928	9,042,536	460,061	5,158,174	5,618,235

[1)] The item Other financial receivables includes a receivable of CZK 3,167,350 thousand as of December 31, 2024 for a subscribed contribution to equity other than the stated capital. The subject of the contribution to equity is a 100% interest in the company ČEZ Teplárenská, a.s. The contribution was realized on January 2, 2025 (see also Note 3.3)

[2)] The increase in receivables from group cash pooling is attributable to standard operating reasons, primarily related to ČEZ ESCO, a.s.

The following table provides an overview of the value of receivables from commodity derivatives by the commodities and other derivatives at December 31, 2025 and 2024 (in CZK thousands):

	2025	2024
Emission rights, guarantees of origin	147,341	296,863
Financial derivates	10,164	25,107
Total commodity and other derivates	157,505	321,970

The decrease of receivables from commodity and other derivatives in 2025 is caused mainly due to physical delivery of the commodity or by financial settlement. Year-to-year decrease is also influenced by volatility of the market prices of electricity, gas, emission rights and other commodities. Related decrease of liabilities from commodity and other derivatives is disclosed in Note 7.6.

Movements in impairment provisions of other financial receivables (in CZK thousands):

	2025	2024
Balance as at January 1	(145)	(6,126)
Additions	(278)	(42)
Reversals	239	1
Decreases on derecognition of asset	–	6,060
Currency translation differences	(1)	(38)
Balance as at December 31	(185)	(145)

Contractual maturities of debt financial assets as at December 31, 2025 (in CZK thousands):

	Receivables from group cash pooling	Investment in finance lease	Other financial receivables	Restricted financial assets
Due in 2026	7,733,803	12,124	100,750	–
Due in 2027	–	12,092	49,307	–
Due in 2028	–	13,112	24,888	–
Due in 2029	–	14,221	34,324	1,532
Thereafter	–	84,164	373,178	–
Total	7,733,803	135,713	582,447	1,532

Contractual maturities of debt financial assets as at December 31, 2024 (in CZK thousands):

	Receivables from group cash pooling	Investment in finance lease	Other financial receivables	Restricted financial assets
Due in 2025	1,487,025	11,096	3,167,738	–
Due in 2026	–	9,953	43,757	209
Due in 2027	–	9,765	10,473	–
Due in 2028	–	10,618	40,240	–
Thereafter	–	59,535	180,919	–
Total	1,487,025	100,967	3,443,127	209

Debt financial assets at December 31, 2025, have following effective interest rate structure (in CZK thousands):

	Receivables from group cash pooling	Investment in finance lease	Other financial receivables	Restricted financial assets
Less than 2.00% p. a.	1,037,632	–	253,762	1,532
2.00% to 2.99% p. a.	319,904	–	–	–
3.00% to 3.99% p. a.	6,376,267	971	–	–
4.00% to 4.99% p. a.	–	–	328,685	–
5.00% to 5.99% p. a.	–	–	–	–
6.00% to 6.99% p. a.	–	58,284	–	–
7% p. a. and more	–	76,458	–	–
Total	7,733,803	135,713	582,447	1,532

Debt financial assets at December 31, 2024, have following effective interest rate structure (in CZK thousands):

	Receivables from group cash pooling	Investment in finance lease	Other financial receivables	Restricted financial assets
Less than 2.00% p. a.	451,363	–	3,330,007	209
2.00% to 2.99% p. a.	473,923	–	1	–
3.00% to 3.99% p. a.	557,962	3,804	109,630	–
4.00% to 4.99% p. a.	–	–	3,489	–
5.00% to 5.99% p. a.	3,777	–	–	–
6.00% to 6.99% p. a.	–	24,030	–	–
7% p. a. and more	–	73,133	–	–
Total	1,487,025	100,967	3,443,127	209

The following table analyses the debt financial assets at December 31, 2025, by currency (in CZK thousands):

	Receivables from group cash pooling	Investment in finance lease	Other financial receivables	Restricted financial assets
CZK	6,693,425	135,713	580,475	1,532
EUR	1,037,632	–	1,972	–
PLN	2,746	–	–	–
Total	7,733,803	135,713	582,447	1,532

The following table analyses the debt financial assets at December 31, 2024, by currency (in CZK thousands):

	Receivables from group cash pooling	Investment in finance lease	Other financial receivables	Restricted financial assets
CZK	1,031,885	100,967	3,440,817	209
EUR	451,363	–	2,310	–
PLN	3,777	–	–	–
Total	1,487,025	100,967	3,443,127	209

7.4. Long-term Debt

The overview of long-term debt at December 31, 2025 and 2024, is as follows (in CZK thousands):

	2025	2024
Bank loans	862,101	1,200,000
Lease liabilities	1,085,443	795,505
Other loans	1,091,071	62,148
Total long-term debts	3,038,615	2,057,653
Less: Current portion of bank loans and lease liabilities	(549,858)	(525,116)
Long-term debt, net of current portion	2,488,757	1,532,537

The overview of long-term debt by interest rate at December 31, 2025 and 2024, is as follows (in CZK thousands):

	2025	2024
Long-term bank and other loans and lease liabilities:		
Less than 2.00% p. a.	114,612	131,590
2.00% to 2.99% p. a.	21,071	1,015,414
3.00% to 3.99% p. a.	85,026	79,640
4.00% to 4.99% p. a.	931,772	358,485
5.00% to 5.99% p. a.	1,172,249	126,339
6.00% to 6.99% p. a.	544,523	292,111
7.00% p. a. and more	169,362	54,074
Total long-term bank and other loans and lease liabilities	3,038,615	2,057,653

The interest rates indicated above are historical rates for fixed rate debt and current market rates for floating rate debt. The actual interest payments are affected by interest rate risk hedging carried out by the Group.

All long-term debt is recognized in original currencies while the related hedging derivatives are recognized using the method described in Note 7.

The overview of long-term debt maturities is as follows (in CZK thousands):

	2025	2024
Within 1 year	549,967	525,116
Between 1 year and 2 years	1,532,433	580,863
Between 2 and 3 years	257,366	514,933
Between 3 and 4 years	115,704	95,135
Between 4 and 5 years	89,993	73,258
Thereafter	493,152	268,348
Total long-term debt	**3,038,615**	**2,057,653**

The summary of long-term debt by currency (in thousands):

	2025		2024	
	Foreign currency	CZK	Foreign currency	CZK
EUR	5,040	122,206	5,383	133,935
PLN	8,651	1,506	–	–
CZK		2,914,903		1,923,718
Total long-term debt		**3,038,615**		**2,057,653**

Long-term debt with floating interest rates exposes the Group to interest rate risk. The following table summarizes long-term debt by contractual reprising dates of interest rates at December 31, 2025 and 2024, without considering interest rate hedging (in CZK thousands):

	2025	2024
Floating rate long-term debt		
with interest rate fixed to 1 month	58,071	62,148
with interest rate fixed from 1 to 3 months	800,000	1,200,000
Total floating rate long-term debt	858,071	1,262,148
Fixed rate long-term debt	2,180,544	795,505
Total long-term debt	**3,038,615**	**2,057,653**

Fixed rate long-term debt exposes the Group to the risk of change in fair values of these financial instruments. For related fair value information and risk management policies of all financial instruments see Notes 8 and 9.

The following table analyses the changes in liabilities and receivables arising from financing activities in 2025 and 2024 (in CZK thousands):

	Debt	Derivatives and other financial liabilities	Derivatives and other current financial assets	Total liabilities / assets from financing activities
Liabilities / assets from financing at January 1, 2024	1,977,945	2,315,100	(1,368,824)	2,924,221
Cash flows	(70,324)	(2,190,444)	(76,835)	(2,337,603)
Additions and modifications of leases	143,747	–	–	143,747
Foreign exchange movement	2,924	(334)	(37,083)	(34,493)
Spin-off by merger of Slovak companies (see Note 13)	–	677,674	–	677,674
Other[1)]	3,361	(19,666)	(4,108)	(20,413)
Liabilities / assets arising from financing activities at December 31, 2024	2,057,653	782,330	(1,486,850)	1,353,133
Liabilities / assets arising from other than financing activities	–	489,726	(3,671,324)	
Total amount on balance sheet at December 31, 2024	**2,057,653**	**1,272,056**	**(5,158,174)**	
Less: Liabilities / assets from other than financing activities	–	(489,726)	3,671,324	
Liabilities / assets from financing at January 1, 2025	2,057,653	782,330	(1,486,850)	1,353,133
Cash flows	213,290	184,303	(5,509,611)	(5,112,018)
Additions and modifications of leases	147,869	–	–	147,869
Foreign exchange movement	(4,997)	1,079	27,091	23,173
Contribution from owners (Note 3.3)	624,686	8,164	(753,932)	(121,082)
Declared dividends	–	1,000	–	1,000
Other[1)]	114	49,240	(10,484)	38,870
Liabilities / assets arising from financing activities at December 31, 2025	3,038,615	1,026,116	(7,733,786)	(3,669,055)
Liabilities / assets arising from other than financing activities	–	315,894	(564,142)	
Total amount on balance sheet at December 31, 2025	**3,038,615**	**1,342,010**	**(8,297,928)**	

[1)] The item Other includes accrued interest, transfer of interest paid on leasing to operating activities and non-cash additions and decreases of liabilities.

The column Debt consists of balance sheet items Long-term debt, net of current portion, Current portion of long-term debt and Short-term loans. In terms of financing activities, item Derivatives and other financial liabilities consists of dividend payables and other financial liabilities (short-term and long-term including short-term portion), item Derivatives and other current financial assets consists of receivables from cash pooling.

7.5. Trade Payables

An overview of trade payables as at December 31, 2025 and 2024, is as follows (in CZK thousands):

	2025	2024
ČEZ Prodej, a.s.	5,427,740	4,272,316
ČEZ Distribuce, a. s.	666,396	703,576
Other	4,384,398	2,495,983
Total	10,478,534	7,471,875

7.6. Derivatives and Other Financial Liabilities

Other financial liabilities at December 31, 2025 and 2024 (in CZK thousands):

	2025		
	Long-term liabilities	Short-term liabilities	Total
Payables from group cash pooling	–	944,692	944,692
Other	43,427	39,235	82,662
Financial liabilities at amortized cost	43,427	983,927	1,027,354
Cash flow hedge derivatives	–	66,050	66,050
Commodity and other derivatives	–	92,242	92,242
Contingent consideration from the acquisition of subsidiaries	110,326	46,038	156,364
Financial liabilities at fair value	110,326	204,330	314,656
Total	153,753	1,188,257	1,342,010

	2024		
	Long-term liabilities	Short-term liabilities	Total
Payables from group cash pooling	–	723,463	723,463
Payables from non-current assets purchase	5,019	–	5,019
Other	31,333	54,029	85,362
Financial liabilities at amortized cost	36,352	777,492	813,844
Cash flow hedge derivatives	50,338	71,866	122,204
Commodity and other derivatives	–	243,580	243,580
Contingent consideration from the acquisition of subsidiaries	92,428	–	92,428
Financial liabilities at fair value	142,766	315,446	458,212
Total	179,118	1,092,938	1,272,056

The following table analyses the value of liabilities from commodity derivatives by the commodities as at December 31, 2025 and 2024 (in CZK thousands):

	2025	2024
Emission rights, guarantees of origin	92,053	242,874
Electricity	189	706
Total commodity and other derivatives	92,242	243,580

The decrease of liabilities from commodity and other derivatives in 2025 was caused mainly by physical delivery of the commodity or by financial settlement. Year-on-year decrease is also influenced by volatility of the market prices of electricity, gas, emission rights and other commodities. Related decrease of receivables from commodity and other derivatives is disclosed in Note 7.3.

8. Fair Value of Financial Instruments

Fair value is defined as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction, which excludes a forced or liquidation sale. Fair value is determined as a quoted market price or a value obtained on the basis of discounted cash flow models or option pricing models.

The Group uses and discloses financial instruments with the following structure according to the manner in which the fair value is determined:

Level 1: Measured at fair value using the market prices of identical assets and liabilities quoted in active markets.

Level 2: Measured at fair value using methods under which significant inputs are directly or indirectly derived from data observable in active markets.

Level 3: Measured at fair value using methods under which significant inputs are not derived from data observable in active markets.

For assets and liabilities that occur regularly or repeatedly in financial statements, the Group reviews categorization in levels of the fair value hierarchy (according to the lowest input level that is significant to the measurement of fair value as a whole) at the end of each reporting period to determine whether there have been any transfers between levels of the fair value hierarchy.

The overview of carrying amount, fair value and the fair value hierarchy of financial assets and liabilities at December 31, 2025, is as follows (in CZK thousands):

	Carrying amount	Fair value	Level 1	Level 2	Level 3
Assets measured at fair value:					
Commodity derivatives	147,341	147,341	–	147,341	–
Cash flow hedge derivatives	388,755	388,755	–	388,755	–
Other derivatives	10,164	10,164	–	10,164	–
Restricted debt financial assets	1,532	1,532	1,532	–	–
Equity financial assets at fair value through profit or loss	5,774	5,774	–	–	5,774
Equity financial assets at fair value through other comprehensive income[1]	37,007	37,007	–	–	37,007
Liabilities measured at fair value:					
Commodity derivatives	(92,242)	(92,242)	–	(92,242)	–
Cash flow hedge derivatives	(66,050)	(66,050)	–	(66,050)	–
Contingent consideration from the acquisition of subsidiaries	(156,364)	(156,364)	(156,364)	–	–
Assets and liabilities for which fair value is disclosed:					
Other financial receivables	8,322,250	8,224,088	–	8,224,088	–
Investment in finance lease	135,713	135,713	–	135,713	–
Long-term debt[2]	(1,953,173)	(2,034,572)	–	(2,034,572)	–
Other financial liabilities	(1,027,354)	(1,027,354)	–	(1,027,354)	–

[1] The value as at December 31, 2025, mainly comprises the Group's investments in IVITAS, a.s., in the amount of CZK 32,085 thousand.
[2] The value of long-term debt is disclosed without lease liabilities, whose fair value is not disclosed (carrying amount as at December 31, 2025, is CZK (1,085,443) thousand).

The overview of carrying amount, fair value and the fair value hierarchy of financial assets and liabilities at December 31, 2024, is as follows (in CZK thousands):

	Carrying amount	Fair value	Level 1	Level 2	Level 3
Assets measured at fair value:					
Commodity derivatives	296,863	296,863	–	296,863	–
Cash flow hedge derivatives	228,156	228,156	–	228,156	–
Other derivatives	25,107	25,107	–	25,107	–
Restricted debt financial assets	209	209	209	–	–
Equity financial assets at fair value through other comprehensive income[1]	36,781	36,781	–	–	36,781
Liabilities measured at fair value:					
Commodity derivatives	(243,580)	(243,580)	–	(243,580)	–
Cash flow hedge derivatives	(122,204)	(122,204)	–	(122,204)	–
Contingent consideration from the acquisition of subsidiaries	(92,428)	(92,428)	(92,428)	–	–
Assets and liabilities for which fair value is disclosed:					
Other financial receivables	4,930,152	4,930,152	–	4,930,152	–
Investment in finance lease	100,967	100,967	–	100,967	–
Long-term debt[2]	(1,262,148)	(1,262,148)	–	(1,262,148)	–
Other financial liabilities	(813,844)	(813,844)	–	(813,844)	–

[1] The value as at December 31, 2024, mainly comprises the Group's investments in IVITAS, a.s., in the amount of CZK 32,085 thousand.
[2] The value of long-term debt is disclosed without lease liabilities, whose fair value is not disclosed (carrying amount as at December 31, 2024, is CZK (795,505) thousand).

The Group negotiates derivative financial instruments especially with ČEZ, a. s. Derivatives that are measured by means of techniques using market inputs include, in particular, commodity forward contracts, foreign exchange forward contracts and interest rate swaps. The most frequently applied valuation methods use commodity price curves, swap models and present value calculations. The models use various inputs including the forward curves of underlying commodities, foreign exchange spot and forward rates, and interest rate curves.

In 2025 and 2024, there were no transfers between the individual levels of financial instruments measured at fair value.

The following table shows roll-forward of the financial assets and liabilities measured at fair value – Level 3, for the years ended December 31, 2025 and 2024 (in CZK thousands):

	Equity financial assets at fair value through other comprehensive income	Equity financial assets at fair value through profit or loss	Commodity derivatives
Balance at January 1, 2024	36,189	–	(37,034)
Additions	592	–	–
Disposals	–	–	37,034
Balance at December 31, 2024	36,781	–	–
Additions	226	–	–
Contribution from owners	–	6,408	–
Revaluation	–	(634)	–
Balance at December 31, 2025	37,007	5,774	–

The commodity derivatives measured at fair value – Level 3 as at January 1, 2024 include gas contracts with supply in regions where the market is not sufficiently active over the entire duration of the contract. The fair value of gas purchase and sale contracts in insufficiently active markets is derived from the nearest active market and a location spread is determined using a pricing model that makes maximum use of available market data.

8.1. Offsetting of Financial Instruments

The following table shows the recognized financial instruments that are offset, or subject to enforceable master netting agreement or other similar agreements but not offset, as at December 31, 2025 and 2024 (in CZK thousands):

	2025		2024	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
Derivatives	546,260	(158,292)	550,126	(365,784)
Other financial instruments[1)]	6,585,749	(347,399)	930,160	(532,564)
Gross financial assets / liabilities	7,132,009	(505,691)	1,480,286	(898,348)
Assets / liabilities set off under IAS 32	–	–	–	–
Amounts presented in the balance sheet	7,132,009	(505,691)	1,480,286	(898,348)
Effect of master netting agreements	(347,399)	347,399	(532,100)	532,100
Net amount after master netting agreements	6,784,610	(158,292)	948,186	(366,248)

[1)] Other financial instruments consist of invoices due from derivative trading and are included in Trade and other receivables or Trade payables.

ČEZ ESCO Group trades in derivatives under EFET master agreements. This agreement allows mutual setoff of receivables and payables on early termination of contracts. The reason for early termination is the counterparty's insolvency or failure to fulfill agreed contract terms. All agreed contracts are settled financially on early termination. Their mutual setoff is either embedded in a contractual provision of the master agreements or results from the collateral provided.

The information about offset of unbilled electricity supplied to retail customers with advances received is included in Note12 and 16. The information about offset of construction contracts and related billings and advances received is included in Note 12.

Short-term derivative assets are included in the balance sheet in Derivatives and other current financial assets; long-term derivative assets are included in Non-current financial assets; short-term derivative liabilities are included in Derivatives and other short-term financial liabilities; and long-term derivative liabilities are included in Other long-term financial liabilities.

9. Financial Risk Management

Risk Management Approach

A risk management system has continually been developed to protect the Group's value while taking risks that are acceptable for the shareholders. ČEZ ESCO Group's risk management system is subject to and integrated into the CEZ Group's risk management system. In the Group, risk is defined as a potential difference between the actual development and the expected (planned) development and is measured by the extent of such difference in CZK and the level of probability that the deviation will occur. CEZ Group's risk management system is stipulated by the Group's management documentation and a risk frame definition that is assigned a specific owner/department responsible for its management. All these Group instruments are binding on CEZ ESCO.

A risk capital concept is applied within the Group which allows the setting of basic cap for partial risk limits and, in particular, a unified quantification of different types of risks. The value of the aggregate annual risk limit (Profit@Risk) is approved by the Board of Directors based on the Risk Management Committee proposal for each financial year. The proposed limit value is derived from historical volatility of the Group's profit, revenues and costs („top-down" method). The approved value in CZK expresses the maximum profit decrease, set at a 95% confidence level, that the Group is willing to take in order to achieve the projected annual profit for.

The "bottom-up" method is used for setting and updating the risk frames. The risk frames include the definition of risk and departments/companies of the Group for which the frame is obligatory; definition of rules and responsibilities for risk management; permitted instruments and methods of risk management and actual risk limits, including a limit which expresses the share in the Group's aggregate annual limit.

CEZ Group has a risk management system in place to manage group-level significant risks using a centrally managed software tool, which is guaranteed by the risk management department of ČEZ, a. s. ČEZ ESCO assesses its significant risks on a regular quarterly basis using the methodology established for group-level significant risks and validates their market analysis. The inputs to individual group risks are consolidated and professionally validated by ČEZ risk management.

Risk Management Organization

The supreme authority responsible for risk management is the CFO of ČEZ, a. s.; except for approval of the aggregate annual budget risk limit (Profit@Risk) that is within the competence of the Board of Directors of ČEZ, a. s., the CFO decides, based on the recommendation of the Risk Management Committee (CEZ Group risk management advisory committee), on the development of a risk management system and overall allocation of risk capital to the individual risks and organizational units, approves obligatory rules, responsibilities and limit structure for the management of partial risks. ČEZ ESCO Group operates within the risk limits that are relevant for the group within the CEZ Group. The credit exposure of ČEZ ESCO customers is managed on a decentralized basis – partly by the ČEZ ESCO Credit Risk Management department (up to the established limits) and partly by the ČEZ, a. s., Risk Management department.

Overview and Methods of Risk Management

The Group applies a unified categorization of the Group's risks which reflects the specifics of a corporate, i.e., non-banking company, and focuses on primary causes of unexpected development. The risks are divided into four basic categories listed below.

1. Market risks	2. Credit risks	3. Operation risks	4. Business risks
1.1 Financial (FX, IR)	2.1 Counterparty default	3.1 Operating	4.1 Strategic
1.2 Commodity	2.2 Supplier default	3.2 Internal change	4.2 Political
1.3 Volumetric	2.3 Settlement	3.3 Liquidity management	4.3 Regulatory
1.4 Market liquidity		3.4 Security	4.4 Reputation

From the view of risk management, the Group activities can be divided into two basic groups:

- Activities with the unified quantification of the share of respective activity in the aggregate risk limit of the Group (i.e., using specific likelihood, it is possible to objectively determine what risk is associated with an activity / planned profit). These risks are managed by the rules and limits set by the CFO of ČEZ, a. s., based on the recommendation of the Risk Management Committee and, concurrently, in accordance with governing documents of the respective units/processes of the Group.
- Activities whose share in the aggregate risk limit of the Group has not been quantified so far or for objective reasons. These risks are managed by the responsible owners of the relevant processes in accordance with internal governing documents of the respective units / processes of the Group which are newly also subject to policies defined by new uniform Enterprise risk management scheme since 2021.

For all risks quantified on a unified basis, a partial risk limit is set whose continuous utilization is evaluated on a monthly basis and is usually defined as a sum of the actually expected deviation of expected annual profit from the plan and the potential risk of loss on a 95% confidence interval. The Group's methodologies and data provide for a unified quantification of the following risks:

- Market risks: financial (currency, interest and stock price) risks, commodity prices (electricity, emission rights, coal, gas, crude oil), volume (volume of electricity produced by wind power plants)
- Credit risks: financial and business counterparty risk and electricity, gas and heat end customer risk
- Operational risks: operational and investment risks.

9.1. Qualitative Description of Risks Associated with Financial Instruments

Commodity Risks

The development of electricity, emission rights, guarantees of origin and gas prices is a key risk factor of the Group value. The current system of commodity risk management focuses on the margin from electricity and gas sales, i.e. transactions resulting in optimizing the margin from the proprietary trading in commodities.

Market Financial Risks (currency and interest risks)

The development of foreign exchange rates and interest rates is a significant risk factor of ČEZ ESCO Group value and has been identified as one of group-level significant risks. The current system of financial risk management is focused mainly on future cash flows and on financial transactions aimed at overall risk position management in accordance with the risk limits. Risk management is fully ensured by instruments provided by ČEZ, a. s., financing.

Credit Risks

For centrally managed Group activities, credit exposures of individual financial partners and wholesale partners are managed in accordance with individual credit limits. The individual limits are set and continuously updated according to the counterparty's credibility (in accordance with international rating and internal financial evaluation of counterparties with no international rating).

In the area of electricity sales to end customers in the Czech Republic, the current creditworthiness of each business partner is continuously monitored, as derived from the customer's historical payment record (for selected partners, the financial situation is also taken into account). This creditworthiness determines the partners' payment terms (i.e. indirectly the amount of credit exposure allowed) and also serves to quantify expected and potential losses.

Group's maximum exposure to credit risk concerning receivables and other financial instruments as at December 31, 2025 and 2024, is the carrying value of the financial asset in each class of financial assets except for financial guarantees.

Liquidity Risks

ČEZ ESCO Group's liquidity is ensured by the cash pooling instrument provided by ČEZ, a. s., which also manages the related liquidity risk.

9.2. Quantitative Description of Risks Associated with Financial Instruments

Commodity Risks

The Group trades electricity and gas mainly on a back-to-back basis and is therefore not exposed to a significant commodity risk.

Currency Risks

ČEZ ESCO Group sells electricity and gas in EUR to a significant portion of its end customers, in advance for the next few years.

If future revenue in EUR is fixed by selling electricity or gas to end customer, an FX forward contract is always concluded for the sale of the euro denominating the fixed income within a short period of time on a back-to-back basis, at the volume and with the maturity corresponding to the realization of the fixed revenue. Purchases of electricity and gas by ČEZ ESCO Group are always denominated in CZK. For the purposes of currency forwards described above, the hedged EUR income may be aggregated into larger volumes over a limited period of time. All currency forwards referred to above are subject to hedge accounting as described in Note 9.3.

Consequently, the exposure to currency risk in ČEZ ESCO Group is minimal. ČEZ ESCO Group has no other significant currency exposures.

Interest Risks

For the quantification of the potential impact of the interest risk was chosen the sensitivity of the interest revenue and cost to the parallel shift of yield curves. The approximate quantification (as at December 31) was based on the following assumptions:

- parallel shift of the yield curves (+10bp) was selected as the indicator of interest risk;
- the statement of income sensitivity is measured as an annual change of the interest revenue and cost resulting from the interest-sensitive positions as at December 31;
- the considered interest positions reflect all significant interest-sensitive positions of the Group companies;
- the source of market interest rates is mainly IS Reuters and IS Bloomberg.

Potential impact of the interest risk as at December 31 (in CZK thousands):

	2025	2024
IR sensitivity* to parallel yield curve shift (+10bp)	(110)	(206)

* Negative result denotes higher increase in interest costs than in interest revenues.

Credit Exposure

The Group is exposed to credit risk on all financial assets presented in the balance sheet. The Group does not provide guarantees and is therefore not exposed to guarantee-related risk.

Liquidity Risk

Contractual maturities of undiscounted payments of financial liabilities as at December 31, 2025 (in CZK thousands):

	Loans and lease liabilities	Trade payables and other financial liabilities
Due in 2026	580,349	146,648
Due in 2027	1,556,598	119,093
Due in 2028	280,625	80,927
Due in 2029	141,806	643
Due in 2030	116,240	3,349
Thereafter	673,367	–
Total	3,348,985	350,660

Contractual maturities of undiscounted payments of financial liabilities as at December 31, 2024 (in CZK thousands):

	Loans and lease liabilities	Trade payables and other financial liabilities
Due in 2025	573,606	58,202
Due in 2026	611,058	60,754
Due in 2027	538,614	22,095
Due in 2028	113,526	60,701
Due in 2029	92,822	–
Thereafter	778,408	–
Total	2,708,034	201,752

9.3. Hedge Accounting

For hedge accounting purposes, hedging transactions are classified as either fair value hedges when the risk of changes in the fair value of a balance sheet asset or liability is hedged, or as cash flow hedges when the Group is hedged against the risk of changes in cash flows related to a balance sheet asset or liability or to a highly probable forecast transaction.

The Group uses cash flow hedges in accordance with IFRS 9 Financial Instruments for hedging relationships in hedge accounting.

At the inception of the hedge, the Group prepares documentation that identifies the hedged item and the hedging instrument used, describes the economic relationship between the hedged item and the hedging instrument, assesses effectiveness, and documents the risk management objectives and strategy for various hedging transactions as well.

Changes in the fair values of hedging instruments, respectively their components, that are part of the hedge relationship (e.g. exchange rate differences) hedging the expected cash flows that are attributable to the effective portion of the hedge are recognized in other comprehensive income. The gain or loss attributable to the ineffective portion is recognized in the statement of income in the line item Gains and losses from commodity derivative trading, Other financial expenses and Other financial income.

The amounts accumulated in equity are included in profit or loss in the period in which the costs or income associated with the hedged items are recognized.

If the period for which the hedging instrument was negotiated has expired, or the derivative or commodity contract has been sold or no longer meets the criteria for hedge accounting, the cumulative gain or loss recognized in equity is retained in equity until the expected transaction occurs and is subsequently recognized in the statement of income. If a forecast transaction is no longer likely to occur, the cumulative gain or loss, originally recognized in other comprehensive income, is reclassified to profit or loss.

The Group hedges cash flows arising from highly probable future revenue in EUR for the purposes of currency risk hedging. The relevant hedging instruments as at December 31, 2025 and 2024, are currency forward contracts.

The Group also hedges purchases of gas for consumption in cogeneration units in combined heat and power generation to hedge the associated cash flows and resulting gas consumption with respect to the applicable regulatory framework for the period being hedged. The hedging instruments as at December 31, 2025 and 2024, are gas commodity forwards and swaps.

The following tables provide an overview of the fair value of hedging derivatives as at December 31, 2025 and 2024 (in CZK thousands):

	2025			
	Unit of measure	Quantity / nominal value[1)]	Carrying amount[2)] (in CZK thousands)	Effective hedge amount before tax (in CZK thousands)
Commodity risk – gas consumption in 2026	GWh	212	(56,649)	(55,111)
Currency risk – EUR revenue in 2026–2028	EUR ths.	(603,900)	379,354	375,796
Total cash flow hedge			322,705	320,685

	2024			
	Unit of measure	Quantity / nominal value[1)]	Carrying amount[2)] (in CZK thousands)	Effective hedge amount before tax (in CZK thousands)
Commodity risk – gas consumption in 2025	GWh	211	35,299	45,192
Currency risk – EUR revenue in 2025–2028	EUR ths.	(628,582)	70,653	59,220
Total cash flow hedge			105,952	104,412

[1)] Positive values represent purchase; negative values represent sale.
[2)] Positive values represent receivables, negative values represent payables.

In 2025 and 2024, cash flow hedging amounts transferred from equity were reported in the statement of income in Sales of electricity, gas and heat, Fuel and emission rights, Gains and losses from derivative commodity trading, Other financial expenses and Other financial income.

The following tables provide an overview of movements in equity, which is related to cash flow hedge in 2025 and 2024 (in CZK thousand):

	2025	
	Change in fair value of financial instruments recorded in equity, gross	Reclassification of effective part of hedge to profit or loss
Commodity risk – gas consumption	(85,463)	(14,841)
Currency risk – EUR revenue	669,585	(353,008)
Total cash flow hedge	584,122	(367,849)

	2024	
	Change in fair value of financial instruments recorded in equity, gross	Reclassification of effective part of hedge to profit or loss
Commodity risk – gas consumption	46,531	131,670
Currency risk – EUR revenue	(196,177)	(5,688)
Total cash flow hedge	(149,646)	125,982

10. Materials and Supplies

Purchased inventories are measured at actual cost, using the weighted average cost method. Upon use, they are recognized in expenses or capitalized as non-current assets. Work in progress is measured at actual cost. The costs include, primarily, direct material and labor costs. The value of unusable inventories, for which the net realizable value is lower than their carrying amount, is reduced using impairment charged to expenses to the level of net realizable value, which is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The overview of materials and supplies at December 31, 2025 and 2024 (in CZK thousands):

	2025	2024
Material	207,896	209,671
Work in progress	258,041	173,851
Other supplies	51,822	27,727
Allowance for obsolescence	(75,276)	(87,625)
Total	442,483	323,624

11. Emission Rights and Guarantees of Origin

The greenhouse gas emission right (hereinafter the emission right) represents the right of the operator of a facility that emits greenhouse gases in the course of its operation to release the equivalent of a ton of carbon dioxide to the air in a given calendar year. Operators of such facilities are required to determine and report the amount of greenhouse gases produced by their facilities in every calendar year and this amount must be to be audited by an accredited person. Some Group companies as operators of such facilities were allocated a certain amount of emission rights based on the National Allocation Plan.

The Group is required to remit the number of emission rights corresponding to its actual amount of greenhouse gas emissions in the previous calendar year by no later than September 30 of the next calendar year.

Allocated emission rights are measured at nominal, i.e., zero value in financial statements. Purchased emission rights are measured at cost (except for emission rights held for trading) Emission rights acquired in a business combination are initially recognized at their fair value at the date of acquisition and subsequently treated similarly to purchased emission rights. Emission rights purchased for use in the next year are recognized as current assets in the line item Emission rights. Emission rights with a later planned time of use are recognized as part of non-current intangible assets (see Note 5).

At each reporting date, the Group assesses whether there are any indicators that emission rights may have been impaired. Where there are such indicators, the Group checks whether the recoverable amount of cash-generating units that the emission rights were allocated to is less than their depreciated cost. Any impairment of emission rights is recognized in profit or loss and presented in the line item Other operating expenses.

The Group also purchases emission rights for the purpose of trading. The portfolio of emission rights held for trading is measured at fair value at the end of the reporting period, with any changes in fair value recognized in profit or loss and presented in the line item Gains and losses from commodity derivative trading. Emission rights purchased for the purpose of trading are recognized as current assets in the line item Emission rights.

Guarantees of origin are initially recognized at fair value and subsequently treated similarly to purchased emission rights.

The composition of emission rights and guarantees of origin at December 31, 2025 and 2024 (in CZK thousands):

	2025	2024
Emission rights allocated and purchased for use	21,508	13,781
Guarantees of origin for trading	3,850	1,287
Total	25,358	15,068

During 2025 and 2024, total emissions of greenhouse gases made by the Group amounted to an equivalent of 23,490 tons and 8,756 tons of CO_2, respectively. At December 31, 2025 and 2024, the Group recognized a provision for CO_2 emissions in total amount of CZK 23,026 thousand and CZK 14,318 thousand, respectively (see Note 15).

12. Other Current Assets

Contract assets

Contract asset is the Group's right to a consideration in exchange for goods or services that the Group has transferred to a customer when that right is conditioned on something other than the passage of time (for example, the Group's future performance).

For work in progress, costs incurred and recognized gains are presented in the balance sheet net of any issued invoices and advances received as an asset or a liability. Contract assets and liabilities are presented in the line Other current assets and Other short-term liabilities.

Unbilled Electricity, Gas and Heat

The change of unbilled electricity, gas and heat is determined monthly on the basis of an estimate. The estimate of monthly change in unbilled electricity, gas and heat is based on deliveries in a given month after deduction of invoiced amounts and estimated grid losses. The estimate of total unbilled balance is verified by extrapolation of consumption in the last measured period for individual locations. The ending balance of contract assets and liabilities is disclosed net in the balance sheet after deduction of advances received from customers and is included in the line item of Other current assets or Other short-term liabilities.

The overview of other current assets at December 31, 2025 and 2024, is as follows (in CZK thousands):

	2025	2024
Unbilled electricity and gas supplied to the retail customers	2,461,616	2,360,664
Received advances from electricity and gas retail customers	(2,054,033)	(2,171,128)
Unbilled supplies to retail customers, net	407,583	189,536
Gross contract assets based on percentage of completion	576,878	354,316
Received billings and advances	(26,626)	(40,602)
Net contract assets	550,252	313,714
Advances paid	1,240,901	1,447,011
Prepayments	58,306	55,593
Accruals	1,144,523	1,650,609
Grants, taxes and fees, excluding income tax	235,049	47,470
Total	3,636,614	3,703,933

13. Assets Held for Distribution to Owners and Related Liabilities

Assets and disposal groups of assets classified as held for sale or held for distribution to owners are measured at the lower of their carrying amount and fair value less costs to sell. Assets and groups of assets are classified as held for sale or held for distribution to owners if their carrying amounts will be recovered through a sale transaction or distribution to owners rather than through continuing use. This condition is considered met only if the sale or distribution is highly probable and the asset or group of assets is available for immediate sale or distribution in its present condition. Group management must take steps toward the sale of or distribution the asset or group of assets so as to complete the sale or distribution within one year from the date of the classification of the assets or group of assets as held for sale or distribution to owners.

On October 10, 2023, the transformation project was approved of a demerger (division) of ČEZ ESCO, a.s., through a spin-off by acquisition, where the shares of ESCO Slovensko, a. s., were spun-off and merged with ČEZ Invest Slovensko, a.s. (a wholly owned subsidiary of ČEZ, a. s.). This Group reorganization plan also included the intention to transfer a 49% share in the Slovak company Bytkomfort, s.r.o., which is owned directly by ČEZ ESCO, a.s. The assets and related liabilities of all consolidated companies with registered office in Slovakia (see Note 3.4) that are subject to the spin-off are classified as assets and related liabilities held for distribution to owners in the consolidated balance sheet as at December 31, 2023.

The record date and the effective date of the spin-off was January 1, 2024. The interests in the subsidiaries AZ KLIMA SK, s.r.o., BIOPEL, a. s., CAPEXUS SK s. r. o., e Dome a. s., ELIMER, a.s., ESCO Distribučné sústavy a.s., ESCO Servis, s. r. o., ESCO Slovensko, a. s., SPRAVBYTKOMFORT, a.s. Prešov and in the joint-venture KLF-Distribúcia, s.r.o., were disposed of.

The transfer of the 49% share in Bytkomfort, s.r.o. has not yet taken place. The transfer is subject to approval by the general meeting of Bytkomfort. The Company's management is taking active steps to implement the transfer and believes that it is highly probable that the transfer will occur in the following year. The 49% interest in joint-venture Bytkomfort is still classified as an asset held for distribution to owners as of December 31, 2025.

An overview as at December 31, 2025 and 2025, is included in the table below (in CZK thousands):

	2025	2024
Investments in joint-ventures	238,705	258,246
Assets classified as held for distribution to owners	238,705	258,246

The decrease in cash and cash equivalents in the amount of CZK 677,674 thousand, which was related to the loss of control over the spun-off companies, was reported in the cash flow statement on the line Distribution to Company's shareholders.

The assets and net income associated with the named assets classified as held for distribution to owners are reported in the operating segment Non-commodity.

14. Equity

As at December 31, 2025 and 2024, the share capital of the Company registered in the Commercial Register totaled CZK 2,803,000,000 and consisted of 2,803 shares with a nominal value of CZK 1,000,000 per share. All shares are bearer common shares that are fully paid and listed. The rights and obligations attached to the Company's shares are governed by applicable law as set down in Section 210 et seq. of Act No. 89/2012 Coll., Civil Code, as amended, and Section 243 et seq. of Act No. 90/2012 Coll., Business Corporations Act, as amended. The transferability of the Company's shares has been restricted; the shares are only transferable with the consent of the Company's board of directors subject to the opinion of the Company's supervisory board. Pursuant to Section 256(1) of the Business Corporations Act, shareholder rights attached to the shares are to participate, in compliance with the Act and the Company's Articles of Association, in Company management and receive a portion of its profits or its liquidation surplus when wound up with liquidation.

Capital Structure Management

The primary objective of the Group's capital structure management is to maintain a healthy ratio of equity to borrowed capital to support the Group's business and maximize value for shareholders. The Group monitors its capital structure and makes adjustments to it with a view to changes in the business environment.

The Group primarily monitors its capital structure using the net debt-to-EBITDA ratio. Considering the current structure and stability of its cash flows and its development strategy, the Group aims to keep the ratio at 2.5 as maximum.

EBITDA comprises earnings before taxes and other expenses and revenues plus depreciation and amortization and impairment of property, plant and equipment and intangible assets less gain (or plus loss) from sales of property, plant and equipment. Total debt comprises long-term debt including the current portion and short-term borrowings. Net debt represents total debt less cash and cash equivalents and highly liquid financial assets. For the purposes of capital structure management, highly liquid financial assets comprise short-term and long-term debt financial assets and short-term and long-term deposits. Receivables arising from the Group's cash pool arrangement are treated as cash equivalents and payables arising from the cash pool arrangement reduce highly liquid assets. Total capital is equity attributable to parent company shareholders plus total debt. These calculations always (if relevant) include items relating to assets held for sale or held for distribution to owners, which are reported separately in the balance sheet.

The calculation and evaluation of the ratios is done using consolidated figures (in CZK thousands):

	2025	2024
Long-term debt (Note 7.4)	3,038,615	2,057,653
Total debt	3,038,615	2,057,653
Less:		
Cash and cash equivalents	(501,336)	(274,319)
Highly liquid financial assets and cash pooling:		
Group cash pool receivables (Note 7.3)	(7,733,803)	(1,487,025)
Group cash pool payables (Note 7.6)	944,692	723,463
Total net debt	(4,251,832)	1,019,772
Income before income taxes and other income (expenses)	3,689,110	2,068,668
Depreciation and amortization	866,684	597,525
Impairment of property, plant and equipment and intangible assets	(14,239)	(2,273)
Gains and losses on sale of property, plant and equipment (Note 18 and 24)	(93,630)	(5,677)
EBITDA	4,447,925	2,658,243
Net debt to EBITDA ratio	(0.96)	0.38

15. Provisions

The Group creates provisions when it has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated.

Provision for Employee Benefits

The Group in accordance with the standard IAS 19 Employee Benefits creates the provision for employee benefits.

The provision for employee benefits represents a liability for defined benefits and other long-term employee benefits which are measured at the balance sheet date at the present value of the expected future payments necessary to satisfy the obligations arising from services provided by employees in the current and prior periods.

The change in the liability for these employee benefits, which is recognized in profit or loss, results from the cost of the service provided by employees in the current and prior periods, gains and losses on the settlement of the benefits upon payment, and from interest expense reflecting the passage of time. The change in the liability from defined benefit plans, which is recognized in other comprehensive income and will not be reclassified to profit or loss in subsequent periods, results from actuarial gains and losses. The change in the liability from other long-term employee benefits arising from actuarial gains and losses is charged to profit or loss.

Actuarial gains and losses mainly include the impact of changes in the expected employee turnover rate and financial assumptions, which include mainly changes in the nominal discount rate, the average wage and its nominal growth in subsequent periods. The discount rate corresponds to the rate of high-quality corporate bonds.

The following basic assumptions were used to calculate the present value of the provision:

	2025	2024
The most significant assumptions (weighted average):		
Turnover rate	4.0%	9.1%
Expected increase in the nominal average wages	3.4%	4.7%
Nominal corporate discount rate	6.3%	6.0%

The liability is increased by interest costs incurred. These expenses are recognized in the statement of income in the line item Interest expense.

Provision for CO_2 Emissions

The Group makes a provision for covering released emissions corresponding to the difference between the actually released amount of emissions and its inventory of allocated emission rights. The provision is measured primarily at the cost of emission rights that were purchased with the intention of covering greenhouse gas emissions in the reporting period. The provision for released emissions exceeding such rights is measured at the market price effective at the end of the reporting period.

Provision for Restoration of Leased Assets

The Group leases assets for which costs will be incurred at the end of the lease term to restore them to their original state. A provision is recognized to cover these cash outflows, measured at the present value of the expenditures required to settle the present obligation at the current balance sheet date.

The initial discounted costs are capitalized as part of the right-of-use asset and are subsequently depreciated over the lease term.

Each year, the provision is increased by interest costs incurred. These expenses are recognized in the statement of income in the line item Interest expense.

Changes in these provisions that result from a change in the current best estimate of timing and/or amount of cash flows required to settle the obligation or from a change in the discount rate are added to (or deducted from) the amount recognized as the related asset. However, to the extent that such a treatment would result in a negative asset, the effect of the change is recognized directly in profit or loss.

The following table provides an overview of provisions as at December 31, 2025 and 2024 (in CZK thousands):

	2025			2024		
	Non-current	Current	Total	Non-current	Current	Total
Provision for employee benefits	135,392	8,953	144,345	47,503	4,757	52,260
Provision for restoration of leased assets	139,002	7,117	146,119	115,902	8,550	124,452
Provision for commercial litigations	–	76,030	76,030	–	73,402	73,402
Provision for CO_2 emissions (Note 11)	–	23,026	23,026	–	14,318	14,318
Provision for onerous contracts	–	1,771	1,771	–	170,346	170,346
Other provisions	41,191	269,335	310,526	11,003	325,139	336,142
Total	315,585	386,232	701,817	174,408	596,512	770,920

The use of provision for employee benefits is expected in 2026–2028 in amount of CZK 43,116 thousand and in 2031–2067 in amount of CZK 101,229 thousand.

The use of provision for restoring of leased assets to original state is expected in 2026–2041.

16. Other Short-term Liabilities

Contract Liability

Contract liability is the Group's obligation to transfer goods or provide services to a customer for which the Group has received consideration from the customer.

Unbilled Electricity, Gas and Heat

Accounting rules and principles are stated in the Note 12.

Other short-term liabilities at December 31, 2025 and 2024, are as follows (in CZK thousands):

	2025	2024
Advances received from electricity, gas and heat retail customers	1,216,119	2,423,582
Unbilled electricity, gas and heat supplied to retail customers	(1,139,940)	(2,134,914)
Received advances from retail customers, net	76,179	288,668
Taxes and fees, except income tax	1,178,472	1,373,531
Other advances received	489,374	699,662
Deferred income	64,665	36,842
Other contract liabilities	259,174	72,397
Total	2,067,864	2,471,100

17. Leases

Determining whether a contract is, or contains, a lease is based on the economic substance of the transaction and requires an assessment of whether the fulfillment of the contractual obligation is dependent on the use of a specific asset or assets and whether the contract conveys a right to use the asset.

The Group does not apply IFRS 16 standard for the leasing of intangible assets.

17.1. Group as a Lessee

The Group uses a consistent approach to the reporting and measurement of all leases, except for short-term leases and leases of low-value assets. The Group accounts for future lease payments as lease liabilities and recognizes right-of-use assets that represent a right to use the underlying assets (see Note 4). Lease payments for short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

a) Lease Liability

At the commencement date of a lease, the Group recognizes lease liabilities measured at the present value of the lease payments that are to be made over the lease term. Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which the event or condition that triggers those payments occurs.

When calculating the present value of lease payments, the Group uses an incremental interest rate at the commencement date of the lease because the interest rate implicit in the lease cannot be readily determined. After the commencement date, the amount of lease liabilities is increased by accrued interest and decreased by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a lease modification, i.e., a change in the lease term, a change in lease payments (e.g., changes in future payments resulting from a change in an index or a rate used to determine the amount of the lease payment), or a change in the assessment of the option to purchase the underlying asset.

The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group estimates the incremental interest rate using observable inputs, such as market interest rates.

The Group uses judgment to determine the expected lease term for contracts made for an indefinite time.

b) Right-of-use Assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date when the underlying assets are available for use). The cost of right-of-use assets comprises the amount of recognized lease liabilities, initial direct costs, and lease payments made at or before the commencement date less any lease incentives received.

The Group has lease contracts for various items of offices, vehicles, buildings and land used to place its own electricity and heat production facilities. Leases of vehicles generally have lease terms between 1–8 years, while buildings and lands between 4–21 years.

The Group has entered into lease contracts with fixed and variable payments. The variable payments are regularly adjusted according to the inflation index or are based on use of the underlying assets. For some lease contracts, the amount of the lease liability is determined on the basis of expected realistic payments, where there is more than one set of payment options described in the lease but only one set of those payments is considered to be realistic.

The net book values of the right-of-use assets presented under Property, plant and equipment are described in the Note 4.

The amounts of lease liability are presented under Long-term debt (see Note 7.4).

The following table sets out total cash outflows for lease payments (in CZK thousands):

	2025	2024
Payments of principal	153,670	128,236
Payments of interests	60,508	37,639
Lease payments not included in valuation of lease liability	46,818	35,478
Total cash outflow for leases	260,996	201,353

The following are the amounts that are recognized in profit or loss (in CZK thousands):

	2025	2024
Expense relating to short-term leases	8,119	37
Expense relating to low-value assets	34,068	32,064
Variable lease payments not included in valuation of lease liability	4,630	3,377
Depreciation charge for right-of-use assets	176,141	139,610
Interest expenses	62,172	39,322
Modifications	(744)	(185)

In the subsequent year, the Group expects lease payments that are not included in the measurement of the lease liability to be similar to those in 2025.

17.2. Group as a Lessor

The Group leases out its tangible assets including own tangibles and right-of-use assets. The Group has classified the leases as financial or operating leases.

For the leases classified as financial leases the Group recognizes net investment in the lease measured at the present value of lease payments to be made over the lease term, increased by any unguaranteed residual value of the leased asset at the end of the lease, which is not conditioned by future cash flow. In calculating the present value of net investment in the lease, the Group uses the interest rate implicit in the lease. In the case of a sublease, if the interest rate implicit in the sublease is not readily determined, the Group uses the discount rate used for the head lease.

Operating leases are the leases, in which the Group does not transfer substantially all the risk and rewards incidental to ownership of an assets.

Lease income from operating leases is recognized on a straight-line basis over the lease term and included as income in profit or loss due to their operating nature.

Finance Lease

The most significant lease under finance lease is the lease of assets for electricity and heat production directly at the customer.

The following table sets out a maturity analysis of investment in finance lease, showing the undiscounted lease payments to be received after the reporting date (in CZK thousands):

	2025	2024
Up to 1 year	21,583	19,148
Between 1 year and 2 years	21,409	17,229
Between 2 and 3 years	21,409	16,243
Between 3 and 4 years	21,409	16,243
Between 4 and 5 years	21,409	16,243
Thereafter	84,849	56,191
Total undiscounted investment in finance lease	192,068	141,297
Unearned finance income	(56,355)	(40,330)
Net investment in the lease	135,713	100,967

As at December 31, 2025 and 2024, the Group recognised interest income on net investment in leases in the amount of CZK 10,752 thousand and CZK 7,480 thousand, respectively.

Operating Lease

The net book values of the property, plant and equipment leased out under operating lease are disclosed in the Note 4.

Revenues from leased out property in 2025 and 2024 amounted to CZK 35,715 thousand and CZK 12,708 thousand, respectively. In subsequent years, the Group expects rental income to be similar to 2025.

18. Revenues and Other Operating Income

Revenue is recognized, when the Group has satisfied a performance obligation and the amount of revenue can be reliably measured. The Group recognizes revenue at the amount of estimated consideration (less estimated discounts) that it expects to receive for goods transferred or services provided to the customer.

Especially when providing certain services, the obligation to fulfil under the contract may be on on-going basis. The group assesses the criteria of whether the customer has gained control over the product or service with the chosen method of gradual fulfillment. The criteria are as follows:

a) The buyer simultaneously receives and consumes benefits from the assets provided by the supplier.
b) The company delivers or raise the value of an asset that is controlled by the customer during the creation.
c) The company creates an asset that cannot be used for purposes other than delivery to this customer, and the company has an enforceable right for remuneration from performance so far performed.

In case that at least one of the above-mentioned requirements has been met, the Group reports revenues using the input method, which is based on proportion of the costs already incurred in the satisfaction of performance obligations and the total estimated costs of the project. The revenue is subsequently reported in the given period in such an amount that it cumulatively corresponds to the percentage of completion related to the total estimated revenue. If an ongoing project or contract is onerous, the loss is reported immediately in full.

Revenues relating to providing distribution services from ensuring power input are recognized after receiving of the payment. Contributions for connections and related payments for ensuring power input and relocation of end-users are recognized in revenues in the period when such transaction occurs.

Government and similar grants related to income are recognized in the income statement in the period in which the Group recognizes related expenses to be offset by the grant and is presented in the line Other operating income.

The Group recognizes revenue from sales of electricity, heat and gas based on contract terms. Any differences between contracted amounts and actual supplies for electricity and gas are settled through the market operator.

Revenues from the sales of electricity

The Group sells and trades electricity. Revenues from the sale of electricity are generated from sales on organized markets and from sales to traders and end customers. Sales on organized markets – energy exchanges – are standard typified sales. Sales to end customers are often a form of combined supply of power electricity and distribution services. In the case of sales in the territory of another distributor, the Group acts as an agent of the distribution company as far as distribution services are concerned. To fulfil the obligation arising from the contract, i.e., revenue from the sale of electricity is reported at the time of electricity delivery. Revenue from uninvoiced electricity supplies is accounted for as an estimate using conjectural items (see Note 12). Invoicing to customers takes place according to the agreed contractual terms and volumes taken on a monthly, quarterly or annual basis, with a statement of paid advances for the given period.

Revenues from the sales of gas

The Group sells and trades gas. Revenues from gas sales are made up of sales to traders and end customers. Sales to end customers are often a form of combined gas supply and distribution services. To fulfil the obligation arising from the contract, i.e., revenue from the sale of gas is reported through physical delivery. Revenue from uninvoiced gas supplies is charged as an estimate using conjectural items (see Note 12). Invoicing to customers takes place according to the agreed contractual terms and volumes taken on a monthly, quarterly, or annual basis, with the reconciliation of paid advances for the given period.

Revenues from the sale of heat

The Group produces and trades in heat. Customers mainly consist of the sector of housing, as well as customers from industry and the public sector. The sale and distribution of heat is a regulated sector. The contract is fulfilled by physical delivery to the place of the contracted customer. Invoicing is most often monthly or annual and, depending on the conditions set, or possibly through the settlement of advance payments. According to the agreed tariff, invoicing depends on the amount of heat delivered, or may also include a fixed component for the agreed heat output. Customers with large heat consumptions have concluded contracts in the form of "take or pay".

Revenues from distribution services

Revenues from distribution services in the supply of electricity mainly consist of revenues for the price of the distribution system service. Revenues for the price of the distribution system service include payments for reserved capacity or for power input according to the value of the circuit breaker, for the use of networks or the amount consumed. Revenues are accounted during invoicing after the end of the accounting period, most often with annual or monthly periodicity. Advances are paid by customers during the settlement period. Prices for distribution system services are subject to price regulation by the Energy Regulatory Office (ERÚ) and are determined by the ERÚ's price decision.

Revenues from sales of services

The Group provides several types of services in the field of engineering, designing complex energy and construction solutions, including their implementation. Obligations to fulfil from these types of services are fulfilled on an ongoing basis and contractual assets and liabilities are recognized. Most contracts are concluded for a period of up to one year.

The overview of revenues and other operating income for the years ended December 31, 2025 and 2024, is as follows (in CZK thousands):

	2025	2024
Sales of electricity:		
Sales of electricity to end customers	28,232,683	33,449,121
Sales to distribution and transmission companies	105,757	–
Other sales of electricity	4,259,473	3,623,335
Effect of hedging – currency risk hedging (Note 9.3)	353,008	5,688
Total sales of electricity	32,950,921	37,078,144
Sales of gas and heat:		
Sales of gas	8,230,377	8,425,858
Sales of heat	6,437,507	1,445,899
Total sales of gas and heat	14,667,884	9,871,757
Total sales of electricity, gas and heat	47,618,805	46,949,901
Sales of services and other revenues:		
Services (except distribution services)	6,093,129	6,046,362
Distribution services	475,157	540,974
Rental income	35,715	12,708
Revenues from goods sold	298,529	228,544
Revenues from finished products	165,736	228,253
Total sales of services and other revenues	7,068,266	7,056,841
Other operating income:		
Contractual fines and interest fees for delays	22,724	23,236
Gain on sale of property, plant and equipment	103,711	5,677
Gain on sale of material	10,248	5,663
Recovery or receivables previously written off	9,464	10,196
Other	77,462	108,959
Total other operating income	223,609	153,731
Total revenues and other operating income	54,910,680	54,160,473

The Group drew in 2025 and 2024 grants related to income in the amount of CZK 567 thousand and CZK 124 thousand, respectively. Grants related to income are included in Other operating income in item Other.

Revenues from contracts with customers for the years ended December 31, 2025 and 2024, were CZK 54,298,348 thousand and CZK 53,988,346 thousand, respectively, and can be linked to the above figures as follows (in CZK thousands):

	2025	2024
Sales of electricity, gas and heat	47,618,805	46,949,901
Sales of services and other revenues	7,068,266	7,056,841
Total revenues	54,687,071	54,006,742
Adjustments:		
Effect of hedging – currency risk hedging	(353,008)	(5,688)
Rental income	(35,715)	(12,708)
Revenues from contracts with customers	**54,298,348**	**53,988,346**

The Group assumes that in the following periods it will recognize in the profit and loss statement revenues related to unsatisfied obligations from construction contracts in these amounts (in CZK thousands):

	2025	2024
Within 1 year	2,967,325	2,997,039
More than 1 year	773,724	157,457
Total	**3,741,049**	**3,154,496**

19. Gains and Losses from Commodity Derivative Trading

The composition of gains and losses from commodity derivative trading for the years ended December 31, 2025 and 2024, is as follows (in CZK thousands):

	2025	2024
Gain (loss) from electricity derivative trading	1,138	(706)
Gain (loss) from emission rights and guarantees of origin derivative trading	72,214	(61,947)
Total gains and losses from commodity derivative trading	**73,352**	**(62,653)**

20. Purchase of Electricity, Gas, Heat and Other Energies

The composition of purchase of electricity, gas, heat and other energies for the years ended December 31, 2025 and 2024, is as follows (in CZK thousands):

	2025	2024
Purchase of electricity for resale	(29,214,424)	(33,771,059)
Purchase of gas for resale	(7,244,040)	(7,831,230)
Purchase of heat for resale	(3,267,140)	(8,620)
Purchase of other energies	(577,865)	(657,959)
Total purchase of electricity, gas, heat and other energies	**(40,303,469)**	**(42,268,868)**

The increase in the value of the Purchase of heat for resale item is mainly due to the contribution of the ČEZ Teplárenská, a.s. (see Note 3.3).

21. Fuel and Emission Rights

The composition of fuel and emission rights for the years ended December 31, 2025 and 2024, is as follows (in CZK thousands):

	2025	2024
Consumption of gas	(1,933,774)	(2,189,160)
Emission rights for power generation	(24,171)	(14,318)
Consumption of fossil energy fuel and biomass except gas	(124,134)	(8,425)
Total fuel and emission rights	**(2,082,079)**	**(2,211,903)**

22. Services

The composition of services for the years ended December 31, 2025 and 2024, is as follows (in CZK thousands):

	2025	2024
Services for manufacturing orders and products for sale	(2,716,719)	(2,860,980)
Distribution services	(185,497)	(239,186)
Repairs and maintenance	(260,015)	(134,332)
Other services	(866,036)	(600,582)
Total services	(4,028,267)	(3,835,080)

23. Salaries and Wages

The expense and related liability are recognized when the services are provided to the Group and in the fair value of the expected cash-settled transactions. The liability is subsequently revalued at fair value for each reporting period and at the settlement date, with any changes in fair value being reported in the relevant period in the statement of income in the line Salaries and wages.

Salaries and wages for the years ended December 31, 2025 and 2024, were as follows (in CZK thousands):

	2025		2024	
	Total	Key management[1)]	Total	Key management[1)]
Salaries and wages including remuneration of the board members	(1,928,710)	(34,965)	(1,500,910)	(27,984)
Social and health security	(643,939)	(7,439)	(493,242)	(2,499)
Other personal expenses	(128,161)	(1,873)	(61,487)	(1,946)
Total	(2,700,810)	(44,277)	(2,055,639)	(32,429)

[1)] Members of the Supervisory Board and the Board of Directors of the parent company. The remuneration of former members of key management is also included in personal expenses.

24. Other Operating Expenses

Other operating expenses for the years ended December 31, 2025 and 2024, consist of the following (in CZK thousands):

	2025	2024
Change in provisions	196,207	506,491
Cost of goods sold	(154,591)	(150,849)
Insurance	(50,639)	(43,854)
Bad debt expense	(12,710)	(38,944)
Other taxes and fees	(22,104)	(12,812)
Consumption of guarantees of origin and green and similar certificates	(2,450)	(4,703)
Gifts	(4,718)	(4,094)
Costs related to trading of commodities	(6)	(454)
Loss on sale of property, plant and equipment and intangible assets	(10,081)	–
Other	(204,686)	(156,522)
Total	(265,778)	94,259

25. Interest Income

Interest income for each category of financial assets for the years ended December 31, 2025 and 2024, is as follows (in CZK thousands):

	2025	2024
Bank accounts	158,053	149,828
Finance lease	10,752	7,480
Financial assets and liabilities at fair value through profit or loss	23	1,079
Total	168,828	158,387

26. Other Financial Expenses

Other financial expenses for the years ended December 31, 2025 and 2024, consist of the following (in CZK thousands):

	2025	2024
Foreign exchange rate loss	(109,471)	–
Derivative losses	(22,245)	(33,059)
Other	(32,140)	(37,487)
Total	(163,856)	(70,546)

27. Other Financial Income

Other financial income for the years ended December 31, 2025 and 2024, consists of the following (in CZK thousands):

	2025	2024
Foreign exchange rate gain	–	53,231
Derivative gains	–	3,496
Dividend income	180	180
Gain on disposal of subsidiaries and joint ventures (Note 3.1.2)	460,114	–
Other	344	3,132
Total	460,638	60,039

28. Income Taxes

Corporate Income Tax

The amount of income taxes is determined in compliance with the tax regulations of the states of residence of the ESCO Group companies and is based on the profit or loss determined in accordance with local accounting regulations and adjusted for permanently or temporarily nondeductible expenses and untaxed income. Income taxes are calculated on an individual company basis as the Czech tax laws do not permit consolidated tax returns. For companies located in the Czech Republic, the current income tax at December 31, 2025 and 2024, respectively was calculated from income before tax in accordance with Czech accounting regulations, adjusted for some items that are nondeductible or nontaxable for tax purposes, using the standard rate of 21%.

Pursuant to Act No. 366/2022 Coll., the Company's taxable income in the years 2023–2025 is further burdened with an increased tax rate of 60%, windfall tax. It is a component of corporate income tax. The tax base for windfall tax is the difference between the comparative tax base and the average of the comparative tax bases from years 2018–2021 increased by 20%. The applicable tax rate including windfall tax of the Company for 2025 and 2024, respectively corresponds to a rate of 79% and 21%, respectively. The expected tax rate applicable from 2026 is 21%.

The Group, in the jurisdictions in which the Group operates, obligatorily applies the international tax reform – model rules of BEPS Pillar Two for the period from January 1, 2025. The impact from this tax reform on the Group is not significant for the year 2025, especially with regard to the so-called safe harbors. In the same time the Group expects, that potential tax liability will be overtaken by the parent company ČEZ, a. s.

Deferred Tax

Deferred tax is calculated on the basis of the liability method based on a balance sheet approach. Deferred tax is calculated from temporary differences between accounting measurement and measurement for the purposes of determining the income tax base. Deferred tax is determined using rates and laws that have been enacted by the end of the reporting period and are expected to apply when the deferred tax asset is realized, or the deferred tax liability is settled.

The Group applied a mandatory temporary exception for the calculation and disclosure of deferred tax from transactions in connection with the application of the international tax reform – OECD BEPS Pillar Two model rules.

A deferred tax asset or liability is not discounted. A deferred tax liability is recognized for all taxable temporary differences, except:
- where the deferred tax liability arises from initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by parent and it is probable that the temporary differences will not be realized in the foreseeable future.

Deferred tax asset is recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax asset is recognized to the extent that it is probable that sufficient taxable profit will be available in the future against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be claimed, except:
- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the reported profit after tax nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint-ventures, when it is probable, that the temporary differences will not be reversed and there will not be sufficient taxable profit against which the deductible temporary differences can be applied.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and, if necessary, the carrying amount of the deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

Deferred tax assets and liabilities of Group companies are not offset in the balance sheet.

If the current and deferred tax relate to items that are charged or credited directly to equity in the same or a different tax period, the tax is also recognized directly in equity.

Changes in the deferred tax due to a change in tax rates is recognized in profit or loss, except for items charged or credited directly to equity in the same or a different tax period, for which such a change is also recognized directly in equity.

The components of the income tax provision are as follows (in CZK thousands):

	2025	2024
Current income tax charge	(2,275,767)	(359,887)
Adjustments in respect of current income tax of previous periods	(10,521)	18,209
Deferred income taxes	(8,764)	(144,070)
Total	(2,295,052)	(485,748)

Management believes that it has adequately provided for tax liabilities in the accompanying financial statements. However, it cannot be ruled out that the relevant tax authorities may take a different view on issues allowing for different interpretations of the law, which could have an impact on the reported income.

The following table summarizes the differences between the income tax expense and accounting profit before taxes multiplied by the applicable tax rate (in CZK thousands):

	2025	2024
Income before income taxes	3,981,997	2,091,614
Statutory income tax rate in the Czech Republic	79%	21%
"Expected" income tax expense	(3,125,868)	(439,239)
Tax effect of:		
Adjustments in respect of current income tax of previous periods	(10,521)	18,209
Effect of different tax rate in other subsidiaries	394,374	–
Impact of different tax rate for calculation of deferred tax	130,563	–
Gain on disposal of subsidiaries	361,189	–
Income (expenses) taxed in previous period	(16,086)	(19,404)
Other already tax exempt or non-deductible items, net	(28,703)	(45,314)
Income taxes	(2,295,052)	(485,748)
Effective tax rate	58%	23%

Deferred income taxes at December 31, 2025 and 2024, consist of the following (in CZK thousands):

	2025	2024
Difference between financial statement value and tax value of net book value of fixed assets	136,283	18,559
Revaluation of financial instruments	11,573	–
Allowances	80,002	54,339
Provisions	153,208	183,686
Lease liabilities	185,770	122,903
Tax loss carry forwards	27,129	11,359
Other temporary differences	98,786	70,953
Unrecorded deferred tax asset	(26,856)	(369)
Total deferred tax assets	665,895	461,430
Difference between financial statement value and tax value of net book value of fixed assets	(789,686)	(401,553)
Revaluation of financial instruments	(78,917)	(21,927)
Right-of-use assets	(190,131)	(128,179)
Investment in finance lease	(28,528)	(21,224)
Other temporary differences	(60,562)	(64,510)
Total deferred tax liability	(1,147,824)	(637,393)
Total deferred tax assets (liability)	**(481,929)**	**(175,963)**
Reflected in the balance sheet as follows:		
Deferred tax assets	69,783	160,000
Deferred tax liability	(551,712)	(335,963)
Total deferred tax assets (liability)	**(481,929)**	**(175,963)**

Movements of deferred tax in balance sheet in 2025 and 2024 were as follows (in CZK thousands):

	2025	2024
Balance at January 1	(175,963)	(16,152)
Deferred tax recognized in profit or loss	(8,764)	(144,070)
Deferred tax recognized in other comprehensive income	(45,002)	2,639
Contribution from owners	(269,084)	–
Acquisition of subsidiaries	(12,722)	(20,475)
Disposal of subsidiaries	30,607	–
Currency translation differences	(1,001)	2,095
Balance at December 31	**(481,929)**	**(175,963)**

At December 31, 2025 and 2024, the aggregate amount of temporary differences associated with investments in subsidiaries, for which no deferred tax liability was recognized, amounted to CZK (1,669,263) thousand and CZK (179,987) thousand, respectively.

Tax effects relating to individual items of other comprehensive income (in CZK thousands):

	2025			2024		
	Before tax amount	Tax effect	Net of tax amount	Before tax amount	Tax effect	Net of tax amount
Change in fair value of cash flow hedges	584,122	(122,666)	461,456	(149,646)	29,849	(119,797)
Cash flow hedges reclassified to statement of income	(367,849)	77,248	(290,601)	125,982	(26,456)	99,526
Translation differences – subsidiaries	156	–	156	56	–	56
Translation differences – joint-ventures	–	–	–	4,703	–	4,703
Share on other equity movements of joint-ventures	–	–	–	(92)	–	(92)
Re-measurement gains (losses) on defined benefit plans	(1,984)	416	(1,568)	3,592	(754)	2,838
Total	214,445	(45,002)	169,443	(15,405)	2,639	(12,766)

29. Related Parties

The Group purchases from and sells to related parties products, goods and services in the ordinary course of business.

At December 31, 2025 and 2024, the receivables from related parties and payables to related parties are as follows (in CZK thousands):

	Receivables		Payables	
	2025	2024	2025	2024
AZ KLIMA SK, s.r.o.[1)]	55,964	29,959	3,159	3,535
ČEZ, a. s.	8,359,210	5,046,643	1,858,236	1,173,186
ČEZ Distribuce, a. s.	593,877	665,402	666,396	703,576
ČEZ OZ uzavřený investiční fond a.s.	–	–	905,140	–
ČEZ ICT Services, a. s.	16,393	–	13,713	15,956
ČEZ Prodej, a.s.	465,839	904,266	5,427,740	4,272,316
ČEZ Teplárenská, a.s.[2)]	–	155,976	–	105,533
GasNet, s.r.o.	165,015	176,956	255,621	235,475
MARTIA a.s.	24,369	518	11,498	257
Severočeské doly a.s.	14,029	2,690	1,160	1,171
ŠKODA PRAHA a.s.[3)]	83,866	35,573	5,112	25,629
Other	22,076	27,077	86,883	27,267
Total	9,800,638	7,045,060	9,234,658	6,563,901

[1)] The company name AZ KLIMA SK, s.r.o., was changed to ESCO Integra, s. r. o., in 2026.
[2)] The company is a subsidiary since 2025.
[3)] The company name ŠKODA PRAHA a.s. was changed to ENGINEERING PRAHA a.s. in 2026.

The following table provides the total amount of transactions, which have been entered into with related parties for 2025 and 2024 (in CZK thousands):

	Sales to related parties		Purchases from related parties	
	2025	2024	2025	2024
AZ KLIMA SK, s.r.o.[1)]	157,310	53,355	2,767	5,480
ČEZ, a. s.	5,942,305	5,449,836	35,049,828	41,064,518
ČEZ Distribuce, a. s.	9,747	22,465	242,895	279,389
ČEZ ICT Services, a. s.	688	666	105,644	77,641
ČEZ Prodej, a.s.	28,867	83,402	2,255,309	1,288,765
ČEZ Teplárenská, a.s.[2)]	–	392,255	–	343
Energetické centrum s.r.o.[2)]	–	377	–	92,644
Energotrans, a.s.	5,384	10,536	166,538	613
GasNet, s.r.o.	50,871	47,107	11,019	4,591
IVITAS, a.s.	628	50	14,244	17,507
LOMY MOŘINA spol. s r.o.	12,842	15,604	–	–
MARTIA a.s.	4,807	3,094	18,117	1,642
Severočeské doly a.s.	56,569	67,901	159	7
ŠKODA JS a.s.	49,620	47,001	–	–
ŠKODA PRAHA a.s.[3)]	196,486	46,883	717	386
ÚJV Řež, a. s.	47,583	53,671	15,504	15,074
Other	54,447	42,925	93,563	11,726
Total	6,618,154	6,337,128	37,976,304	42,860,326

[1)] The company name AZ KLIMA SK, s.r.o., was changed to ESCO Integra, s. r. o., in 2026.
[2)] The company is a subsidiary since 2025.
[3)] The company name ŠKODA PRAHA a.s. was changed to ENGINEERING PRAHA a.s. in 2026.

Interest and other financial income from related parties for 2025 and 2024 (in CZK thousands):

	Interest and other financial income	
	2025	2024
ČEZ, a. s.	447	590

Information about compensation of key management is included in Note 23.

30. Segment Information

The Group accounts for intersegment revenues and transfers as if the revenues or transfers were to third parties, that is, at current market prices or where the regulation applies at regulated prices.

In segment reporting, IFRS 16 is applied to external leases from the Group's perspective, but it is not applied to leases between individual operating segments, although in some cases the asset is leased to another segment internally.

The Group reports its results using two primary reportable operating segments:

- Commodity and commodity products – supply of electricity and gas to public administration, medium-sized companies and large enterprises and commodity services (emission rights, guarantees of origin, PPA contracts, etc.). The Commodity and commodity products segment includes part of the activities of ČEZ ESCO, a.s.
- Non-commodity (non-commodity services) – supply of services, in particular energy consultancy, operation and construction of lighting, manufacture and supply of HVAC equipment, direct construction of cogeneration units, installation of photovoltaic power plants, energy saving projects in the form of EPC, technical facility management services, measurement and control system services, design and implementation of clean rooms. The Non-commodity segment includes part of the activities of ČEZ ESCO, a.s., and all consolidated subsidiaries and joint ventures.

The segments are defined across the countries in which ČEZ ESCO Group operates. A segment is a product-determined part of ČEZ ESCO Group that is significantly differentiated in terms of its characteristics and output specifics.

The Group evaluates the performance of its segments based on EBITDA (Note 14). The Group also monitors and evaluates the results of individual segments according to the gross margin indicator, which is defined as follows (in CZK thousands):

	2025	2024
Revenues and other operating income	54,910,680	54,160,473
Gains and losses from commodity derivative trading	73,352	(62,653)
Purchase of electricity, gas, heat and other energies	(40,303,469)	(42,268,868)
Fuel and emission rights	(2,082,079)	(2,211,903)
Services	(4,028,267)	(3,835,080)
Material and supplies	(1,392,779)	(1,243,321)
Capitalization of expenses to the cost of assets and change in own inventories	340,847	124,955
Other[1)]	886,632	474,591
Gross margin	**8,404,917**	**5,138,194**

[1)] Other includes the exclusion of a portion of the value from the Services line item (e.g. repair and maintenance services) and the exclusion of a portion of the Materials line item relating to services and material costs that are of an overhead nature.

The following tables summarize segment information by operating segments for the years ended December 31, 2025 and 2024 (in CZK thousands):

Year 2025	Commodity and commodity products	Non-commodity	Combined	Elimination	Consolidated
Revenues and other operating income – other than intersegment	40,001,102	14,909,578	54,910,680	–	54,910,680
Revenues and other operating income – intersegment	2,124,567	–	2,124,567	(2,124,567)	–
Total revenues and other operating income	42,125,669	14,909,578	57,035,247	(2,124,567)	54,910,680
Thereof:					
Sales of electricity, gas and heat	41,768,334	7,633,244	49,401,578	(1,782,773)	47,618,805
Sales of services and other revenues	291,987	7,118,071	7,410,058	(341,792)	7,068,266
Other operating income	65,348	158,263	223,611	(2)	223,609
Revenues and other operating income, including result from commodity derivative trading	42,195,431	14,913,174	57,108,605	(2,124,573)	54,984,032
Total sales of electricity, including the result of electricity trading[1)]	32,768,662	1,148,535	33,917,197	(965,138)	32,952,059
Gross margin	3,556,312	4,951,963	8,508,275	(103,358)	8,404,917
EBITDA	2,945,129	1,536,733	4,481,862	(33,937)	4,447,925
Depreciation and amortization	(24,581)	(842,103)	(866,684)	–	(866,684)
Impairment of property, plant and equipment and intangible assets	–	14,239	14,239	–	14,239
Income (loss) before other income (expenses) and income taxes	2,920,518	802,529	3,723,047	(33,937)	3,689,110
Interest expense	(11,783)	(160,940)	(172,723)	–	(172,723)
Interest income	50,340	118,488	168,828	–	168,828
Income taxes	(1,058,879)	(1,236,173)	(2,295,052)	–	(2,295,052)
Net income	2,083,189	(339,468)	1,743,721	(56,776)	1,686,945
Identifiable assets	625,308	11,805,680	12,430,988	–	12,430,988
Unallocated assets					22,227,651
Total assets					34,658,639
Capital expenditure	2,317	2,463,441	2,465,758	(91,001)	2,374,757
Average number of employees	187	2,037	2,224	–	2,224

[1)] The item contains the line Total sales of electricity (Note 18) and the line Gain (loss) from electricity derivative trading (Note 19).

Year 2024	Commodity and commodity products	Non-commodity	Combined	Elimination	Consolidated
Revenues and other operating income – other than intersegment	43,857,759	10,302,714	54,160,473	–	54,160,473
Revenues and other operating income – intersegment	2,919,630	–	2,919,630	(2,919,630)	–
Total revenues and other operating income	46,777,389	10,302,714	57,080,103	(2,919,630)	54,160,473
Thereof:					
Sales of electricity, gas and heat	46,390,994	3,255,827	49,646,821	(2,696,920)	46,949,901
Sales of services and other revenues	304,282	6,975,210	7,279,492	(222,651)	7,056,841
Other operating income	82,113	71,677	153,790	(59)	153,731
Revenues and other operating income, including result from commodity derivative trading	46,710,588	10,306,862	57,017,450	(2,919,630)	54,097,820
Total sales of electricity, including the result of electricity trading[1)]	37,030,534	1,726,083	38,756,617	(1,679,179)	37,077,438
Gross margin	1,837,098	3,377,496	5,214,594	(76,400)	5,138,194
EBITDA	1,752,708	906,787	2,659,495	(1,252)	2,658,243
Depreciation and amortization	(23,527)	(573,998)	(597,525)	–	(597,525)
Impairment of property, plant and equipment and intangible assets	–	2,273	2,273	–	2,273
Income (loss) before other income (expenses) and income taxes	1,729,180	340,740	2,069,920	(1,252)	2,068,668
Interest expense	(20,771)	(116,496)	(137,267)	–	(137,267)
Interest income	54,694	103,693	158,387	–	158,387
Share of profit (loss) from joint-ventures	–	12,333	12,333	–	12,333
Income taxes	(384,477)	(101,271)	(485,748)	–	(485,748)
Net income	1,431,191	205,824	1,637,015	(31,149)	1,605,866
Identifiable assets	70,684	6,917,621	6,988,305	–	6,988,305
Unallocated assets					19,981,688
Total assets					26,969,993
Capital expenditure	1,412	754,899	756,311	(25,771)	730,540
Average number of employees	176	1,607	1,783	–	1,783

[1)] The item contains the line Total sales of electricity (Note 18) and the line Gain (loss) from electricity derivative trading (Note 19).

Prices in certain intersegment transactions are regulated by the Energy Regulatory Office.

The following table shows the split of revenues and other operating income by the location of the entity where the revenues are originated (in CZK thousands):

	2025	2024
Czech Republic	54,909,998	54,160,473
Poland	682	–
Total revenues and other operating income	54,910,680	54,160,473

The following table shows the split of property, plant and equipment by the location of entity which they belong to at December 31, 2025 and 2024 (in CZK thousands):

	2025	2024
Czech Republic	9,383,041	5,050,279
Poland	33,763	–
Total property, plant and equipment	9,416,804	5,050,279

31. Net Income per Share

	2025	2024
Numerator (CZK thousands)		
Basic and diluted:		
Net income attributable to equity holders of the parent	1,673,061	1,605,927
Denominator (shares)		
Basic:		
Weighted average shares outstanding	2,803	2,803
Dilutive effects	–	–
Diluted:		
Adjusted weighted average shares	2,803	2,803
Net income per share (ths. CZK per share)		
Basic	596.9	572.9
Diluted	596.9	572.9

32. Commitment and Contingencies

Investment Plans

Capital expenditures for the next five years as at December 31, 2025, are estimated as follows (in CZK millions):

2026	6,380
2027	5,894
2028	6,306
2029	3,931
2030	1,233
Total	23,744

The above-mentioned values do not include planned acquisitions of subsidiaries, associates and joint-ventures. The Group reviews regularly investment plan and actual capital expenditures may vary from the above estimates.

33. Events after the Balance Sheet Date

On January 1, 2026, based on an agreement concluded on December 2, 2025, the Group sold a part of its business comprising a heat supply system in the municipalities of Mělník and Horní Počaply to Energotrans, a.s. (a related party).

On April 23, 2026, the Board of Directors of parent company ČEZ, a. s., approved the proposal for the Optimization of the Ownership Structure and Governance of CEZ Group. This intention was subsequently discussed by the parent company's Supervisory Board on April 23, 2026, and its approval is subject to the competence of the general meeting of shareholders of ČEZ, a. s. The proposed Optimization of the Ownership Structure and Governance of CEZ Group consists of (a) a transfer of the so-called customer segment of CEZ Group to a company that will be controlled by ČEZ, a. s.; the transfer of the customer segment is now expected to be completed by the end of the first quarter of 2027, (b) a potential sale of a minority interest in a subsidiary of the customer segment and interests in other companies of the customer segment of CEZ Group. The customer segment mainly consists of companies in the existing Distribution and Sales segments and the Trading area. ČEZ ESCO Group is part of the so-called customer segment of CEZ Group. More information is available on the Company's website in section Regulatory announcements and in particular in the General Meetings section within the invitation to the General Meeting for this item on the General Meetings agenda. On June 1, 2026, the general meeting of shareholders of ČEZ, a. s., approved the Optimization of the Ownership Structure and Governance of CEZ Group.

These consolidated financial statements have been authorized for issue on June 16, 2026.



Kamil Čermák
Chairman of the Board of Directors
of ČEZ ESCO, a.s.



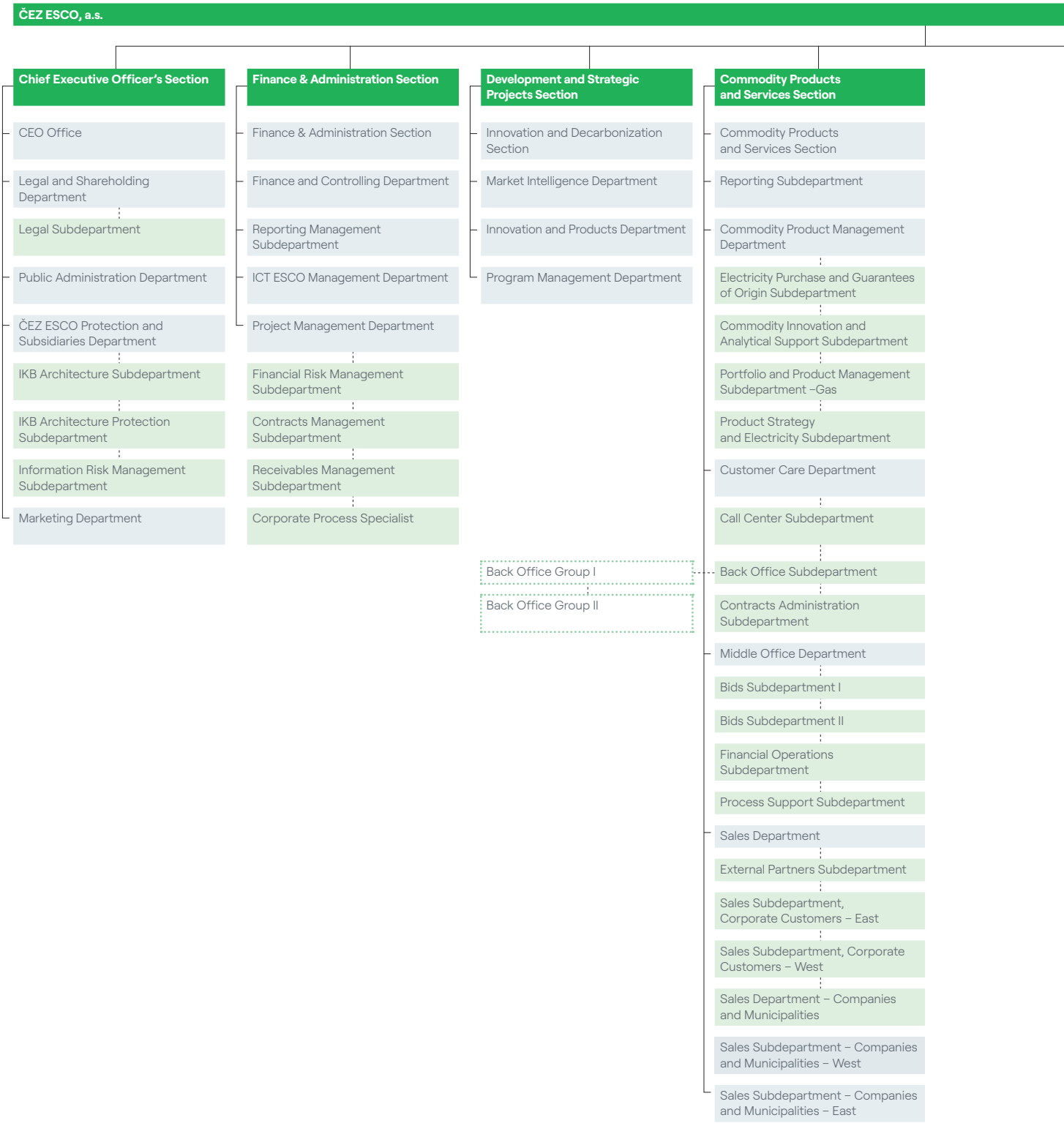
Radek Doubek
Vice-chairman of the Board of Directors
of ČEZ ESCO, a.s.

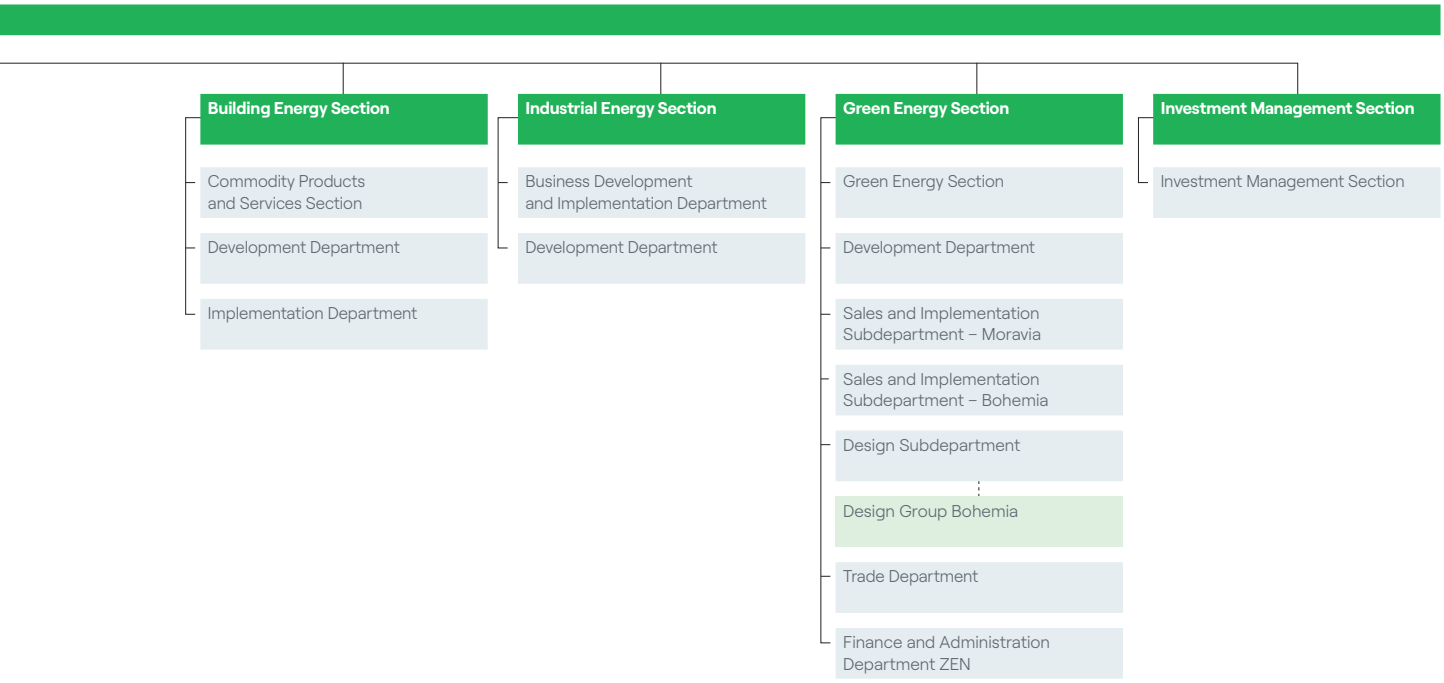
7. Other Information
Glossary of Terms and Abbreviations

Indicator	Calculation
Revenues	Revenues from the sale of finished products and services and revenues from goods sales
EBITDA	Earnings before interest, taxes, depreciation, and amortization
EBIT	Earnings before interest and taxes (profit or loss from operations)
Net income	After-tax income (profit or loss of the current period)
Net debt	Total debt less cash and cash equivalents and highly liquid financial assets
Investments	Acquisition of property, plant and equipment and intangible assets
Current ratio	Current assets excluding long-term receivables including accruals / current liabilities including short-term bank loans and advances, short-term provisions, and accruals

Abbreviation	Description
ČEZ ESCO, a.s.	In the Annual Report, "ČEZ ESCO, a.s." refers to a separate legal entity, the company ČEZ ESCO, a.s., with its registered office at Duhová 1444/2, Michle, 140 00 Prague 4, registered in the Commercial Register maintained by the Municipal Court in Prague, File No: B 20240
ČEZ ESCO	In the Annual Report, "ČEZ ESCO" refers to ČEZ ESCO, a.s., and its subsidiaries and companies under common control

Basic Organization Chart of the Company as at December 31, 2025




Building Energy Section
Commodity Products and Services Section
Development Department
Implementation Department
Industrial Energy Section
Business Development and Implementation Department
Development Department
Green Energy Section
Green Energy Section
Development Department
Sales and Implementation Subdepartment – Moravia
Sales and Implementation Subdepartment – Bohemia
Design Subdepartment
Design Group Bohemia
Trade Department
Finance and Administration Department ZEN
Investment Management Section
Investment Management Section

Identification of the Joint-stock Company ČEZ ESCO, a.s.

ČEZ ESCO, a.s.
Duhová 1444/2
140 00 Prague 4
Czech Republic

Registered in the Commercial Register maintained by the Municipal Court in Prague, File No. B 20240

Established: 2014
Legal form: Joint-stock company
Company Reg. No.: 035 92 880
LEI: 315700XUEW39P8AD7274
Bank details: KB Prague 1, acc. No.: 107-4645430217/0100
Phone: 221 043 320
Internet: www.cezesco.cz
E-mail: esco@cez.cz

Closing date of the 2025 Consolidated Annual Report: June 16, 2026

Designed, created, and produced by: © TOP Partners, 2026

Annex 1
Relation Structure Diagram for the Period
of January 1, 2025, to December 31, 2025

Annex 1 Relation Structure Diagram for the Period of January 1, 2025, to December 31, 2025

Name/Stake		ID Number	Country	Registered Office Address	
Czech Republic – Ministry of Finance		00006947	Czechia	Praha 1, Letenská 525/15, Malá Strana, postcode 118 10	
69.78% **ČEZ, a. s.**	●	45274649	Czechia	Praha 4, Duhová 2/1444, postcode 140 53	
100% **ČEZ Distribuce, a. s.**	●	24729035	Czechia	Děčín, Teplická 874/8, Děčín IV-Podmokly, postcode 405 02	
51% **Grid Design, s.r.o.**		19333650	Czechia	Praha 4, Vyskočilova 1461/2a, Michle, postcode 140 00	
100% **ČEZ Energetické produkty, s.r.o.**	●	28255933	Czechia	Hostivice, Komenského 534, postcode 253 01	
100% **In PROJEKT LOUNY ENGINEERING s.r.o.**	●	44569688	Czechia	Louny, Na Valích 899, postcode 440 01	
100% **1. Opravárenská společnost, s.r.o.**		47306891	Czechia	Kadaň, Tušimice 13, postcode 432 01	
100% **ČEZ ENERGOSERVIS spol. s r.o.**	●	60693901	Czechia	Třebíč, Bráfova tř. 1371/16, Horka-Domky, postcode 674 01	
100% **SALLEKO, spol. s r.o.**		46990020	Czechia	Třebíč, Cyrilometodějská 32/15, Nové Dvory, postcode 674 01	
company dissolved by merger with ČEZ ENERGOSERVIS spol. s r.o. on July 1, 2025					
100% **ČEZ ESCO, a. s.**	●	03592880	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
100% **ČEZ ESL, s.r.o.**	●	27804721	Czechia	Ostrava, Výstavní 1144/103, Vítkovice, postcode 703 00	
100% **HA.EM OSTRAVA, s.r.o.**	●	47972033	Czechia	Ostrava, Výstavní 1144/103, Vítkovice, postcode 703 00	
registered office changed on March 12, 2025 (formerly Ostrava, Na Jízdárně 2767/21a, Moravská Ostrava, postcode 702 00)					
100% **IVITAS, a.s.**		25357255	Czechia	Ostrava, Ruská 83/24, Vítkovice, postcode 703 00	
100% **ELPRO – DELICIA, a.s.**		61672637	Czechia	Příbram, Strakonická 174, Příbram V-Zdaboř, postcode 261 01	
company acquired on October 1, 2025					
100% **ČEZ Energo, s.r.o.**	●	29060109	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00	
100% **ČEZ Energo Polska Sp. z o.o.**		000109732	Poland	Warszawa, Spokojna 5, postcode 01-044	
registered office changed on December 18, 2025 (formerly Warszawa, Aleje Jerozolimskie 63, postcode 00-697)					
100% **Solární servis, s.r.o.**		27282074	Czechia	Praha 4, U plynárny 1388/18, Michle, postcode 140 00	
100% **ENESA a.s.**	●	27382052	Czechia	Praha 9, Českomoravská 2532/19b, Libeň, postcode 190 00	
100% **AZ KLIMA a.s.**	●	24772631	Czechia	Brno, Tuřanka 1519/115a, Slatina, postcode 627 00	
12% **ŠKO-ENERGO, s.r.o.**		61675938	Czechia	Mladá Boleslav, tř. Václava Klementa 869, Mladá Boleslav II, postcode 293 01	
100% **AirPlus, spol. s r.o.**	●	25441931	Czechia	Modřany, č.ev. 22, postcode 417 13	
100% **HORMEN CZ a.s.**		27154742	Czechia	Brno, Valchařská 24/36, Husovice, postcode 614 00	
registered office changed on March 10, 2025 (formerly Praha 5, Moulíkova 3286/1b, Smíchov, postcode 150 00)					
100% **HORMEN SK s. r. o.**		44021470	Slovakia	Bratislava, Hattalova 12, postcode 831 03	
100% **Domat Control System s.r.o.**	●	27189465	Czechia	Pardubice, U Panasonicu 376, Staré Čívice, postcode 530 06	
100% **Domat Control System s. r. o.**		44570473	Slovakia	Bratislava, Pri Smaltovni 4, Petržalka, postcode 851 01	
100% **TECHSYS – HW a SW, a.s.**		43005250	Czechia	Praha 8, Březinova 640/3a, Karlín, postcode 186 00	
company acquired on December 23, 2025					
100% **KART, spol. s r.o.**	●	45791023	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
51% **ENVEZ, a. s.**		07334214	Czechia	Havířov, Svornosti 86/2, Město, postcode 736 01	
100% **EP Rožnov, a.s.**	●	45193631	Czechia	Rožnov pod Radhoštěm, Boženy Němcové 1720, postcode 756 61	
100% **EPIGON spol. s r.o.**		18051081	Czechia	Rožnov pod Radhoštěm, 1. máje 2632, postcode 756 61	
100% **PIPE SYSTEMS s.r.o.**		25887815	Czechia	Rožnov pod Radhoštěm, Tvarůžkova 2740, postcode 756 61	
company dissolved by merger with EPIGON spol. s r.o. on January 1, 2025					
100% **ELEKTROPROJEKTA SLOVAKIA, s.r.o.**		36230804	Slovakia	Plešivec, Vajanského 58, postcode 921 01	
100% **Green Energy Capital, a.s.**		14043505	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00	
100% **CAPEXUS s.r.o.**		24131326	Czechia	Praha 5, Moulíkova 3286/1b, Smíchov, postcode 150 00	
100% **EL-ENG s.r.o.**		27693554	Czechia	Holešov, Palackého 859/78, postcode 769 01	
100% **EL-ENG RO SRL**		18905126	Romania	Cristian, Str. Postăvarului, nr. 2BIS, jud. Brașov, postcode 507055	
100% **ČEZ Teplárenská, a.s.**	●	27309941	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
100% of the company's equity stake transferred in the form of a non-monetary contribution to equity outside the stated capital from ČEZ, a. s., to ČEZ ESCO, a.s., as at January 2, 2025					
100% **Energetické centrum s.r.o.**	●	26051818	Czechia	Jindřichův Hradec, Otín 3, postcode 377 01	
55.83% **Tepelné hospodářství města Ústí nad Labem s.r.o.**		49101684	Czechia	Ústí nad Labem, Malátova 2437/11, Ústí nad Labem-centrum, postcode 400 11	
100% **Distribuce Ostrava s.r.o.**		03904984	Czechia	Praha 8, Sokolovská 675/9, Karlín, postcode 186 00	
company established and the whole stake transferred to a person outside the business group controlled by the Czech Republic – Ministry of Finance on November 1, 2025					
80.55% **UJV Řež, a. s.**		46356088	Czechia	Husinec, Hlavní 130, Řež, postcode 250 68	
stake increased by 19.70% on May 29, 2025 (formerly 69.85%)					
100% **ŠKODA PRAHA a.s.**		00128201	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
100% **Výzkumný a zkušební ústav Plzeň s.r.o.**		47718684	Czechia	Plzeň, Tylova 1581/46, Jižní Předměstí, postcode 301 00	
100% **Centrum výzkumu Řež s.r.o.**		26722445	Czechia	Husinec, Hlavní 130, Řež, postcode 250 68	
100% **Centrum výzkumu Řež Innovations s.r.o.**		21698210	Czechia	Husinec, Hlavní 130, Řež, postcode 250 68	
100% **RadioMedic s.r.o.**		25389638	Czechia	Husinec, Řež 289, postcode 250 68	
100% **ENERGOPROJEKT PRAHA a.s.**		22657649	Czechia	Praha 8, Na žertvách 2247/29, Libeň, postcode 180 00	
company established on March 5, 2025					
100% **NQ-Safe s.r.o.**		23768878	Czechia	Praha 8, Na žertvách 2247/29, Libeň, postcode 180 00	
company established on September 25, 2025					
100% **Ústav aplikované mechaniky Brno, s.r.o.**	●	60715871	Czechia	Brno, Resslova 972/3, Veveří, postcode 602 00	
100% **ČEZ Invest Slovensko, a.s.**	●	28861736	Czechia	Praha 4, Duhová 2/1444, postcode 140 53	
50% **ESCO Slovensko, a. s.**		52963659	Slovakia	Bratislava, Tomášikova 28C, Ružinov, postcode 821 01	
100% **ESCO Distribučné ústavy a.s.**		47474238	Slovakia	Trnava, Františkánska 4, postcode 917 01	
100% **AZ KLIMA SK, s.r.o.**		35796944	Slovakia	Bratislava, Tomášikova 28C, Ružinov, postcode 821 01	
55% **SPRAVBYTKOMFORT, a.s. Prešov**		31718523	Slovakia	Prešov, Volgogradská 88, postcode 080 01	
100% **ESCO Servis, s. r. o.**		31706053	Slovakia	Prešov, Volgogradská 88, postcode 080 01	
100% **CAPEXUS SK s. r. o.**		35937190	Slovakia	Bratislava, Karadžičova 14, Ružinov, postcode 821 08	
100% **ELIMER, a.s.**		36306941	Slovakia	Nové Mesto nad Váhom, Srnianska 19, postcode 915 01	
57.72% **BIOPEL, a. s.**		46823492	Slovakia	Kysucký Lieskovec, Kysucký Lieskovec 847, postcode 023 34	
100% **ČEZ ICT Services, a. s.**	●	26410481	Czechia	Praha 4, Duhová 1531/3, postcode 140 53	
100% **Telco Pro Services, a. s.**	●	29148278	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00	
100% **Telco Infrastructure, s.r.o.**	●	08425817	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00	
100% **ČEZNET s.r.o.**		26378191	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00	
85% **Magnalink, a.s.**		27547469	Czechia	Hradec Králové, Pražská třída 485/3, Kukleny, postcode 500 04	
100% **INTERNEXT 2000, s.r.o.**		25352288	Czechia	Vsetín, Palackého 166, postcode 755 01	
company dissolved by division, spin-off, and merger with ČEZNET s.r.o. and Telco Infrastructure, s.r.o., on October 1, 2025					
100% **Optické sítě s.r.o.**		29460212	Czechia	Valašské Meziříčí, Zašovská 778, Krásno nad Bečvou, postcode 757 01	
company dissolved by division, spin-off, and merger with ČEZNET s.r.o. and Telco Infrastructure, s.r.o., on October 1, 2025					
100% **KABELOVÁ TELEVIZE CZ s.r.o.**		48150029	Czechia	Praha 10, Ruská 8, postcode 101 00	
company dissolved by division, spin-off, and merger with ČEZNET s.r.o. and Telco Infrastructure, s.r.o., on October 1, 2025					
100% **WMS s.r.o.**		48289957	Czechia	Most, Moskevská 14, postcode 434 01	
company dissolved by division, spin-off, and merger with ČEZNET s.r.o. and Telco Infrastructure, s.r.o., on October 1, 2025					
100% **EDERA Group a.s.**		27461254	Czechia	Pardubice, Arnošta z Pardubic 2789, Zelené Předměstí, postcode 530 02	
100% **Metropolitní a.s.**		48172481	Czechia	Havlíčkův Brod, Dobrovského 2366, postcode 580 01	
100% **ČEZ Obnovitelné zdroje, s.r.o.**	●	25938924	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
100% **PV Design and Build s.r.o.**		13955454	Czechia	Praha 9, Ocelářská 1354/35, Libeň, postcode 190 00	
51% **ENERG-SERVIS a.s.**		25551132	Czechia	Brno, Přílop 843/4, Zábrdovice, postcode 602 00	
stake acquired on February 4, 2025					
99.57% **ČEZ OZ uzavřený investiční fond a.s.**		24135580	Czechia	Praha 4, Duhová 1444/2, postcode 140 53	0.39%
100% **ČEZ Prodej, a.s.**	●	27232433	Czechia	Praha 4, Duhová 1425, postcode 140 53	
100% **TENAUR, s.r.o.**	●	26349451	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00	
100% **MARTIA a.s.**	●	25006754	Czechia	Ústí nad Labem, Mezní 2854/4, Severní Terasa, postcode 400 11	
100% **Elektrárna Temelín II, a. s.**	●	04669134	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
100% **Energotrans, a.s.**	●	47115726	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
100% **Areál Třeboradice, a.s.**	●	29132282	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
100% **Prven Capital, SICAV, a.s.**		02059533	Czechia	Praha 4, Pod kříženi 1773/2, Braník, postcode 147 00	
these are founder's shares as defined in Sec. 158 et seq. of Act No. 240/2013 Sb., on investment companies and investment funds, as amended					
51.05% **LOMY MOŘINA spol. s r.o.**		61465569	Czechia	Mořina, č.p. 73, postcode 267 17	
100% **OSC, a.s.**	●	60714794	Czechia	Brno, Staňkova 557/18a, Ponava, postcode 602 00	
100% **Severočeské doly a.s.**	●	49901982	Czechia	Chomutov, Boženy Němcové 5359, postcode 430 01	
100% **PRODECO, a.s.**	●	25020790	Czechia	Bílina, Důlní 437, Mostecké Předměstí, postcode 418 01	
100% **Revitrans, a.s.**	●	25028197	Czechia	Bílina, Důlní čp. 429, postcode 418 01	
100% **SD - Kolejová doprava, a.s.**	●	25438107	Czechia	Kadaň, Tušimice 7, postcode 432 01	
40% **South Bohemian Nuclear Park, s.r.o.**		17641349	Czechia	České Budějovice, U Zimního stadionu 1952/2, České Budějovice 7, postcode 370 01	20%
registered office changed on January 3, 2025 (formerly České Budějovice, Lipová 1789/9, České Budějovice 2, postcode 370 05)					
100% **ŠKODA JS a.s.**		25235753	Czechia	Plzeň, Orlík 266/15, Bolevec, postcode 316 00	
100% **MOVYKO JE s.r.o.**		29150574	Czechia	Praha 4, Michelská 1552/58, Michle, postcode 140 00	
company acquired on June 25, 2025					
100% **Nuclear Property Services, s.r.o.**		27135471	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00	
100% **FVE Mydlovary, s.r.o.**		21518963	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00	
100% **ČEZ PV 3 Wind s.r.o.**		28502491	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	
100% **ČEZ Trade, a.s.**		22207660	Czechia	Praha 4, Duhová 1531/3, Michle, postcode 140 00	

- Czech Republic – Ministry of Finance of the Czech Republic
- Subsidiaries of the Ministry of Finance of the Czech Republic (ČEZ, a. s.)
- Subsidiaries of ČEZ, a. s.
- Sub-subsidiaries of ČEZ, a. s.
- Sub-sub-subsidiaries of ČEZ, a. s.
- Sub-sub-sub-subsidiaries of ČEZ, a. s.

● CEZ Concern member
Dissolved/sold company

Name/Stake		ID Number	Country	Registered Office Address	
Czech Republic – Ministry of Finance		00006947	Czechia	Praha 1, Letenská 525/15, Malá Strana, postcode 118 10	
69.78% **ČEZ, a. s.**	●	45274649	Czechia	Praha 4, Duhová 2/1444, postcode 140 53	
79.98% **Elektrárna Dukovany II, a. s.**		04669207	Czechia	Praha 4, Duhová 1444/2, Michle, postcode 140 00	20.02%
on May 5, 2025, a 79.98% equity stake of ČEZ, a. s., was transferred to the Czech Republic – Ministry of Industry and Trade ("MIT"), and immediately after that from the MIT to the Czech Republic – Ministry of Finance; on May 5, 2025, the company ceased to be a company controlled by ČEZ, a. s., and a member of CEZ Concern					
100% **CEPRO, a.s.**		60193531	Czechia	Praha 7, Dělnická 213/12, Holešovice, postcode 170 00	
100% **Česká exportní banka, a.s.**		63078333	Czechia	Praha 1, Vodičkova 34 č.p. 701, postcode 111 21	
as a result of purchase of a 16% equity stake formerly owned by Exportní garanční a pojišťovací společnost, a.s., by Česká exportní banka, a.s., itself, the shareholders of Česká exportní banka, a.s., became the company itself and the Czech Republic – Ministry of Finance as of March 31, 2025, as of September 1, 2025, the sole shareholder is the Czech Republic – Ministry of Finance as a result of a reduction of the stated capital through the cancellation of shares owned by Česká exportní banka, a.s.					
100% **Letiště Praha, a. s.**		28244532	Czechia	Praha 6, K letišti 1019/6, Ruzyně, postcode 161 00	
100% **Prague Airport City, a.s.**		24253006	Czechia	Praha 6, Jana Kašpara 1069/1, Ruzyně, postcode 161 00	
company renamed on October 1, 2025 (formerly B. aircraft, a.s.)					
100% **Czech Airlines Handling, a.s.**		25674285	Czechia	Praha 6, K letišti 1040/10, Ruzyně, postcode 161 00	
100% **Czech Airlines Technics, a.s.**		27145573	Czechia	Praha 6, Jana Kašpara 1069/1, Ruzyně, postcode 161 00	
100% **AEROTECH, s.r.o.**		27088014	Czechia	Praha 6, Do rokli 49, Přední Kopanina, postcode 164 00	
company acquired on June 2, 2025, registered office changed on July 9, 2025 (formerly Praha 6, Jana Kašpara 1069/1, Ruzyně, postcode 161 00)					
100% **Prague Airport Media, a.s.**		09745599	Czechia	Praha 6, K letišti 1019/6, Ruzyně, postcode 161 00	
company renamed on December 11, 2025 (formerly Prague Airport Real Estate, s.r.o.)					
100% **Exportní garanční a pojišťovací společnost, a.s.**		45279314	Czechia	Praha 1, Vodičkova 34/701, postcode 111 21	
100% **GALILEO, k. s. v likvidaci**		26175291	Czechia	Praha 4, Starochodovská 65, Chodov, postcode 149 00	
general partner is IMOB a.s. v likvidaci; registered office changed on August 30, 2025 (formerly Praha 8, Thámova 181/20, postcode 186 00)					
96.85% **HOLDING KLADNO a.s."v likvidaci"**		45144419	Czechia	Kladno, Cyrila Boudy 1444, Kročehlavy, postcode 272 01	
100% **IMOB a.s. v likvidaci**		60197901	Czechia	Praha 4, Starochodovská 65, Chodov, postcode 149 00	
registered office changed on August 30, 2025 (formerly Praha 8, Thámova 181/20, Karlín, postcode 186 00)					
100% **SLOVIM s.r.o. v likvidaci**		08207763	Czechia	Praha 4, Starochodovská 65, Chodov, postcode 149 00	
registered office changed on August 30, 2025 (formerly Praha 8, Thámova 181/20, Karlín, postcode 186 00)					
54.35% **Kongresové centrum Praha, a.s.**		63080249	Czechia	Praha 4, 5. května 1640/65, Nusle, postcode 140 00	
entire stake transferred to a person outside the business group controlled by the Czech Republic – Ministry of Finance on August 26, 2025					
100% **MERO ČR, a.s.**		60193468	Czechia	Kralupy nad Vltavou, Veltruská 748, postcode 278 01	
100% **MERO Germany GmbH**		152122768	Germany	Vohburg an der Donau, MERO – Weg 1, postcode 850 88	
49% **MUTIS a.s. / likvidaci**		60196696	Czechia	Praha 3, Přemyslovská 2845/43, Žižkov, postcode 130 00	49%
liquidation initiated on December 1, 2025					
100% **PRISKO a.s.**		46355901	Czechia	Praha 8, Thámova 181/20, Karlín, postcode 186 00	
100% **OKD, a.s.**		05979277	Czechia	Stonava, č.p. 1077, postcode 735 34	
100% **OKD, HBZS, a.s.**		47676079	Czechia	Stonava, č.p. 1077, postcode 735 34	
100% **THERMAL-F, a.s.**		25401726	Czechia	Karlovy Vary, I. P. Pavlova 2001/11, postcode 360 01	
100% **VZLU AEROSPACE, a.s.**		00010669	Czechia	Praha 9, Beranových 130, Letňany, postcode 199 00	
company renamed on January 1, 2025 (formerly Výzkumný a zkušební letecký ústav, a.s.)					
100% **SERENUM, a.s.**		01438875	Czechia	Brno, Jana Babáka 2733/11, Královo Pole, postcode 612 00	
100% **HIGHPEX, a.s.**		29146241	Czechia	Praha 9, Beranových 130, Letňany, postcode 199 00	
100% **TESTION, a.s.**		04521820	Czechia	Praha 9, Beranových 130, Letňany, postcode 199 00	
100% **VESPER SPACE Inc.**		30-1428691	USA	Sarasota, 2198 Main Street, Florida, postcode 34237	
100% **Národní rozvojová banka, a.s.**		44848943	Czechia	Praha 3, Přemyslovská 2845/43, Žižkov, postcode 130 00	
gratuitous transfer of shares currently held by the MIT and the Czech Republic – Ministry of Regional Development to the Czech Republic – Ministry of Finance on August 29, 2025					
100% **Národní rozvojová investiční, a.s., osoba rizikového kapitálu**		08465797	Czechia	Praha 3, Přemyslovská 2845/43, Žižkov, postcode 130 00	
100% **Národní rozvojový fond a.s., v likvidaci**		09829482	Czechia	Praha 3, Přemyslovská 2845/43, Žižkov, postcode 130 00	
liquidation initiated on August 1, 2025					

- Czech Republic – Ministry of Finance of the Czech Republic
- Subsidiaries of the Ministry of Finance of the Czech Republic (ČEZ, a. s.)
- Sub-subsidiaries of the Ministry of Finance of the Czech Republic
- Sub-sub-subsidiaries of the Ministry of Finance of the Czech Republic

● CEZ Concern member
Dissolved/sold company

Continues on the next page.

Annex 1 Relation Structure Diagram for the Period of January 1, 2025, to December 31, 2025

